



April 05, 2010

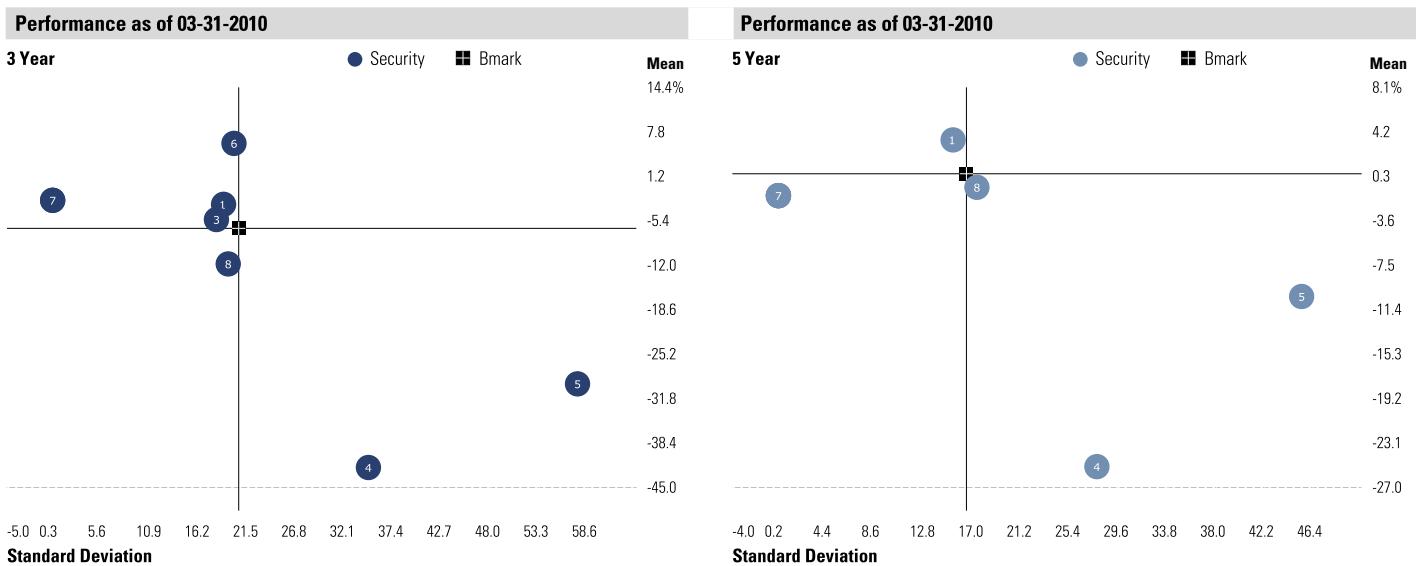
Investment Analysis Report

Prepared by:

Joe Advisor

Investment Performance

Return/Standard Deviation Scatterplot



3 Yr Risk and Return Statistics		Total Rtn	Std Dev
1	First Eagle of America A (FEFAX)	-0.61	18.71
2	Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—
3	Oppenheimer Rochester AZ Municipal A (ORAZX)	-2.86	17.93
4	Nuveen Tax-Advantaged Floating Rate (JFP)	-39.68	34.57
5	Neuberger Real Estate Securities Income (NRO)	-27.26	57.46
6	Nuveen Global Value Opportunities (JGV)	8.45	19.85
7	Biotech HOLDrs (BBH)	—	0.00
8	iShares MSCI Japan Index (EWJ)	-9.45	19.22
■	Benchmark: S&P 500 TR (SPYZ)	-4.17	20.37

5 Yr Risk and Return Statistics		Total Rtn	Std Dev
1	First Eagle of America A (FEFAX)	4.89	15.15
2	Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—
3	Oppenheimer Rochester AZ Municipal A (ORAZX)	—	—
4	Nuveen Tax-Advantaged Floating Rate (JFP)	-23.78	27.63
5	Neuberger Real Estate Securities Income (NRO)	-8.85	45.39
6	Nuveen Global Value Opportunities (JGV)	—	—
7	Biotech HOLDrs (BBH)	—	0.00
8	iShares MSCI Japan Index (EWJ)	0.73	17.22
■	Benchmark: S&P 500 TR (SPYZ)	1.92	16.31

