

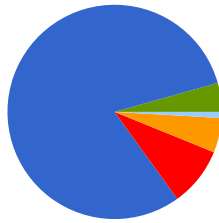
Portfolio Snapshot

John Q. Smith
Sample Portfolio

Portfolio Value \$1,139,524.63
Benchmark Standard & Poor's 500 PR

Analysis

Composition %	Portfolio	Bmark
Cash	4.37	0.00
US Stocks	80.58	100.00
Non-US Stocks	8.91	0.00
Bonds	5.23	0.00
Others	0.91	0.00
Not Classified	0.00	0.00



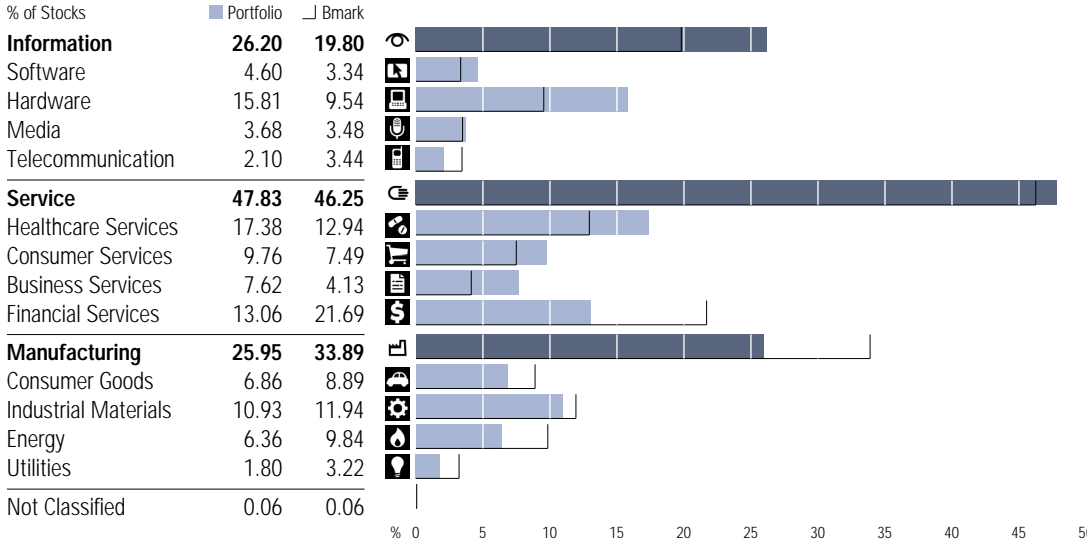
Current Investment Style %

Style			Large Size
Value	Core	Growth	
12	18	38	Medium
5	8	12	
2	2	3	Small

Fixed-Income Investment Style %

Maturity			High Quality
Short	Interm	Long	
100	0	0	Medium
0	0	0	
0	0	0	Low

Sector Weightings



Regional Exposure

% of Assets	Portfolio	Bmark
Americas	82.42	100.00
North America	81.85	100.00
Latin America	0.57	0.00
Greater Europe	4.79	0.00
United Kingdom	0.88	0.00
Europe-Developed	3.18	0.00
Europe-Emerging	0.18	0.00
Africa/Middle East	0.55	0.00
Greater Asia	2.26	0.00
Japan	0.48	0.00
Australasia	0.06	0.00
Asia-Developed	0.82	0.00
Asia-Emerging	0.89	0.00
Not Classified	10.53	0.00

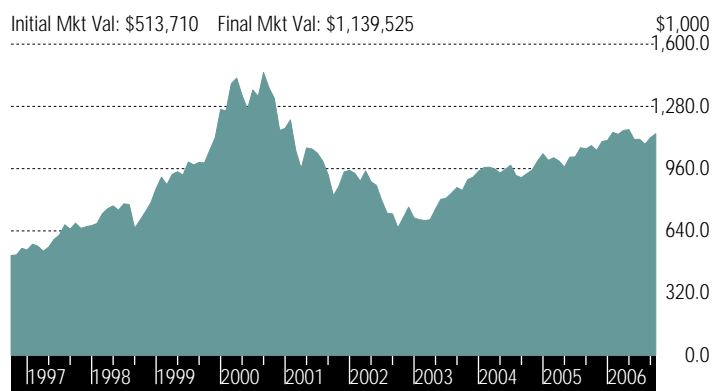
Performance

Trailing Returns	Returns % Through 09-30-2006				
	3Mo	1Yr	3Yr	5Yr	10Yr
Pre-Tax Portfolio Return	2.55	5.67	10.36	6.79	8.29
Benchmark Return	5.17	8.71	10.28	5.12	6.87
+/- Benchmark Return	-2.62	-3.04	0.08	1.67	1.42

