
Quarterly Report

1/19/2010

Prepared for:

Mr. and Mrs. Sample Client

Prepared by:

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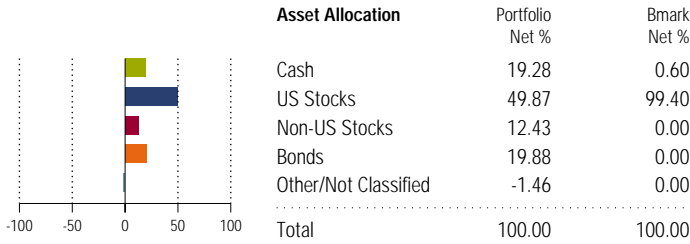
Mr. and Mrs. Sample Client: Mr. and Mrs. Robert Sample

Portfolio Snapshot

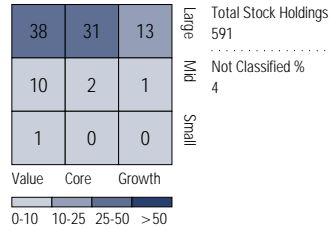
Portfolio Value
\$1,052,541.38

Benchmark
S&P 500 TR

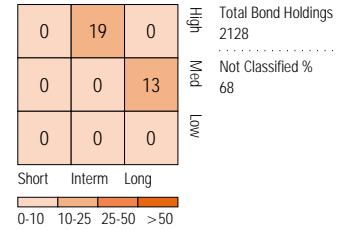
Analysis 12-31-2009



Morningstar Equity Style Box %

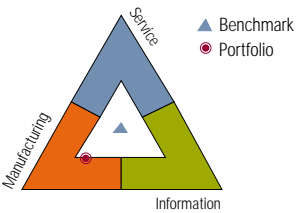


Morningstar Fixed Income Style Box %

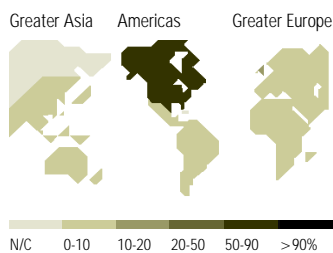


Stock Analysis 12-31-2009

Stock Sectors



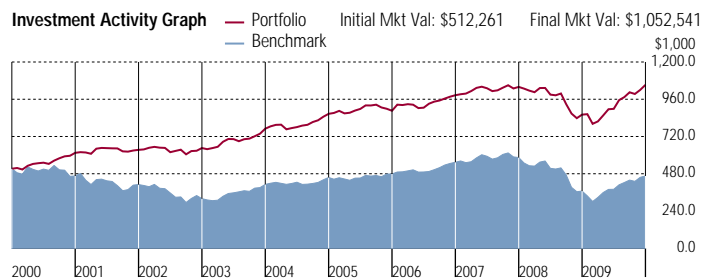
Stock Regions



% of Stocks	Portfolio %	Bmk %
Information	16.03	24.40
Software	0.83	4.79
Hardware	3.04	11.26
Media	0.49	2.55
Telecom	11.67	5.80
Service Economy	24.03	38.70
Healthcare	5.64	11.90
Consumer Svcs	8.54	8.67
Business Svcs	5.69	3.85
Financial Svcs	4.17	14.28
Mfg Economy	59.94	36.84
Consumer Goods	9.79	10.90
Industrial Mtrls	10.02	10.76
Energy	28.80	11.53
Utilities	11.34	3.65
Not Classified	0.00	0.06

% of Stocks	Portfolio %	Bmk %
Americas	80.89	100.00
North America	80.89	100.00
Latin America	0.00	0.00
Greater Europe	18.99	0.00
United Kingdom	14.02	0.00
Europe-Developed	4.97	0.00
Europe-Emerging	0.00	0.00
Africa/Middle East	0.00	0.00
Greater Asia	0.11	0.00
Japan	0.00	0.00
Australasia	0.11	0.00
Asia-Developed	0.00	0.00
Asia-Emerging	0.00	0.00
Not Classified	0.00	0.00

Performance 12-31-2009



Trailing Returns	3Mo	1Yr	3Yr	5Yr	10Yr
Pre-Tax Portfolio Return	4.75	22.27	2.20	3.98	7.47
Benchmark Return	6.04	26.46	-5.63	0.42	-0.95
+/- Benchmark Return	-1.29	-4.19	7.83	3.56	8.42

Time Period Return	Best %	Worst %
3 Months	11.88 (07-09/09-09)	-15.95 (09-08/11-08)
1 Year	23.18 (03-03/02-04)	-21.06 (03-08/02-09)
3 Years	15.19 (10-02/09-05)	-4.58 (03-06/02-09)

Portfolio Yield	Yield %
Trailing 12 Month	4.37

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 data <http://advisor.morningstar.com/familyinfo.asp>.
See Disclosure Page for Standardized Returns.