Definitions

Standard Deviation

The statistical measurement of dispersion about an average, which depicts how widely a stock or portfolio's returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that is most likely for a given investment. When a stock or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

If the returns for a stock or portfolio follow a normal distribution, then approximately 68 percent of the time they will fall within one standard deviation of the mean return, and 95 percent of the time within two standard deviations. For example, if the mean annual return is 10 percent and the standard deviation is 2 percent, you would expect the return to be between 8 and 12 percent about 68 percent of the time, and between 6 and 14 percent about 95 percent of the time.

Performance Disclosure

The performance data quoted represents past performances and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein.

Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Performance versus Benchmark: Return and Sharpe Ratio

5 Year Summary Statistics as of 03-31-2010

Name	Total Return	Sharpe Ratio
First Eagle of America A (FEFAX)	4.89	0.21
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	—	-0.20
Nuveen Tax-Advantaged Floating Rate (JFP)	-23.78	-0.92
Neuberger Real Estate Securities Income (NRO)	-8.85	—
Nuveen Global Value Opportunities (JGV)	—	—
Biotech HOLDERS (BBH)	—	4.76
iShares MSCI Japan Index (EWJ)	0.73	-0.03
S&P 500 TR (SPYZ)	1.92	0.03

Definitions

Return

The gain or loss of a security in a particular period. The return consists of the income and the capital gains relative to an investment. It is usually quoted as a percentage.

Sharpe Ratio

The Sharpe Ratio is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance.

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Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Calendar Year Return

Name	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
First Eagle of America A (FEFAX)	0.08	8.00	-7.38	22.11	15.82	6.56	15.79	12.43	-30.71	26.16
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—	—	—	—	—	—	—	-22.31	13.88
Oppenheimer Rochester AZ Municipal A (ORAZX)	—	—	—	—	—	—	—	-3.23	-35.71	42.79
Nuveen Tax-Advantaged Floating Rate (JFP)	—	—	—	—	—	—	10.03	-9.88	-66.03	-28.89
Neuberger Real Estate Securities Income (NRO)	—	—	—	—	25.99	7.90	41.67	-28.10	-71.97	66.54
Nuveen Global Value Opportunities (JGV)	—	—	—	—	—	—	—	7.09	-22.03	48.53
Biotech HOLDERS (BBH)	—	—	—	—	—	—	—	—	—	—
iShares MSCI Japan Index (EWJ)	-28.58	-29.90	-10.47	35.54	14.77	24.66	5.49	-4.33	-29.40	5.33
S&P 500 TR (SPYZ)	-9.10	-11.89	-22.10	28.68	10.88	4.91	15.79	5.49	-37.00	26.46