Best/Worst Time Periods

	3Months	Return%	1 Year	Return%	3 Years	Return%
Best	10-99/12-99	27.81	03-99/02-00	59.23	04-97/03-00	38.63
Worst	07-01/09-01	-21.06	10-00/09-01	-40.37	04-00/03-03	-21.20

Investment Activity Graph



Holdings

Top 5 holdings out of 22

Type	Holding Value \$	% Assets
MF	147,143.91	12.91
MF	97,294.01	8.54
ETF	96,785.72	8.49
MF	74,917.67	6.57
ETF	73,213.25	6.42

Next 5 holdings out of 22

Type	Holding Value \$	% Assets
MF	64,507.04	5.66
MF	48,934.61	4.29
MF	48,926.63	4.29
MF	48,832.68	4.29
MF	48,820.06	4.28

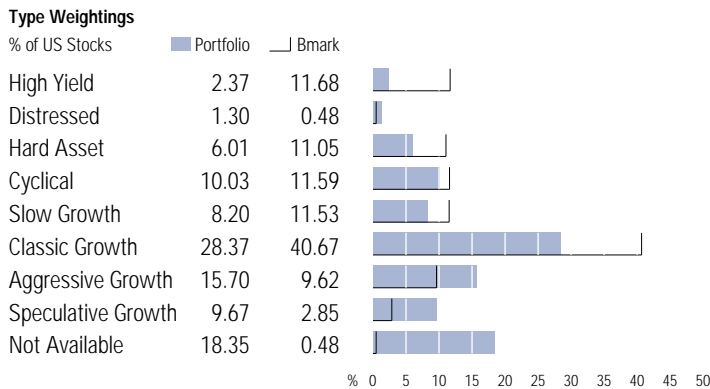
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Fundamental Analysis

Market Maturity		Geometric Avg Capitalization (\$Mil)		Valuation Multiples		Interest Rate Risk	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark	Portfolio
% of Stocks			20,398.49	16.39	20.38	16.39	—
Developed Markets	98.37	100.00	49,411.67	2.72	3.30	2.72	—
Emerging Markets	1.63	0.00		1.47	1.87	1.47	0.40
Not Available	0.01	0.00		10.76	13.23	10.76	—



Profitability

	Portfolio	Bmark
% of US Stocks	2005	2005
Net Margin	13.11	14.06
ROE	18.40	19.61
ROA	9.49	10.77
Debt/Capital	29.46	29.51

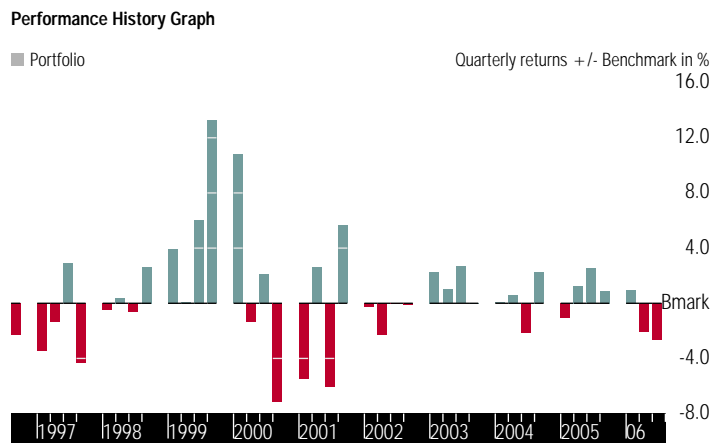
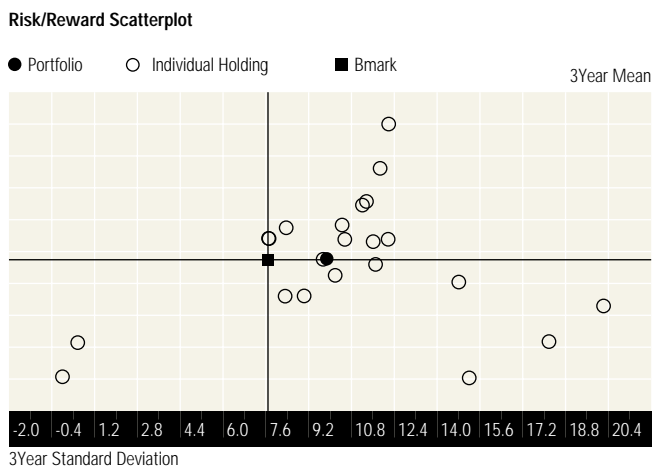
Credit Quality