Holdings 12-31-2009

Top 10 holdings out of 28

	Ticker	Type	Holding Value \$	% Assets
Cash	CASH\$	NS	125,694.00	11.94
First Trust Enhanced Equity Income	FFA	CE	62,712.00	5.96
Alliance Bernstein Income Fund	ACG	CE	57,750.00	5.49
PIMCO Strategic Global Govt	RCS	CE	56,485.00	5.37
Enterprise Prods Partners	EPD	ST	53,397.00	5.07
Nuveen Equity Premium Income	JPZ	CE	52,585.00	5.00
Eaton Vance Tax-Managed Buy-Write Income	ETB	CE	51,392.50	4.88
DNP Select Income	DNP	CE	49,225.00	4.68
Unilever	UL	ST	47,850.00	4.55
Short S&P500 ProShares	SH	ETF	47,304.00	4.49

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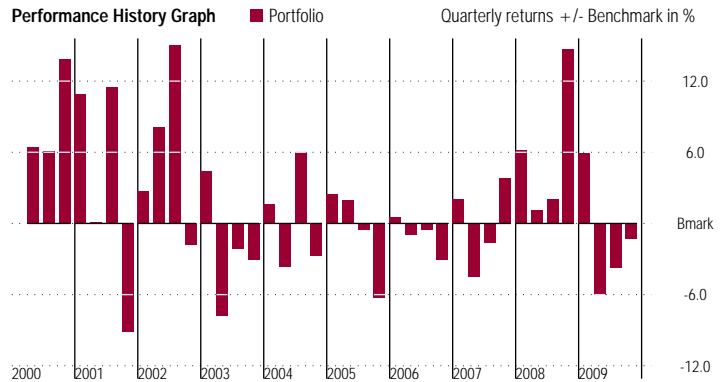
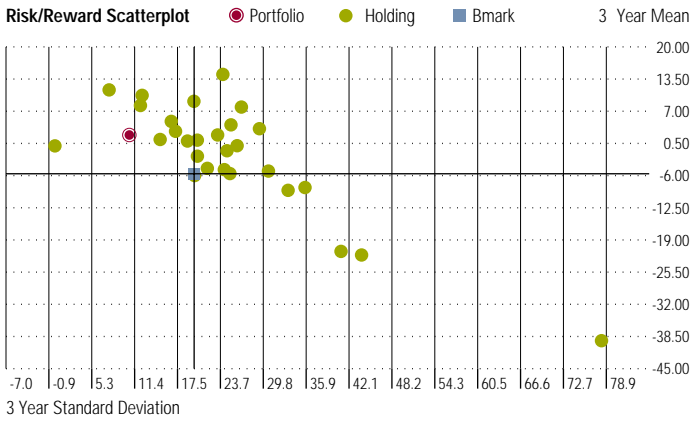
Mr. and Mrs. Sample Client: Mr. and Mrs. Robert Sample

Portfolio Snapshot

Portfolio Value
\$1,052,541.38

Benchmark
S&P 500 TR

Risk Analysis 12-31-2009



Risk and Return Statistics	3 Year		5 Year		10 Year	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	10.64	19.91	8.89	16.04	8.07	16.13
Mean	2.20	-5.63	3.98	0.42	7.47	-0.95
Sharpe Ratio	0.06	-0.30	0.16	-0.07	0.58	-0.15

MPT Statistics	3Yr Portfolio	5Yr Portfolio	10Yr Portfolio
Alpha	3.45	1.95	5.62
Beta	0.48	0.47	0.37
R-squared	79	72	55

Fundamental Analysis 12-31-2009

Asset Allocation

	Portfolio Net %	Portfolio Long %	Portfolio Short %
Cash	19.28	21.06	1.78
US Stocks	49.87	49.87	0.00
Non-US Stocks	12.43	13.67	0.00
Bonds	19.88	20.16	0.28
Other/Not Classified	-1.46	1.00	2.47
Total	100.00	105.76	4.52

Market Maturity

	Portfolio	Bmark
% of Stocks	100.00	100.00
Developed Markets	100.00	100.00
Emerging Markets	0.00	0.00
Not Available	0.00	0.00

Geometric Avg Capitalization (\$Mil)

Portfolio	33,209.62
Benchmark	42,945.54

Type Weightings

	Portfolio	Bmark
% of US Stocks		
High Yield	0.00	0.98
Distressed	0.00	1.52
Hard Asset	24.35	12.80
Cyclical	3.63	34.08
Slow Growth	15.07	12.96
Classic Growth	14.69	21.10
Aggressive Growth	5.09	13.06
Speculative Growth	0.00	2.88
Not Available	37.17	0.62

Credit Quality % of Bonds

AAA	32.38
AA	4.72
A	7.08
BBB	8.92
BB	5.57
B	4.47
Below B	2.01
NR/NA	34.86

Profitability

	Portfolio 2008	Bmark 2008
% of US Stocks		
Net Margin	7.60	8.90
ROE	15.67	15.60
ROA	5.63	6.14
Debt/Capital	40.85	35.69

Interest Rate Risk Portfolio

Maturity	8.89
Duration (total portfolio)	8.89
Avg Credit Quality	AA

Fund Statistics

Potential Cap Gains Exposure	-17.28
Avg Net Expense Ratio	0.94
Avg Gross Expense Ratio	0.94