Performance Disclosure

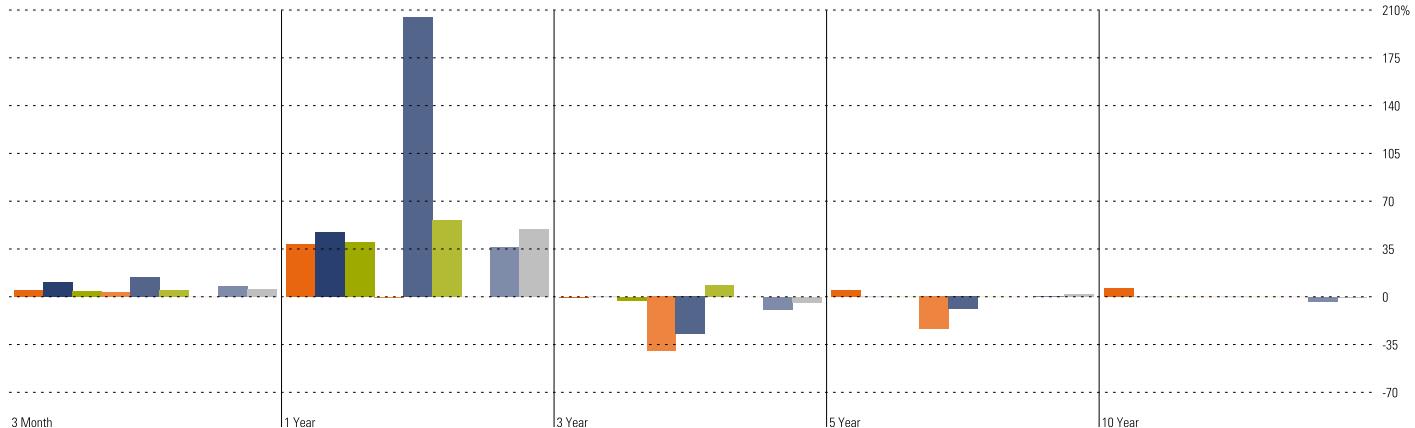
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Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Returns versus Benchmark

Performance as of 03-31-2010



Name	3 Month	1 Year	3 Year	5 Year	10 Year
First Eagle of America A (FEFAX)	4.73	38.34	-0.61	4.89	6.39
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	10.31	47.55	—	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	4.30	40.04	-2.86	—	—
Nuveen Tax-Advantaged Floating Rate (JFP)	3.48	-0.54	-39.68	-23.78	—
Neuberger Real Estate Securities Income (NRO)	13.91	204.46	-27.26	-8.85	—
Nuveen Global Value Opportunities (JGV)	4.96	55.82	8.45	—	—
Biotech HOLDrs (BBH)	—	—	—	—	—
iShares MSCI Japan Index (EWJ)	7.98	36.60	-9.45	0.73	-3.51
S&P 500 TR (SPYZ)	5.39	49.77	-4.17	1.92	-0.65

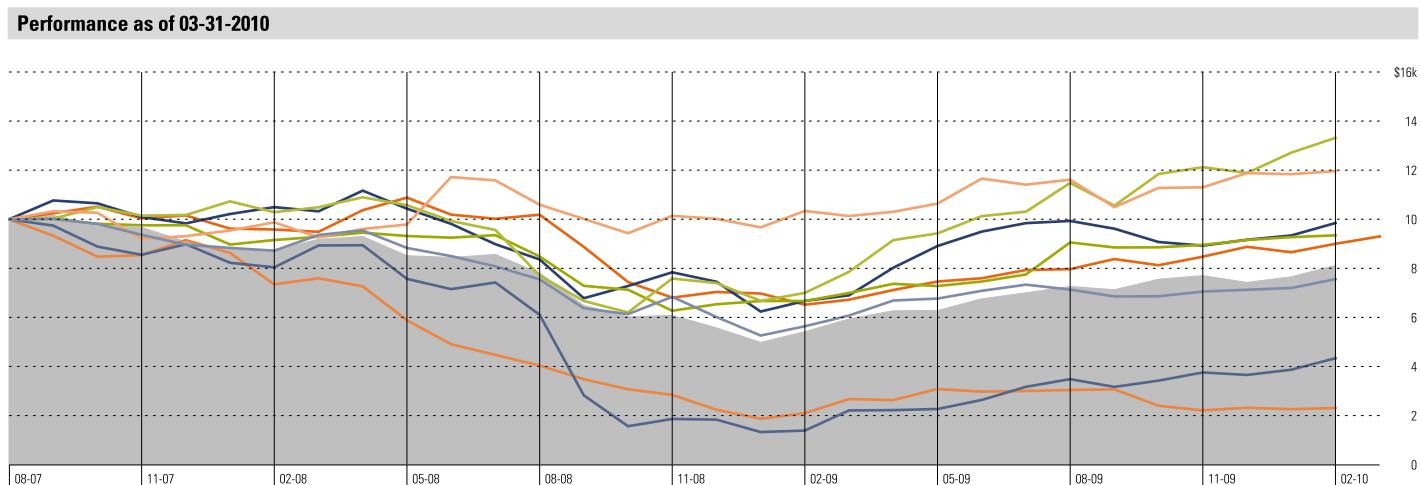
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Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Growth of \$10,000