% of Bonds	Portfolio	Benchmark
AAA	49.69	3.97
AA	12.71	0.31
A	15.25	0.16
BBB	17.91	0.00
BB		
B		
Below B		
NR/NA		

Fund Statistics

Potential Cap Gains Exposure	-38.85
Avg Net Expense Ratio	0.80
Avg Gross Expense Ratio	0.82

Risk Analysis



Risk and Return Statistics

	3Yr		5Yr		10Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	9.88	7.68	14.56	12.71	18.52	15.48
Mean	10.36	10.28	6.79	5.12	8.29	6.87
Sharpe Ratio	0.76	0.94	0.36	0.27	0.33	0.27

MPT Statistics

	3Yr	5Yr	10Yr
	Portfolio	Portfolio	Portfolio
Alpha	-1.20	1.48	1.52
Beta	1.20	1.10	1.08
R-squared	87	91	81

Portfolio SnapshotJohn Q. Smith
Sample Portfolio**Portfolio Value** \$1,139,524.63
Benchmark Standard & Poor's 500 PR**Non-Load Adjusted Returns**

Total 22 holdings as of 09-30-2006	Type	Holdings Date	% of Assets	Holding Value \$	7-day Yield	1Yr Ret %	3Yr Ret %	5Yr Ret %	10Yr Ret %	Max Front Load %	Max Back Load %
Janus	MF	08-2006	12.91	147,143	—	6.72	8.91	4.36	5.85	NA	NA
Vanguard Tot Stk	MF	06-2006	8.54	97,294	—	10.25	13.09	8.45	8.56	NA	NA
NASDAQ 100 Trust Shares	ETF	08-2006	8.49	96,785	—	3.26	8.31	7.28	—	NA	NA
WF Adv Ultra S/T Inc Inv SPDRs	MF	08-2006	6.57	74,917	—	4.08	3.00	2.38	4.12	NA	NA
	ETF	08-2006	6.42	73,213	—	10.54	12.15	6.83	8.49	NA	NA
Janus Growth & Income	MF	08-2006	5.66	64,507	—	4.90	13.33	6.82	10.80	NA	NA
Fidelity Capital Apprec	MF	07-2006	4.29	48,934	—	8.06	11.87	11.77	9.94	NA	NA
White Oak Select Growth	MF	06-2006	4.29	48,926	—	-5.48	-0.10	-0.24	3.57	NA	NA
Fidelity Blue Chip Grth	MF	07-2006	4.29	48,832	—	4.18	7.08	3.42	5.81	NA	NA
Pin Oak Aggressive Stock	MF	06-2006	4.28	48,820	—	-7.24	6.22	1.90	1.37	NA	NA
Fidelity Focused Stock	MF	07-2006	4.28	48,781	—	2.38	15.08	3.02	—	NA	NA
Fidelity Fifty	MF	06-2006	4.25	48,485	—	7.76	9.87	8.74	10.83	NA	NA
Fidelity Growth Company	MF	05-2006	4.25	48,476	—	7.17	12.08	8.21	9.01	NA	NA
Janus Global Life Sci	MF	08-2006	3.89	44,274	—	1.41	12.07	4.05	—	NA	NA
Hartford Mid Val C	MF	06-2006	3.84	43,722	—	11.36	15.40	14.23	—	NA	1.00
Janus Contrarian	MF	08-2006	3.00	34,146	—	13.55	22.20	16.64	—	NA	NA
Evergreen Special Val C	MF	06-2006	2.97	33,819	—	11.78	18.31	15.37	—	NA	1.00
Red Oak Technology Slct	MF	06-2006	2.14	24,402	—	-1.36	3.09	0.34	—	NA	NA
Cash	NS	—	1.76	20,000	—	—	—	—	—	NA	NA
Janus Worldwide	MF	08-2006	1.72	19,624	—	10.12	10.32	4.25	6.13	NA	NA
Vanguard 500 Index	MF	06-2006	1.28	14,629	—	10.63	12.14	6.85	8.51	NA	NA
MFS Mass Inv Grth Stk C	MF	07-2006	0.86	9,785	—	4.03	7.10	2.66	—	NA	1.00

