

# Portfolio X-Ray

Primary  
AS1

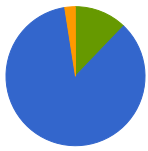
Initial Investment  
\$5,000

Market Value  
\$236,807

Benchmark  
Custom Benchmark

## Asset Allocation

### Composition



	Portfolio%	Bmark%
Cash	12.16	0.00
U.S. Stocks	85.36	40.00
Foreign Stocks	0.00	0.00
Bonds	2.43	60.00
Other	0.01	0.00
Not Classified	0.04	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

### Assets

	\$	%
Cash	28,801	12.16
U.S. Stocks	202,129	85.36
Foreign Stocks	0	0.00
Bonds	5,756	2.43
Other	15	0.01
Not Classified	107	0.04
<b>Total</b>	<b>236,807</b>	<b>100.00</b>

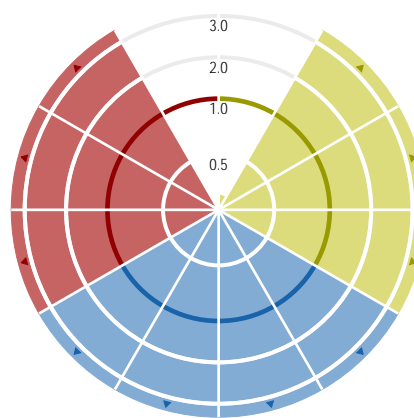
### Liabilities

	\$	%
Cash	0	0.00
U.S. Stocks	0	0.00
Foreign Stocks	0	0.00
Bonds	0	0.00
Other	0	0.00
Not Classified	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>

**Portfolio Total** 236,807 100.00

## Stock Sector

### Sector Graph Benchmark = 1.0



	% of Stocks	Portfolio%	Bmark%	Rel Bmark
<b>Information</b>		<b>22.21</b>	<b>100.00</b>	<b>0.22</b>
Software	13.39	100.00	0.13	
Hardware	5.08	0.00	—	
Media	1.50	0.00	—	
Telecommunication	2.23	0.00	—	
<b>Service</b>		<b>41.84</b>	<b>0.00</b>	<b>—</b>
Healthcare Services	9.98	0.00	—	
Consumer Services	7.93	0.00	—	
Business Services	2.90	0.00	—	
Financial Services	21.03	0.00	—	
<b>Manufacturing</b>		<b>35.92</b>	<b>0.00</b>	<b>—</b>
Consumer Goods	12.06	0.00	—	
Industrial Goods	20.16	0.00	—	
Energy	3.70	0.00	—	
Utilities	0.00	0.00	—	
Not Classified	0.03	0.00	—	

## Style Box Diversification

### Equity

Value	Core	Growth
36	51	8
3	2	0
0	0	0

	Portfolio	Rel Bmark
P/E Ratio	20.74	0.39
P/B Ratio	3.69	0.77
ROA	9.24	2.77
ROE	17.65	1.84
3-yr earn growth %	5.69	—
Geo Avg Cap (\$ mil)	76,423.53	76.00

0% Not Classified

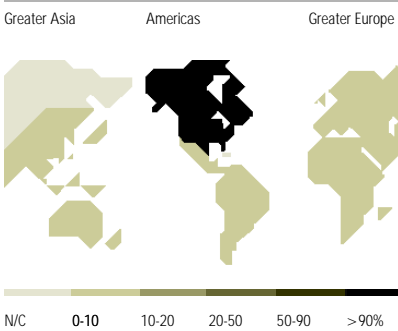
### Fixed-Income

Short	Interm	Long
89	11	0
0	0	0
0	0	0

Avg Eff Duration Yrs	2.37
Avg Eff Maturity Yrs	3.39
Avg Credit Quality	AAA
Avg Wtd Coupon %	5.06
Avg Wtd Price %	101.86

0% Not Classified

## World Regions



	% of Stocks	Portfolio%	Bmark%
<b>Americas</b>		<b>100.00</b>	<b>100.00</b>
North America	100.00	100.00	100.00
Latin America	0.00	0.00	0.00
<b>Greater Europe</b>		<b>0.00</b>	<b>0.00</b>
United Kingdom	0.00	0.00	0.00
Europe-Developed	0.00	0.00	0.00
Europe-Emerging	0.00	0.00	0.00
Africa/Middle East	0.00	0.00	0.00
<b>Greater Asia</b>		<b>0.00</b>	<b>0.00</b>
Japan	0.00	0.00	0.00
Australasia	0.00	0.00	0.00
Asia-Developed	0.00	0.00	0.00
Asia-Emerging	0.00	0.00	0.00
Not Classified	0.00	0.00	0.00

## Top 10 Holdings

% of Assets	Holding Name	Security Type	Stock Industry/Fund Category	Market Value \$
45.54	DIAMONDS Trust, Series 1	ETF	Large Value	107,850.00
36.98	Clipper	MF	Large Value	87,560.00
10.59	Microsoft	ST	Business Applications	25,080.00
6.14	Am Skandia ASAP2/PIMCO Lt	VA	Short-Term Bond	14,550.00
0.75	Baird Agg Bond	SA	Intermediate-Term Bond	1,766.80

# Portfolio X-Ray Report Disclosure Statement

## General

This report summarizes the composition characteristics of a portfolio of securities. It considers broad asset allocation and regional exposures, security style, and sector exposure to provide a variety of ways for considering the level of diversification within a portfolio, its potential riskiness, and its possible behavior in the future.