Name	3 Month	1 Year	3 Year	5 Year	10 Year	End Value
First Eagle of America A (FEFAX)	4.73	38.34	-0.61	4.89	6.39	9.30
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	10.31	47.55	—	—	—	9.85
Oppenheimer Rochester AZ Municipal A (ORAZX)	4.30	40.04	-2.86	—	—	9.34
Nuveen Tax-Advantaged Floating Rate (JFP)	3.48	-0.54	-39.68	-23.78	—	2.31
Neuberger Real Estate Securities Income (NRO)	13.91	204.46	-27.26	-8.85	—	4.34
Nuveen Global Value Opportunities (JGV)	4.96	55.82	8.45	—	—	13.32
Biotech HOLDrs (BBH)	—	—	—	—	—	11.96
iShares MSCI Japan Index (EWJ)	7.98	36.60	-9.45	0.73	-3.51	7.56
S&P 500 TR (SPYZ)	5.39	49.77	-4.17	1.92	-0.65	8.12

Performance Disclosure

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Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Correlation Matrix

Performance as of 03-31-2010

1								
1		2						
2	0.32			3				
3	NA	NA			4			
4	0.30	0.74	NA		5			
5	0.29	0.78	NA	0.69		6		
6	0.40	0.73	NA	0.75	0.67		7	
7	-0.10	0.41	NA	0.55	0.57	0.32		8
8	0.13	0.54	NA	0.20	0.44	0.30	0.24	

Investment Key

- 1 Biotech HOLDrs (USD)
- 2 First Eagle of America A (USD)
- 3 Hennessy Select SPARX Japan Smaller Coms (USD)
- 4 iShares MSCI Japan Index (USD)
- 5 Neuberger Real Estate Securities Income (USD)
- 6 Nuveen Global Value Opportunities (USD)
- 7 Nuveen Tax-Advantaged Floating Rate (USD)
- 8 Oppenheimer Rochester AZ Municipal A (USD)

Degree of Correlation

High	Moderate	None	Moderately Negative	Highly Negative
0.70 to 1.0	0.11 to 0.69	0.10 to -0.10	-0.11 to -0.69	-0.70 to -1.0

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

Investment Performance

Performance versus Benchmark: Alpha,Beta and Treynor Ratio

5 Year Summary Statistics as of 03-31-2010

Name	Alpha	Beta	Treynor Ratio
First Eagle of America A (FEFAX)	2.79	0.83	2.43
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	-2.98	0.39	-9.41
Nuveen Tax-Advantaged Floating Rate (JFP)	-25.64	0.61	-42.22
Neuberger Real Estate Securities Income (NRO)	—	—	—
Nuveen Global Value Opportunities (JGV)	—	—	—
Biotech HOLDrs (BBH)	-2.79	0.00	4407.88
iShares MSCI Japan Index (EWJ)	-0.93	0.75	-2.72

Benchmark: S&P 500 TR

Definitions

Alpha

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta).

Beta

Beta is a measure of a fund's sensitivity to market movements. A fund with a beta greater than 1 is more volatile than the market, and a fund with a beta less than 1 is less volatile than the market.

Treynor Ratio

The Treynor ratio is a risk-adjusted measure of return based on systematic risk. It is the annualized monthly excess return of the strategy divided by the beta of the strategy's excess returns relative to the strategy's benchmark. It is similar to the Sharpe ratio with the difference being that it uses beta as the measurement of volatility (rather than standard deviation). In using beta, the Treynor ratio assumes a portfolio is fully diversified and all unsystematic risk has been eliminated.