Performance Disclosure

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please visit <http://advisor.morningstar.com/familyinfo.asp>.

See Disclosure Page for Standardized Returns.

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Disclosure for Standardized and Tax Adjusted Returns

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit <http://advisor.morningstar.com/familyinfo.asp>

An investment in a money-market vehicle is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation reflects the current earnings of the money market more closely than the total return quotation. Although money markets seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

Standardized Returns assume reinvestment of dividends and capital gains. It depicts performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses. If adjusted for taxation, the performance quoted would be significantly reduced. For variable

annuities, additional expenses will be taken in account, including M&E risk charges, fund-level expenses such as management fees and operating fees, and contract-level administration fees, charges such as surrender, contract and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after tax returns depend on the investor's tax situation and may differ from those shown. The after tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution is as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before tax returns. After-tax returns for exchange-traded funds are based on net asset value.

Annualized returns 09-30-2006

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
Evergreen Special Val C	--	10.79	15.37	--	14.67	12-12-2000	NA	1.00	2.07	2.12
Fidelity Blue Chip Grth	--	4.18	3.42	5.81	11.91	12-31-1987	NA	NA	0.63	0.63
Fidelity Capital Apprec	--	8.06	11.77	9.94	12.17	11-26-1986	NA	NA	0.94	0.94
Fidelity Fifty	--	7.76	8.74	10.83	11.91	09-17-1993	NA	NA	0.79	0.79
Fidelity Focused Stock	--	2.38	3.02	--	5.01	11-12-1996	NA	NA	1.00	1.01
Fidelity Growth Company	--	7.17	8.21	9.01	14.01	01-17-1983	NA	NA	0.94	0.96
Hartford Mid Val C	--	10.36	14.23	--	9.20	05-01-2001	NA	1.00	2.15	2.19
Janus	--	6.72	4.36	5.85	13.70	02-05-1970	NA	NA	0.88	0.88
Janus Contrarian	--	13.56	16.64	--	8.92	02-29-2000	NA	NA	0.93	0.93
Janus Global Life Sci	--	1.41	4.06	--	9.47	12-31-1998	NA	NA	0.97	0.97
Janus Growth & Income	--	4.90	6.82	10.80	13.12	05-15-1991	NA	NA	0.88	0.88
Janus Worldwide	--	10.12	4.25	6.13	10.78	05-15-1991	NA	NA	0.85	0.85
MFS Mass Inv Grth Stk C	--	3.03	2.66	--	3.35	11-03-1997	NA	1.00	1.59	1.59
Pin Oak Aggressive Stock	--	-7.24	1.90	1.37	5.24	08-03-1992	NA	NA	1.15	1.22
Red Oak Technology Slct	--	-1.36	0.34	--	-5.33	12-31-1998	NA	NA	1.15	1.27
Vanguard 500 Index	--	10.63	6.85	8.51	12.10	08-31-1976	NA	NA	0.18	0.18
Vanguard Tot Stk	--	10.25	8.45	8.57	10.57	04-27-1992	NA	NA	0.19	0.19
WF Adv Ultra S/T Inc Inv	--	4.08	2.38	4.12	5.69	11-25-1988	NA	NA	0.61	0.65
White Oak Select Growth	--	-5.48	-0.24	3.57	8.40	08-03-1992	NA	NA	1.07	1.14
NASDAQ 100 Trust Shares-NAV	--	3.24	7.63	--	-2.77	03-10-1999	NA	NA	NA	0.20
NASDAQ 100 Trust Shares-Market	--	3.26	7.28	--	-2.80	03-10-1999	NA	NA	NA	0.20
SPDRs-NAV	--	10.66	6.84	8.45	10.38	01-29-1993	NA	NA	NA	0.13
SPDRs-Market	--	10.54	6.83	8.49	10.38	01-29-1993	NA	NA	NA	0.13
Standard & Poor's 500 TR	--	10.79	6.97	8.59	--	--	--	--	--	--
Lehman Bro's Agg Bond Index	--	3.67	4.81	6.42	--	--	--	--	--	--
MSCI EAFE Index Ndtr_D	--	19.16	14.26	6.82	--	--	--	--	--	--
3 Month T-Bill	--	4.77	2.34	3.76	--	--	--	--	--	--