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Portfolio Snapshot

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Benchmark
S&P 500 TR

Disclosure for Standardized™ and Tax Adjusted Returns

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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. They depict 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 are 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 12-31-2009											
Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %	
Short S&P500 ProShares-NAV	--	-27.07	--	--	-1.91	06-19-2006	NA	NA	0.95	0.95	
Short S&P500 ProShares-Market	--	-27.02	--	--	-1.91	06-19-2006	NA	NA	0.95	0.95	
UltraShort S&P500 ProShares-NAV	--	-50.37	--	--	-11.81	07-11-2006	NA	NA	0.91	0.91	
UltraShort S&P500 ProShares-Market	--	-50.59	--	--	-11.81	07-11-2006	NA	NA	0.91	0.91	
Alliance Bernstein Income Fund-NAV	--	19.89	8.23	10.65	--	08-28-1987	NA	NA	NA	NA	
Alliance Bernstein Income Fund-Market	--	25.18	8.16	12.39	--	08-28-1987	NA	NA	NA	NA	
BlackRock Core Bond-NAV	--	19.11	4.07	--	6.32	11-27-2001	NA	NA	NA	NA	
BlackRock Core Bond-Market	--	17.88	4.90	--	--	11-27-2001	NA	NA	NA	NA	
DNP Select Income-NAV	--	24.71	5.56	7.32	--	01-28-1987	NA	NA	NA	NA	
DNP Select Income-Market	--	64.45	3.38	10.14	--	01-28-1987	NA	NA	NA	NA	
Eaton Vance Tax-Managed Buy-Write Income-NAV	--	30.76	--	--	6.32	04-26-2005	NA	NA	NA	NA	
Eaton Vance Tax-Managed Buy-Write Income-Market	--	53.96	--	--	7.04	04-26-2005	NA	NA	NA	NA	
First Trust Enhanced Equity Income-NAV	--	22.44	0.08	--	1.43	08-26-2004	NA	NA	NA	NA	
First Trust Enhanced Equity Income-Market	--	46.67	-0.97	--	-0.40	08-26-2004	NA	NA	NA	NA	
MFS Intermediate Income-NAV	--	10.74	5.68	6.44	6.69	03-18-1988	NA	NA	NA	NA	
MFS Intermediate Income-Market	--	17.31	7.88	8.04	--	03-18-1988	NA	NA	NA	NA	
MFS Multimarket Income-NAV	--	34.99	6.92	7.26	7.84	03-12-1987	NA	NA	NA	NA	
MFS Multimarket Income-Market	--	46.94	7.58	9.23	--	03-12-1987	NA	NA	NA	NA	
Nuveen Equity Premium Income-NAV	--	15.56	2.52	--	2.76	10-26-2004	NA	NA	NA	NA	
Nuveen Equity Premium Income-Market	--	36.35	1.40	--	1.73	10-26-2004	NA	NA	NA	NA	
PIMCO Strategic Global Govt-NAV	--	48.65	7.41	8.25	7.49	02-24-1994	NA	NA	NA	NA	
PIMCO Strategic Global Govt-Market	--	49.16	8.90	12.03	8.55	02-24-1994	NA	NA	NA	NA	
Standard & Poor's 500 TR	--	26.46	0.42	-0.95	--	--					
BarCap's Agg Bond Index	--	5.93	4.97	6.33	--	--					
MSCI EAFE Index Ndtr_D	--	31.78	3.54	1.17	--	--					
3 Month T-Bill	--	0.16	2.95	2.88	--	--					

Returns after Taxes (%)	On Distribution					On Distribution and Sales of Shares				
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception	
Short S&P500 ProShares-NAV	-27.07	--	--	--	06-19-2006	-17.59	--	--	--	
UltraShort S&P500 ProShares-NAV	-50.37	--	--	--	07-11-2006	-32.74	--	--	--	
Alliance Bernstein Income Fund-NAV	16.92	5.39	7.04	--	08-28-1987	12.70	5.30	6.90	--	
BlackRock Core Bond-NAV	17.05	1.89	--	--	11-27-2001	12.26	2.18	--	--	

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Mr. and Mrs. Sample Client: Mr. and Mrs. Robert Sample

Portfolio Snapshot

Portfolio Value
\$1,052,541.38

Benchmark
S&P 500 TR

Disclosure for Standardized and Tax Adjusted Returns (continued)

DNP Select Income-NAV	21.56	2.75	4.16	--	01-28-1987	15.69	3.16	4.36	--
Eaton Vance Tax-Managed Buy-Write Income-NAV	29.90	--	--	--	04-26-2005	19.87	--	--	--
First Trust Enhanced Equity Income-NAV	21.26	-1.52	--	--	08-26-2004	14.36	-0.84	--	--
MFS Intermediate Income-NAV	9.07	3.68	4.13	--	03-18-1988	6.88	3.59	4.05	--
MFS Multimarket Income-NAV	31.10	4.42	4.51	--	03-12-1987	22.20	4.28	4.42	--
Nuveen Equity Premium Income-NAV	14.30	1.31	--	--	10-26-2004	9.92	1.56	--	--
PIMCO Strategic Global Govt-NAV	38.21	3.11	4.42	--	02-24-1994	30.87	3.68	4.68	--