Investment Performance

Up Capture, Down Capture and R-Squared

3 Year Summary Statistics as of 03-31-2010

Fund	Total Return	% Up Capture	% Down Capture	R-Squared
First Eagle of America A (FEFAX)	-0.61	95.12	84.14	80.08
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	-2.86	29.89	36.30	22.76
Nuveen Tax-Advantaged Floating Rate (JFP)	-39.68	-52.34	121.22	13.12
Neuberger Real Estate Securities Income (NRO)	-27.26	209.06	267.95	69.47
Nuveen Global Value Opportunities (JGV)	8.45	97.79	57.65	59.96
Biotech HOLDERS (BBH)	—	0.00	0.00	0.50
iShares MSCI Japan Index (EWJ)	-9.45	58.34	83.91	64.32

Benchmark: S&P 500 TR

Definitions

Return

The gain or loss of a security in a particular period. The return consists of the income and the capital gains relative to an investment. It is usually quoted as a percentage.

R Squared

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

Up Capture and Down Capture

Upside/Downside Capture Ratio measures a manager's performance in up/down markets relative to the market (benchmark) itself. It is calculated by taking the security's upside/downside capture return and dividing it by the benchmark's upside/downside capture return.

Performance Disclosure

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Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Excess Return and Tracking Error

5 Year Summary Statistics as of 03-31-2010

Name	Excess Return	Tracking Error
First Eagle of America A (FEFAX)	2.92	7.36
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	-2.83	15.85
Nuveen Tax-Advantaged Floating Rate (JFP)	-25.22	26.39
Neuberger Real Estate Securities Income (NRO)	—	—
Nuveen Global Value Opportunities (JGV)	—	—
Biotech HOLDrs (BBH)	-1.88	16.31
iShares MSCI Japan Index (EWJ)	-1.17	12.79

Benchmark: S&P 500 TR

Definitions

Excess Return

A component found in Morningstar Return. This figure is calculated by subtracting the monthly returns of the three-month Treasury-bill from the monthly returns of the fund during the same time period.

Tracking Error

A divergence between the price behavior of a position or portfolio and the price behavior of a benchmark. Tracking errors are reported as a "standard deviation percentage" difference. Basically, it tells you the difference between the return you received and that of the benchmark you were trying to copy.

Investment Performance

Performance versus Benchmark: Batting Average and Information Ratio

5 Year Summary Statistics as of 03-31-2010

Name	Batting Average	Information Ratio
First Eagle of America A (FEFAX)	58.33	0.40
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	36.67	-0.18
Nuveen Tax-Advantaged Floating Rate (JFP)	36.67	-0.96
Neuberger Real Estate Securities Income (NRO)	—	—
Nuveen Global Value Opportunities (JGV)	—	—
Biotech HOLDrs (BBH)	35.00	-0.12
iShares MSCI Japan Index (EWJ)	43.33	-0.09

Benchmark: S&P 500 TR

Definitions

Batting Average

Batting Average is a measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period. For example, a manager who meets or outperforms the market every month in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50.

Information Ratio

Information ratio is a risk-adjusted performance measure. The information ratio is a special version of the Sharpe Ratio in that the benchmark doesn't have to be the risk-free rate.

Performance Disclosure

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Please see the Disclosure Statements for Standardized Performance.

Investment Performance

Downside Deviation

5 Year Summary Statistics as of 03-31-2010

Name	Downside Deviation
First Eagle of America A (FEFAX)	4.10
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	8.68
Nuveen Tax-Advantaged Floating Rate (JFP)	21.16
Neuberger Real Estate Securities Income (NRO)	—
Nuveen Global Value Opportunities (JGV)	—
Biotech HOLDrs (BBH)	8.11
iShares MSCI Japan Index (EWJ)	6.68

Benchmark: S&P 500 TR

Definitions

Downside Deviation

This measures only deviations below a specified benchmark. It is also the denominator for the Sortino Ratio.