Returns after Taxes (%)	On Distribution					On Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
Evergreen Special Val C	8.70	14.35	--	13.64	12-12-2000	8.95	13.12	--	12.51
Fidelity Blue Chip Grth	3.66	3.15	5.17	10.72	12-31-1987	3.15	2.81	4.81	10.21
Fidelity Capital Apprec	6.60	11.30	8.37	10.10	11-26-1986	6.99	10.24	7.93	9.73
Fidelity Fifty	5.83	8.21	9.17	10.12	09-17-1993	6.41	7.39	8.64	9.58
Fidelity Focused Stock	2.26	2.96	--	4.03	11-12-1996	1.55	2.55	--	3.86
Fidelity Growth Company	7.17	8.19	7.95	12.47	01-17-1983	4.66	7.12	7.46	12.03
Hartford Mid Val C	7.99	13.36	--	8.44	05-01-2001	7.92	12.12	--	7.69
Janus	6.70	4.35	4.38	10.53	02-05-1970	4.37	3.75	4.48	10.37

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Disclosure for Standard and Tax Adjusted Returns (continued)

Janus Contrarian	13.25	16.53	--	8.69	02-29-2000	9.03	14.63	--	7.66
Janus Global Life Sci	1.41	4.05	--	9.46	12-31-1998	0.92	3.49	--	8.36
Janus Growth & Income	4.38	6.52	9.54	11.84	05-15-1991	3.19	5.71	8.87	11.18
Janus Worldwide	9.69	3.97	5.23	9.83	05-15-1991	6.57	3.47	4.92	9.26
MFS Mass Inv Grth Stk C	3.03	2.66	--	1.96	11-03-1997	1.97	2.28	--	2.28
Pin Oak Aggressive Stock	-7.24	1.90	1.29	5.18	08-03-1992	-4.71	1.62	1.22	4.67
Red Oak Technology Slct	-1.36	0.34	--	-5.33	12-31-1998	-0.88	0.29	--	-4.40
Vanguard 500 Index	10.34	6.45	7.96	10.23	08-31-1976	7.27	5.75	7.23	9.78
Vanguard Tot Stk	9.98	8.09	7.99	9.84	04-27-1992	7.01	7.18	7.25	9.10
WF Adv Ultra S/T Inc Inv	2.32	0.93	2.15	3.45	11-25-1988	2.63	1.16	2.29	3.52
White Oak Select Growth	-5.50	-0.25	3.54	8.34	08-03-1992	-3.56	-0.21	3.09	7.54
NASDAQ 100 Trust Shares-NAV	3.15	7.53	--	--	03-10-1999	2.10	6.56	--	--
SPDRs-NAV	9.97	6.20	7.85	--	01-29-1993	6.91	5.50	7.09	--

Portfolio Snapshot Report Disclosure Statement

General

Investment portfolios illustrated in this report can be scheduled or unscheduled. With an unscheduled portfolio, the user inputs only the portfolio holdings and their current allocations. Morningstar calculates returns using the given allocations assuming monthly rebalancing. Taxes, loads, and sales charges are not taken into account.