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Portfolio Snapshot

Portfolio Value
\$1,052,541.38

Benchmark
S&P 500 TR

Non-Load Adjusted Returns

Total 28 holdings as of 12-31-2009	Type	Holdings Date	% of Assets	Holding Value \$	7-day Yield	1Yr Ret %	3Yr Ret %	5Yr Ret %	10Yr Ret %	Since Inception	Inception Date	Max Front Load %	Max Back Load %
Cash	NS	—	11.94	125,694	—	0.00	0.00	0.00	0.00	—	—	NA	NA
First Trust Enhanced Equity Income-FFA	CE	09-09	5.96	62,712	—	46.67	-4.54	-0.97	—	1.43	08-04	NA	NA
Alliance Bernstein Income Fund-ACG	CE	09-09	5.49	57,750	—	25.18	8.16	8.16	12.39	—	08-87	NA	NA
PIMCO Strategic Global Govt-RCS	CE	09-09	5.37	56,485	—	49.16	14.44	8.90	12.03	7.49	02-94	NA	NA
Enterprise Prods Partners-EPD	ST	—	5.07	53,397	—	61.96	9.00	9.65	17.73	—	—	NA	NA
Nuveen Equity Premium Income-JPZ	CE	10-09	5.00	52,585	—	36.35	-2.08	1.40	—	2.76	10-04	NA	NA
Eaton Vance Tax-Managed Buy-Write -ETB	CE	09-09	4.88	51,392	—	53.96	4.25	—	—	6.32	04-05	NA	NA
DNP Select Income-DNP	CE	06-09	4.68	49,225	—	64.45	3.47	3.38	10.14	—	01-87	NA	NA
Unilever-UL	ST	—	4.55	47,850	—	42.94	7.84	10.91	8.94	—	—	NA	NA
Short S&P500 ProShares-SH	ETF	11-09	4.49	47,304	—	-27.02	0.98	—	—	-1.92	06-06	NA	NA
General Electric-GE	ST	—	4.31	45,390	—	-2.84	-21.31	-11.27	-7.51	—	—	NA	NA
BP-BP	ST	—	3.86	40,579	—	31.22	0.04	4.15	2.83	—	—	NA	NA
Sunoco-SUN	ST	—	3.72	39,150	—	-37.18	-22.04	-5.22	11.16	—	—	NA	NA
BlackRock Core Bond-BHK	CE	08-09	3.39	35,670	—	17.88	4.95	4.90	—	6.32	11-01	NA	NA
Verizon Communications-VZ	ST	—	2.94	30,943	—	3.20	1.16	1.31	-1.88	—	—	NA	NA
Spectra Energy-SE	ST	—	2.92	30,765	—	36.66	-5.59	—	—	—	—	NA	NA
Deutsche Telekom AG-DT	ST	—	2.79	29,400	—	2.85	-0.98	-3.14	-11.71	—	—	NA	NA
CVS Caremark-CVS	ST	—	2.45	25,768	—	13.14	2.21	8.12	5.45	—	—	NA	NA
UltraShort S&P500 ProShares-SDS	ETF	11-09	2.33	24,535	—	-50.59	-8.41	—	—	-11.81	07-06	NA	NA
Consolidated Edison-ED	ST	—	2.16	22,715	—	22.76	2.95	5.44	7.04	—	—	NA	NA
MFS Multimarket Income-MMT	CE	11-09	1.91	20,150	—	46.94	10.21	7.58	9.23	7.84	03-87	NA	NA
MFS Intermediate Income-MIN	CE	11-09	1.91	20,100	—	17.31	11.31	7.88	8.04	6.69	03-88	NA	NA
Southern-SO	ST	—	1.90	19,992	—	-5.26	1.29	4.27	12.75	—	—	NA	NA
Paychex-PAYX	ST	—	1.75	18,384	—	21.31	-4.80	0.74	3.44	—	—	NA	NA
Zimmer Holdings-ZMH	ST	—	1.68	17,733	—	46.24	-8.98	-5.90	—	—	—	NA	NA
Sysco-SYY	ST	—	1.33	13,970	—	24.93	-5.99	-3.57	5.46	—	—	NA	NA
Thomson Reuters-TRI	ST	—	1.23	12,900	—	14.48	-5.09	1.01	3.81	—	—	NA	NA
American Capital-ACAS	ST	—	0.00	2	—	8.33	-39.35	-12.89	2.62	—	—	NA	NA

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See Disclosure Page for Standardized Returns.

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Stock Intersection

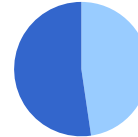
Portfolio Stock Intersection: Mr. and Mrs. Robert ...

The Stock Intersection report is for informational purpose only. It reviews all the long holdings in your portfolio to identify, at a glance, the portfolio's overall weighting in a particular security or sector.

Concentration Ratio

See how much of the portfolio is concentrated in the top 25 stock holdings.

Type	% of Portfolio
● Top 25 Stocks	47.68
● Other	52.32



Stock Details










This table shows how the top 25 stock holdings are distributed across the portfolio, ranked by the percentage of portfolio net assets.

The Portfolio Date is the date that the fund's portfolio was last updated. When making comparisons among funds, it is an important date to keep in mind. It is possible that a fund's portfolio could be up to eight months old at the time of publication. See disclosures for more information.

Stock	Ticker	% of Investments	Holding Portfolio Date	Sector
Enterprise Prods Partners	EPD	5.10		Energy
Source of Stock				
Enterprise Prods Partners	EPD	5.07		
First Trust Enhanced Equity Income	FFA	0.03	09/30/09	
Unilever	UL	4.55		Consumer Goods
Source of Stock				
Unilever	UL	4.55		
General Electric	GE	4.52		Industrial Materials
Source of Stock				
General Electric	GE	4.31		
Nuveen Equity Premium Income	JPZ	0.11	10/31/09	
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.09	09/30/09	
BP	BP	3.86		Energy
Source of Stock				
BP	BP	3.86		
Nuveen Equity Premium Income	JPZ	0.01	10/31/09	
Sunoco	SUN	3.72		Energy
Source of Stock				
Sunoco	SUN	3.72		
Verizon Communications	VZ	3.39		Telecommunications
Source of Stock				
Verizon Communications	VZ	2.94		
DNP Select Income	DNP	0.22	06/30/09	
First Trust Enhanced Equity Income	FFA	0.12	09/30/09	
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.06	09/30/09	
Nuveen Equity Premium Income	JPZ	0.05	10/31/09	
Spectra Energy	SE	2.98		Energy
Source of Stock				
Spectra Energy	SE	2.92		

Stock Intersection

Portfolio Stock Intersection: Mr. and Mrs. Robert ...