Investment Performance

Performance versus Benchmark: Number of Down Periods and Worst Period

5 Year Summary Statistics as of 03-31-2010

Name	# of Down Periods	Worst Period Return %
First Eagle of America A (FEFAX)	7	-20.70
Hennessy Select SPARX Japan Smaller Coms (SPJSX)	—	—
Oppenheimer Rochester AZ Municipal A (ORAZX)	6	-26.07
Nuveen Tax-Advantaged Floating Rate (JFP)	9	-33.50
Neuberger Real Estate Securities Income (NRO)	—	—
Nuveen Global Value Opportunities (JGV)	—	—
Biotech HOLDERS (BBH)	0	0.00
iShares MSCI Japan Index (EWJ)	11	-17.67
S&P 500 TR (SPYZ)	7	-21.94

Definitions

of Down Periods

Down period is defined as any full calendar quarter within the five year trailing returns period that has a negative return.

Worst Period Return %

Worst Period Return % is the return in the worst full calendar quarter of performance.

Performance Disclosure

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Please see the Disclosure Statements for Standardized Performance.

Standardized and Tax Adjusted Returns Disclosure Statement

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. 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 into account, including M&E risk charges, fund-level expenses such as management fees and operating fees, contract-level administration fees, and 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 03-31-2010

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
Biotech HOLDRs (USD)-NAV	—	—	—	—	—	11-22-1999	NA	NA	NA	NA
Biotech HOLDRs (USD)-Market	—	15.72	8.35	2.18	6.53	11-22-1999	NA	NA	NA	NA
First Eagle of America A (USD)	—	31.42	3.82	5.84	6.30	11-19-1998	5.00	NA	1.51	1.51
Hennessy Select SPARX Japan Smaller Coms (USD)	—	47.55	—	—	0.17	08-31-2007	NA	NA	1.90	1.90
iShares MSCI Japan Index (USD)-NAV	—	36.60	0.73	-3.51	-1.76	03-12-1996	NA	NA	0.56	0.56
iShares MSCI Japan Index (USD)-Market	—	34.06	0.89	-3.66	-1.77	03-12-1996	NA	NA	0.56	0.56
Neuberger Real Estate Securities Income (USD)-NAV	—	204.46	-8.85	—	-4.11	10-28-2003	NA	NA	—	3.18
Neuberger Real Estate Securities Income (USD)-Market	—	212.03	-8.17	—	-6.41	10-28-2003	NA	NA	—	3.18
Nuveen Global Value Opportunities (USD)-NAV	—	48.81	—	—	8.79	07-25-2006	4.50	NA	2.87	2.87
Nuveen Global Value Opportunities (USD)-Market	—	90.28	—	—	8.72	07-25-2006	4.50	NA	2.87	2.87
Nuveen Tax-Advantaged Floating Rate (USD)-NAV	—	-0.54	-23.78	—	-23.84	03-29-2005	NA	NA	1.21	1.21
Nuveen Tax-Advantaged Floating Rate (USD)-Market	—	10.00	-24.77	—	-24.80	03-29-2005	NA	NA	1.21	1.21
Oppenheimer Rochester AZ Municipal A (USD)	—	33.39	—	—	-2.31	10-10-2006	4.75	NA	0.80	1.95
BarCap US Agg Bond TR USD	—	7.69	5.44	6.29	—	—	—	—	—	—
MSCI EAFE NR USD	—	54.44	3.75	1.27	—	—	—	—	—	—
S&P 500 TR	—	49.77	1.92	-0.65	—	—	—	—	—	—
USTREAS T-Bill Auction Ave 3 Mon	—	0.13	2.82	2.74	—	—	—	—	—	—