With "scheduled" portfolios, users input the date and amount for all investments into and withdrawals from each holding, as well as tax rates, loads, and other factors that would have affected portfolio performance. A hypothetical illustration is one type of scheduled portfolio.

Both scheduled and unscheduled portfolios are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. For both scheduled and unscheduled portfolios, the performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return of stocks, mutual funds, and variable annuity/life products will fluctuate, and an investor's shares/units when redeemed will be worth more or less than the original investment. Stocks, mutual funds, and variable annuity/life products are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

Used as supplemental sales literature, the Portfolio Snapshot report must be preceded or accompanied by the fund/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Portfolio Snapshot report. Morningstar is not itself an NASD-member firm.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

Items to Note Regarding Certain Underlying Securities

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, ETFs can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price

above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A holding company depository receipt (HOLDR) is similar to an ETF, but they focus on narrow industry groups and initially own 20 stocks which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

A money market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units.

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's list of holdings and again on the standardized returns page. When pre-inception data are presented in the report, the header at the top of the report will indicate this and the affected data elements will be displayed in italics.

Portfolio Snapshot Report Disclosure Statement (continued)

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Scheduled Portfolio Trailing Returns

Scheduled Portfolios are customized by the user to account for loads, taxes, cash flows, and specific investment dates. Scheduled portfolios use the portfolio's investment history to calculate final market values and returns. For scheduled portfolios, both individual holding and portfolio returns are internal-rate-of-return calculations that reflect the timing and dollar size of all purchases and sales. For stocks and mutual funds, sales charges and tax rates are taken into account as specified by the user (except in the pre-tax returns, which reflect the impact of sales charges but not taxes). Note that in some scheduled portfolio illustrations, dividends and capital gains distributions, if applicable, are reinvested at the end of the month in which they are made at the month-end closing price. This can cause discrepancies between calculated returns and actual investor experience.

Scheduled Portfolio Returns-Based Performance Data

For scheduled portfolios, the monthly returns used to calculate alphas, betas, R-squareds, standard deviations, Sharpe ratios, and best/worst time-period data are internal rates of return.

Important VA Disclosure for Scheduled Portfolios

For variable annuity products, policy level charges (other than front-end loads, if input by the advisor) are not factored into returns. When withdrawals and liquidations are made, increases in value over the purchase price are taxed at the capital gains rate that currently is in effect. This is not reflective of the actual tax treatment for these products, which requires the entire withdrawal to be taxed at the income tax rate. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

Scheduled Portfolio Investment Activity Graph

The historic portfolio values that are graphed are those used to track the portfolio when calculating returns.

Unscheduled Portfolio Returns

Monthly total returns for unscheduled portfolios are calculated by applying the ending period holding weightings supplied by the user to an individual holding's monthly returns. When monthly returns are unavailable for a holding (ie. Due to it not being in existence during the historical period being reported), the remaining portfolio holdings are re-weighted to maintain consistent proportions. Inception dates are listed in the Disclosure for Standardized and Tax Adjusted Returns. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Unscheduled portfolio returns thus assume monthly rebalancing. Returns for individual holdings are simple time-weighted trailing returns. Neither portfolio returns nor holding returns are adjusted for loads or taxes, and if adjusted for, would reduce the returns stated. The returns stated assume the reinvestment of dividends and capital gains. Mutual fund returns include all ongoing fund expenses. VA/VL returns reflect subaccount level fund expenses, including M&E expenses, administration fees, and actual ongoing fund level expenses.

Unscheduled Portfolio Investment Activity Graph

The historic performance data graphed is extrapolated from the ending portfolio value based on the monthly returns.

Benchmark Returns

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

Standardized Returns

For mutual funds, standardized return is total return adjusted for sales charges, and reflects all ongoing fund expenses. Following this disclosure statement, standardized returns for each portfolio holding are shown.

For money market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

For VA subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For HOLDRs, the standardized returns reflect performance at market price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The charges and expenses used in the standardized returns are obtained from the most recent prospectus and/or shareholder report available to Morningstar. For mutual funds and VAs, all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

Non-Standardized Returns

For mutual funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the mutual fund returns would be reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

For money market funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the money market returns would be reduced.