The Portfolio X-Ray report is supplemental sales literature and must be preceded or accompanied by the funds/policys current prospectus or equivalent. Please read these carefully before investing. In all cases, this disclosure statement should accompany the Portfolio X-Ray report. Morningstar is not itself an NASD-member firm.

Data for this analysis is collected in several ways. For mutual funds, closed-end funds, exchange-traded funds, and variable annuity subaccounts, equity data is based upon Morningstar's analysis of the holdings, which are provided periodically by the fund to Morningstar. For fixed-income securities included in these products, duration and other data is provided by the fund company. For separately managed accounts, data for the account composite reflecting the average investors experience is provided directly by the manager. Stock data is based upon Morningstar analysis.

An investment in the funds/subaccounts listed in this report is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

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 same weightings, composition, ratios, etc. will remain the same.

## Asset Allocation

This pie chart and table shows the portfolios exposure to the following broad asset classes: U.S. Stocks, Foreign Stocks, Bonds, Cash, and Other. The Other category represents an asset class that Morningstar recognizes but classifies outside of the asset classes listed above. (For example, real estate is typically classified as Other.) Not Classifieds for those securities Morningstar does not recognize or track. The tables adjacent to the pie chart identify the net asset allocation percentages of the portfolio, as well as the component long positions (assets) and short or margined positions (liabilities) of the portfolio.

## Morningstar® Style Box™ Diversification

The Morningstar Style Box reveals a portfolio's investment strategy. For equity holdings the vertical axis shows the market capitalization of the stocks owned, and the horizontal axis shows investment style (value, blend or growth). For fixed-income holdings 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). Not Classifieds indicates the percentage of the portfolio Morningstar is unable to categorize.

Price/Earnings Ratio is a weighted average of the price/earnings ratios of the stocks in the underlying 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.

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.

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. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

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. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

Three-year Earnings Growth of a portfolio is calculated by taking the weighted average of the three-year earnings growth rates of the stocks and funds that compose the stock portion of the portfolio.

Geometric Average Capitalization is the overall size of a stock fund's portfolio as the geometric mean of the market capitalization for all of the stocks it owns. It's calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as geometric average cap.

Duration is a time measure of a bonds interest-rate sensitivity. In computing the average, Morningstar weights the duration of each fixed-income holding within the portfolio by the percentage of fixed income assets it represents compared with the entire 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.

Average Credit Quality is derived by taking the weighted average of the credit rating for each bond in the portfolio.

Average Weighted Coupon of the portfolio is calculated by weighting the coupon of each bond by its relative size in the fixed income portion of the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average Weighted Price of the portfolio is calculated by weighting the price of each bond by its relative size in the fixed income portion of the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

## Stock Sector

This table shows the percentage of the portfolios equity assets invested in each of the three Supersectors (information, service, and manufacturing economies) and 12 major industry subclassifications, in comparison with a benchmark. The Sector Graph accompanying the table demonstrates the sector orientation of the portfolio in relation to the Morningstar Broad Market Index. Not Classifieds for those securities Morningstar does not recognize or track. The percentage of each sector that composes the benchmark index (Rel Bmark) is also listed.

## World Regions

This data set provides a broad breakdown of a portfolios geographical exposure, by region and by market maturity. Only non-cash equity assets are evaluated in

## XRay Report Disclosure Statement (continued)

determining the exposures. Not Classified<sup>4</sup> indicates the percentage of the equity portion of the portfolio for which Morningstar is unable to assess region or origin.

### Top 10 Holdings

This listing indicates the most heavily weighted holdings in the portfolio, up to 10, identifying the percentage of assets that each represents in the portfolio, the security type, the fund or sector classification, and the market value within the portfolio.

### Investment Risk

**Market Price Risk:** The market price of ETF's traded on the secondary market is subject to the forces of supply and demand and thus independent of the ETF's 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 ETF's 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 ETF 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/Subaccounts:** 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.

# Custom Benchmark Disclosure

Benchmark: Custom

Portfolio Name: AS1	Ticker	Security type	Allocation %
Lehman Brothers Aggregate Bond	X100M9	IDX	60.00
Red Hat	RHAT	ST	40.00

## Lehman Brothers Aggregate Bond:

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