DNP Select Income	DNP	0.05	06/30/09	
Deutsche Telekom AG	DT	2.87		 Telecommunications
Source of Stock				
Deutsche Telekom AG	DT	2.79		
DNP Select Income	DNP	0.08	06/30/09	
CVS Caremark	CVS	2.58		 Consumer Services
Source of Stock				
CVS Caremark	CVS	2.45		
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.05	09/30/09	
Nuveen Equity Premium Income	JPZ	0.04	10/31/09	
First Trust Enhanced Equity Income	FFA	0.04	09/30/09	
Consolidated Edison	ED	2.17		 Utilities
Source of Stock				
Consolidated Edison	ED	2.16		
Nuveen Equity Premium Income	JPZ	0.01	10/31/09	
Southern	SO	2.09		 Utilities
Source of Stock				
Southern	SO	1.90		
DNP Select Income	DNP	0.17	06/30/09	
Nuveen Equity Premium Income	JPZ	0.02	10/31/09	
Paychex	PAYX	1.83		 Business Services
Source of Stock				
Paychex	PAYX	1.75		
First Trust Enhanced Equity Income	FFA	0.08	09/30/09	
Nuveen Equity Premium Income	JPZ	0.01	10/31/09	
Zimmer Holdings	ZMH	1.69		 Healthcare
Source of Stock				
Zimmer Holdings	ZMH	1.68		
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.00	09/30/09	
Sysco	SYY	1.33		 Consumer Services
Source of Stock				
Sysco	SYY	1.33		
Thomson Reuters	TRI	1.23		 Business Services
Source of Stock				
Thomson Reuters	TRI	1.23		
ExxonMobil Corporation	XOM	0.61		 Energy
Source of Stock				
First Trust Enhanced Equity	FFA	0.21	09/30/09	

Stock Intersection

Portfolio Stock Intersection: Mr. and Mrs. Robert ...

Income			
Nuveen Equity Premium Income	JPZ	0.20	10/31/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.20	09/30/09

At&T, Inc. T 0.46  Telecommunications


Source of Stock			
DNP Select Income	DNP	0.19	06/30/09
Nuveen Equity Premium Income	JPZ	0.12	10/31/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.09	09/30/09
First Trust Enhanced Equity Income	FFA	0.06	09/30/09

J.P. Morgan Chase & Co. JPM 0.38  Financial Services

Source of Stock			
First Trust Enhanced Equity Income	FFA	0.17	09/30/09
Nuveen Equity Premium Income	JPZ	0.11	10/31/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.10	09/30/09

International Business Machines Corp IBM 0.36  Hardware

Source of Stock			
First Trust Enhanced Equity Income	FFA	0.15	09/30/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.11	09/30/09
Nuveen Equity Premium Income	JPZ	0.10	10/31/09

Intel Corporation INTC 0.36  Hardware

Source of Stock			
First Trust Enhanced Equity Income	FFA	0.23	09/30/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.06	09/30/09
Nuveen Equity Premium Income	JPZ	0.06	10/31/09

Microsoft Corporation MSFT 0.33  Software

Source of Stock			
Nuveen Equity Premium Income	JPZ	0.13	10/31/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.13	09/30/09
First Trust Enhanced Equity Income	FFA	0.07	09/30/09

Cisco Systems, Inc. CSCO 0.33  Hardware

Source of Stock			
First Trust Enhanced Equity Income	FFA	0.18	09/30/09
Eaton Vance Tax-Managed Buy-Write Income	ETB	0.08	09/30/09

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Stock Intersection

Portfolio Stock Intersection: Mr. and Mrs. Robert ...