For VA and VL subaccounts, non-standardized returns illustrate performance that is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum

Portfolio Snapshot Report Disclosure Statement (continued)

M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. Non-Standardized performance returns assume reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the subaccount returns would be significantly reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

Investment Advisory Fees

The investment(s) returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns will be reduced if additional advisory fees are incurred such as deferred loads, redemption fees, wrap fees, or other account charges.

Investment Style

The Morningstar® Style Box™ combines the various funds investment strategies. For the equity style box, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). For the fixed-income style box, the vertical axis shows the average credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate, or long).

Risk and Return

Standard deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Mean represents the annualized geometric return for the period shown.

Sharpe ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Beta is a measure of the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than its benchmark index.

R-squared reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index, showing the degree of correlation between the portfolio and a benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Fundamental Analysis

The below referenced data elements are a weighted average of the equity holdings in the portfolio.

The median market capitalization of a subaccount's equity portfolio gives you a measure of the size of the companies in which the subaccount invests.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a subaccounts portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value.

Stocks with negative book values are excluded from this calculation.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Sales ratio is a weighted average of the price/sales ratios of the stocks in the underlying fund's portfolio. The P/S ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' revenues per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The return on assets (ROA) is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets, multiplied by 100.

The Return on Equity (ROE) is the percentage a company earns on its shareholders' equity in a given year. The calculation is net income divided by end-of-year net worth, multiplied by 100.

Market Maturity shows the percentage of a holding's common stocks that are domiciled in developed and emerging markets.

The below referenced data elements listed below are a weighted average of the fixed income holdings in the portfolio.

The average credit quality is derived by taking the weighted average of the credit rating for each bond in the portfolio.

Average maturity is used for holdings in the taxable fixed-income category, this is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security. Credit quality breakdowns are shown for corporate-bond holdings and depicts the quality of bonds in the underlying portfolio. The analysis reveals the percentage of fixed-income securities that fall within each credit-quality rating as assigned by Standard & PooRs or Moody's (debt). This figure is not provided for financial companies.

Debt as a percentage of capital is calculated by dividing long-term debt by total capitalization (the sum of common equity plus preferred equity plus long-term debt). This figure is not provided for financial companies.

Duration is a time measure of a bonds interest-rate sensitivity.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Type Weightings divide the stocks in a given holding's portfolio into eight type designations each of which defines a broad category of investment characteristics. Not all stocks in a given holding's portfolio are assigned a type. These stocks are grouped under NA.

The below referenced data elements listed below are a weighted average of the total holdings in the portfolio.

The average expense ratio is the percentage of assets deducted each year for operating expenses, management fees, and all other asset-based costs incurred by the fund, excluding brokerage fees. Please note for mutual funds, variable annuities/life, ETF and closed-end funds we use the gross prospectus ratio as provided in the prospectus. For separate accounts and stocks we pull the audited expense ratio from the annual report.

Portfolio Snapshot Report Disclosure Statement (continued)

Potential capital gains exposure is the percentage of a holdings total assets that represent capital appreciation.

Investment Risks

Market Price Risk: The market price of ETFs and HOLDRs traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investors value.

Market Risk: The market prices of ETFs and HOLDRs can fluctuate as to the result of several factors such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

International Emerging Market Funds/Subaccounts: The investor should note that funds and subaccounts that invest in international securities take on special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets normally accentuates these risks.

Sector Funds/Subaccounts: The investor should note that funds and subaccounts that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds/Subaccounts: The investor should note that funds or subaccounts that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of price volatility than the overall market average.

Mid Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds/Subaccounts: The investor should note that funds and subaccounts that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

HOLDRs: The investor should note that these are narrow industry focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

Benchmark Disclosure

3 Month T-Bill

Three-month T-bills are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.

Lehman Brothers Aggregate Bond

Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index.

MSCI EAFE NDTR_D

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.

Standard & Poor's 500 PR

A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. TR (Total Return) indexes include daily reinvestment of dividends.

Standard & Poor's 500 TR

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