Nuveen Equity Premium Income JPZ 0.07 10/31/09

Chevron Corporation CVX 0.32  Energy

Source of Stock

Nuveen Equity Premium Income JPZ 0.11 10/31/09

First Trust Enhanced Equity FFA 0.11 09/30/09

Income

Eaton Vance Tax-Managed ETB 0.10 09/30/09

Buy-Write Income

Occidental Petroleum Corporation OXY 0.31  Energy

Source of Stock

First Trust Enhanced Equity FFA 0.21 09/30/09

Income

Eaton Vance Tax-Managed ETB 0.06 09/30/09

Buy-Write Income

Nuveen Equity Premium Income JPZ 0.04 10/31/09

Bristol-Myers Squibb Company BMY 0.31  Healthcare

Source of Stock

First Trust Enhanced Equity FFA 0.23 09/30/09

Income

Eaton Vance Tax-Managed ETB 0.04 09/30/09

Buy-Write Income

Nuveen Equity Premium Income JPZ 0.03 10/31/09

Correlation Matrix: Item(s) from 1-01-2007 to 12-31-2009

1 Alliance Bernstein Income Fund	1																			
2 BP	2	0.21																		
3 BlackRock Core Bond	3	0.79	0.10																	
4 DNP Select Income	4	0.39	0.16	0.26																
5 Eaton Vance Tax-Managed Buy-Write Income	5	0.70	0.38	0.67	0.37															
6 Enterprise Prods Partners	6	0.39	0.51	0.31	0.64	0.52														
7 First Trust Enhanced Equity Income	7	0.72	0.44	0.62	0.44	0.87	0.62													
8 General Electric	8	0.52	0.30	0.26	0.19	0.52	0.38	0.60												
9 Nuveen Equity Premium Income	9	0.60	0.35	0.57	0.41	0.86	0.61	0.89	0.50											
10 PIMCO Strategic Global Govt	10	0.42	0.17	0.50	0.61	0.60	0.60	0.64	0.28	0.60										
11 Short S&P500 ProShares	11	-0.70	-0.59	-0.46	-0.31	-0.71	-0.51	-0.85	-0.79	-0.71	-0.43									
12 Sunoco	12	0.26	0.30	0.24	0.26	0.14	0.12	0.23	0.13	0.06	0.17	-0.28								
13 Unilever	13	0.34	0.54	0.22	0.30	0.24	0.36	0.45	0.48	0.30	0.14	-0.61	0.48							
14 Verizon Communications	14	0.37	0.37	0.21	-0.06	0.36	0.12	0.45	0.34	0.34	0.13	-0.60	0.20	0.28						

Degree of Correlation



The Correlation Matrix demonstrates the relatedness of return patterns among investments. It is based upon the correlation coefficient, a number between -1.0 and 1.0. A perfect linear relationship between two investments has a correlation of 1.0. A perfect negative linear relationship between two investments has a correlation of -1.0.

A correlation coefficient of 0.0 indicates no linear relationship between the investments. Correlation information can be valuable in assessing the diversification effect of combining an investment with other investment options.

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 a FINRA-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. Investing in securities involves 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.

Holding company depository receipts (HOLDRs) are similar to ETFs, but they focus on narrow industry groups. HOLDRs 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.

A 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, it seeks to preserve a stable per share value (i.e. \$1.00 per share), but 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, it seeks to preserve a stable per share value (i.e. \$1.00 per share), but 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 of 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 (i.e. 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 they were, the returns stated would be reduced. 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 the 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 brokerage 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 brokerage 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.

Asset Allocation

The weighting of the portfolio in various asset classes, including "Other," is shown in this graph and table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks. "Not classified" represents the portion of the portfolio that Morningstar could not classify at all, due to missing data.

In the graph and table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These new portfolio statistics help investors look "under the hood" of a portfolio. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even

exceeding 100% cash.

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). Style box data is presented only for the long positions in the portfolio.

Stock Sectors

This section provides a comparison of exposure to various industry sectors between the long stock positions in the portfolio and a benchmark.

Stock Regions

This section provides the allocation of the portfolio's long stock positions to the world regions, in comparison with a benchmark.

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 is 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.

Portfolio Yield

The dividend yield produced for the most recent 12 months is presented.

Fundamental Analysis

The below referenced data elements are a weighted average of the long 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 calculated by dividing the market value of the equity assets by the trailing 12 month earnings. The 12 month earnings value comes from multiplying the number of shares and the adjusted trailing 12 months' earnings per

Portfolio Snapshot Report Disclosure Statement (continued)

share for each equity asset and summing the results.

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 long common stocks that are domiciled in developed and emerging markets.

The below referenced data elements listed below are a weighted average of the long 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 depict 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 Moodys. 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, ETFs and closed-end funds we use the gross prospectus ratio as provided in the prospectus. Separate accounts and stocks are excluded from the average expense ratio.

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 investor's 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.

Bond Funds: Investors should note that bond funds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio decline. Funds and subaccounts that hold bonds are subject to declines and increases in value due to general changes in interest rates.

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 HOLDRs are narrow industry focused products. If the industry is hit by hard times they will lack diversification and possible loss of investment would be likely. HOLDRs can trade at a discount to market price, ownership is of a fractional share interest, and the underlying investments of a HOLDR may not be representative of the particular industry. If the number of underlying companies in the HOLDR drops below nine, it might be delisted from the AMEX, which may cause the investor to experience trading halts.

**Portfolio Snapshot Report
Disclosure Statement (continued)**

Bank loan/senior debt funds: Funds that contain bank loans and senior loans are impacted by risks associated with fixed income in general, including interest rate risk and default risk. Because they often invest in non-investment grade issues, the risk of default is high. These securities are also relatively illiquid. Funds that invest in bank loans/senior debt are often highly leveraged, producing a high level of volatility.

Short Positions: The investor should note that when a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker will demand more collateral and the manager might have to close out that short position at an inopportune time to limit any further losses.

Long-Short Funds: Due to the strategies used by long-short funds, which may include but are not limited to leverage, short selling, short-term trading, and investing in derivatives, these funds may have greater risk, volatility, and expenses than those focusing on traditional investment strategies.

Stock Intersection Report Disclosure Statement

Used as supplemental sales literature, the Stock Intersection report must be preceded or accompanied by the fund's/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Stock Intersection report. Morningstar is not itself a FINRA-member firm. Information contained in the report is from the most recent information available to Morningstar.

The Stock Intersection report reviews the top 25 holdings in the portfolio to identify the portfolio's overall weighting in a particular security or sector. This report only displays the top 25 holdings; the investor's portfolio may hold substantially more.

Note that while the investor does not own the securities held by an open-end fund, closed-end fund, or similar investment, the holdings are relevant in reviewing the overall asset allocation and diversification. This report is not an offer or recommendation by Morningstar to purchase or liquidate any security listed.

Concentration Ratio

The concentration ratio depicts how much of the portfolio is contained within the top 25 stock holdings. If a portfolio contains 25 or fewer securities, it would be considered non-diversified. A non-diversified portfolio is more risky than a portfolio with a larger number of investments.

Percentage of Portfolio

The Percentage of Portfolio column indicates the percentage of net assets any given security (either as an individual holding or as an underlying stock) makes up as an overall position of the portfolio.

Holding Portfolio Date

The Portfolio Date is the date that the fund's portfolio was last updated. When making comparisons among funds, it is an important date to keep in mind. Although Morningstar tries to ensure that we receive timely information, we don't always receive current information from fund companies. By law, funds need only report this information two times during the calendar year, and they have two months after the report date to actually release the shareholder report and portfolio. Therefore, a fund's portfolio could be up to eight months old at the time of publication.

Sector

The Morningstar sector structure helps investors and investment professionals more easily compare the sector exposures relating to the top 25 stock holdings. The sector classifications are also designed to create a more useful way to evaluate common stocks and to address the limitations of conventional sector analysis. Morningstar divides the economy into three Super Sectors: Information Economy, Service Economy and Manufacturing Economy. Each of these Super Sectors contains four sectors.

Information Economy

Software: Companies engaged in the design and marketing of computer operating systems and applications. Examples include Microsoft, Oracle, and Siebel Systems.

Hardware: Manufacturers of computer equipment, communication equipment, semiconductors, and components. Examples include IBM, Cisco Systems, and Intel.

Media: Companies that own and operate broadcast networks and those that create content or provide it to other media companies. Examples include AOL Time Warner, Walt Disney, and The Washington Post.

Telecommunications: Companies that provide communication services using fixed-line networks or those that provide wireless access and services. Examples include SBC Communications, AT&T, and Alltel.

Service Economy

Healthcare: Includes biotechnology, pharmaceuticals, research services, HMOs, home health, hospitals, medical equipment and supplies, and assisted living companies. Examples include Abbott Laboratories, Merck, and Cardinal Health.

Consumer Services: Includes retail stores, personal services, home builders, home supply, travel and entertainment companies, and educational providers. Examples include Wal-Mart, Home Depot, and Expedia.

Business Services: Includes advertising, printing, publishing, business support, consultants, employment, engineering and construction, security services, waste management, distributors, and transportation companies. Examples include Manpower, R. H. Donnelley, and Southwest Airlines.

Financial Services: Includes banks, finance companies, money management firms, savings and loans, securities brokers, and insurance companies. Examples include Citigroup, Washington Mutual, and Fannie Mae.

Manufacturing Economy

Consumer Goods: Companies that manufacture or provide food, beverages, household and personal products, apparel, shoes, textiles, autos, consumer electronics, luxury goods, packaging, and tobacco. Examples include PepsiCo, Ford Motor Co., and Kraft Foods.

Industrial Materials: Includes aerospace and defense firms, and companies that provide or manufacture chemicals, machinery, auto parts, building materials, and commodities. Examples include Boeing, DuPont, and Alcoa.

Energy: Companies that produce or refine oil and gas, oilfield services and equipment companies, and pipeline operators. Examples include Exxon Mobil, Schlumberger, and BP Amoco.

Utilities: Electric, gas, and water utilities. Examples include Duke Energy, Exelon, and El Paso.

Graph Disclosure Statement

The Graph Disclosure Statement is to be used with the Investment Growth, Total Annual Return, Rolling Period Return, and/or Correlation Matrix graphs (each a "Graph Page"). The statement may accompany one, some, or all of the above mentioned graphs.

The Graph Page is supplemental sales literature and therefore must be preceded or accompanied by the noted fund/subaccount's current prospectus, or equivalent, and a disclosure statement. In all cases, this disclosure statement should accompany the graph reports.

Morningstar is not itself a FINRA-member firm. All data is based on the most recent information available to Morningstar.

Total Annual Return, Rolling Period Return, and Investment Growth Graphs

The above graphs allow open-end mutual funds, money-market mutual funds, closed-end funds, exchange-traded funds, variable annuity/life subaccounts, stocks, separate accounts, indices, and Morningstar categories to be graphed over customized time periods. For exchange-traded funds and closed-end funds, market returns are used.

The values or returns noted for a security are derived from its total return, which does not include any applicable sales charges, brokerage commission or the effects of taxation during the selected time period and assumes dividends and distributions are reinvested. If such adjustments were included, the total returns would be lower than those indicated on the Graph Page.

The index is an unmanaged portfolio of specified securities, and does not reflect any initial or ongoing expenses. A fund and/or subaccount's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar. Morningstar categories represent an average of all the funds or subaccounts in the corresponding group. The Morningstar category identifies funds or subaccounts based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and market capitalizations over the past three years).

Correlation Matrix Graph

The Correlation Matrix is based on the correlation coefficient, a number between -1.0 and 1.0. If there is perfect positive linear relationship between two funds or subaccounts, the correlation will be 1.0. If there is a perfect negative linear relationship between two funds or subaccounts the correlation coefficient is -1.0. A correlation coefficient of zero means that there is no linear relationship between the funds or subaccounts.

Security Types

The following security types are represented in the various graphs: closed-end fund (CE), exchange-traded fund (ETF), HOLDRs (HLD), index (IDX), money market mutual fund (MM), open-end mutual fund (MF), separate account (SA), stock (ST), and variable annuity/life (VA/L).

Pre-inception Returns for Mutual Funds

The analysis in these graphs 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.

When pre-inception data are presented in the report, the header at the top of the report will indicate this.

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.

Items to Note Regarding Certain Underlying Securities

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.

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 it focus on narrow industry groups and initially owns 20 stocks which are unmanaged. A HOLDR can become more concentrated due to mergers, or the disparate performance of its 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. 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.

A separate account is a professionally managed portfolio of individual securities that can be customized for individual investor preferences and managed to control taxable events. Assets are held in a segregated account instead of placing in them in a pool with those of other investors, as is the case with a mutual fund. Reporting is different because managers disclose each holding and all transactions separately, rather than as an integrated portfolio. In appearance, separate accounts look like just a collection of individual stocks.

A variable annuity subaccount is a tax-deferred investment 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.

A variable life insurance policy is a cash-value life insurance policy 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 particular variable life product, including each subaccount, please read the current prospectus or equivalent. 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.

Performance

The performance data given represents past performance and is not indicative of future results. Principal value and investment return will fluctuate, so that an investor's units, when redeemed, may be worth more or less than the original investment. Fund and subaccount portfolio statistics may change over time.

Open-end Mutual Funds: Total Return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Pre-inception returns will be calculated for the fund. These adjusted historical returns are based on the inception date of the oldest share class. These returns will be adjusted to reflect the same fees and expenses as referenced under the Total Return section above.

Standardized Total Return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for the effects of taxation, but is adjusted for sales charges, all ongoing fund expenses, and assumes reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the performance quoted would be reduced. The sales charge used in the calculation was obtained from the fund's most recent prospectus available to Morningstar. Standardized returns never include pre-inception history.

Money-Market Mutual Funds: Total Return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

Exchange Traded-Funds/Closed-End Funds/Stocks: Exchange-traded funds and closed-end funds trading on a secondary market may trade at, above, or below their 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. Total Return reflects performance without adjusting for sales charges, brokerage commissions or the effects of taxation and is based on Market Price. The total return is adjusted to reflect all actual ongoing ETF fund expenses and assumes reinvestment of dividends and capital gains. If adjusted, the effects of taxation and brokerage commissions would reduce the performance quoted. An exchange-traded or closed-end fund is not FDIC-insured, may lose value, and is not guaranteed by a bank or other financial institution.

All separate account performance data is reported as a "composite" of similarly managed portfolios. As such, investors in the same separate account may have slightly different portfolio holdings because each investor has customized account needs, tax considerations and security preferences. The method for calculating composite returns can vary. Gross returns are collected on a monthly and quarterly basis for separate accounts and commingled pools. This information is collected directly from the asset management firm running the product(s). Morningstar calculates total returns, using the raw data (gross monthly and quarterly returns), collected from these asset management firms.

Variable Annuity/Life Subaccounts: Total Return reflects the investment experience of the subaccount since the inception date of the underlying fund. The total returns assume reinvestment of dividends and capital gains and are adjusted to reflect fees and expenses such as M&E risk charges, administration fees, sales charges (including surrender charges), contract fees, and fund-level expenses such as management fees and operating fees. They are not adjusted to reflect the effects of taxation if redeemed early. Adjusting for the effects of taxation would reduce the performance quoted.

Pre-inception returns will be calculated for the subaccount. These adjusted historical returns are based on the inception date of the oldest share class of the underlying fund. These returns will be adjusted to reflect the same fees and expenses as referenced under the Total Return section above.

Both monthly and quarterly standardized returns for variable annuity/life subaccounts assume reinvestment of dividends and capital gains. They are adjusted to reflect expenses, including M&E risk charges, administration fees, fund-level expenses such as management fees and operating fees, and policy-level charges such as surrender, contract and sales charges. Standardized Returns are calculated in accordance with the rules outlined in SEC Rule 482, Forms N-3 and N-4, and reflect the investment experience from the inception date of the subaccount within the separate account.

Please refer to the hypothetical illustration in the prospectus, which among other things, shows the effect that fees and charges have on performance. We urge investors to obtain a personalized illustration that reflects the costs of insurance protection.

Investment Risk

High-Yield Bond Funds/subaccounts: The investor should note that funds/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.

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

International/Emerging Market Funds/Subaccounts: The investor should note that funds/subaccounts that invest in international securities involve 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 may accentuate these risks.

Market Price Risk: The market price of ETFs and HOLDERS 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 investor's 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.

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

Non-Diversified Funds/Subaccounts: The investor should note that funds/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.

Sector Funds/Subaccounts: The investor should note that funds/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.

Small-Cap Fund/Subaccounts: The investor should note that funds/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 market volatility than the overall market average.

Benchmark Disclosure

USTREAS T-Bill Auction Ave 3 Mon

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.

BarCap US Agg Bond TR USD

This index is composed of the BarCap Government/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which include reinvestment of dividends.

MSCI EAFE NR USD

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

S&P 500 TR

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.