1. Non-contractual waiver.

Return after Tax (%)	On Distribution					On Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
First Eagle of America A (USD)	31.42	2.48	4.94	5.23	11-19-1998	20.42	3.04	4.92	5.23
Hennessy Select SPARX Japan Smaller Coms (USD)	45.20	—	—	-0.55	08-31-2007	30.78	—	—	-0.28
iShares MSCI Japan Index (USD)-NAV	35.91	0.38	-3.75	-1.96	03-12-1996	23.75	0.43	-3.01	-1.55
Neuberger Real Estate Securities Income (USD)-NAV	202.39	-10.45	—	-5.68	10-28-2003	133.85	-6.66	—	-2.89
Nuveen Global Value Opportunities (USD)-NAV	46.99	—	—	6.09	07-25-2006	31.54	—	—	5.84
Nuveen Tax-Advantaged Floating Rate (USD)-NAV	-4.24	-26.38	—	-26.43	03-29-2005	-0.06	-18.34	—	-18.37
Oppenheimer Rochester AZ Municipal A (USD)	33.46	—	—	-2.34	10-10-2006	24.58	—	—	-1.20

Investment Analysis Report Disclosure Statement

This report is intended as supplemental sales literature and therefore must be preceded or accompanied by a current prospectus or equivalent, and a disclosure statement.

Please read these carefully before investing. Morningstar is not itself a FINRA-member firm. 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 current data for securities included in the portfolio. There is no assurance that the data will remain the same.

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Notes Regarding Included 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. 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 is focused on narrow industry groups and initially owns 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.

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 product 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.

A Separate Account is a professionally managed portfolio of individual securities. Generally, it is an investment consulting relationship in which a client's money is placed with one or more money managers, and all administrative and management fees, along with commissions, are wrapped into one comprehensive fee, which are often paid quarterly. The fee varies but is often 1% - 3% of the assets. An average minimum investment is usually \$25,000. From the client's perspective, they have access to top investment managers that they wouldn't have been able to invest with alone, since there can be a \$1 million dollar minimum to be a high net-worth client of these top managers.

Before investing in a 529 portfolio, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's 529 college savings plan.

General Performance Disclosure

The Performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares and/or units when redeemed may be worth more or less than the original investment. Securities in this report are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution.

Pre-inception Return

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to a mutual fund or VA/VL subaccount's actual inception. 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*.

Total Return/Non Load-Adjusted Return

Total return (also called "Non Load-Adjusted Return" in some reports) 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. It is the return an investor would have experienced if the security was held throughout the period. If adjusted for sales charges and the effects of taxation, the performance quoted would be significantly reduced.

Standardized Return Disclosures

Standardized Return depicts performance adjusted to reflect sales charges and ongoing expenses through the most recent calendar quarter end, but without adjusting for the effects of taxation. It provides return that would be similar to that of an investor who purchased the security at the beginning of the period and sold it at the end, incurring all associated sales costs. If adjusted for taxation, the performance quoted would be significantly reduced.

Investment Analysis Report

Disclosure Statement (continued)

All dividends and capital gains are assumed to be reinvested. The charges and expenses used in calculating the Standardized Return are obtained from the most recent prospectus available to Morningstar.

Prospectus Gross Expense Ratio reflects the annual percentage of a fund's assets paid out in expenses. Expenses include management, 12B-1, transfer agent and all other asset-based fees associated with the fund's daily operations and distribution, with the exception of brokerage commissions. It does not reflect expenses that have been reimbursed by the investment advisor, reductions from brokerage service arrangements or other expense offset arrangements.

Prospectus Net Expense Ratio reflects actual expenses paid by the fund as well as any voluntary waivers, reductions from brokerage service arrangements and any other expense offset arrangements.

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. Standardized Return is calculated in accordance with the rules outlined in SEC Rule 482, Forms N-3 and N-4.

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

An investment in a money-market vehicle is not insured or guaranteed by the FDIC or any other government agency. 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.

Current 7-day yield is a yield quotation based on the seven days ended on the date of the most recent balance sheet of the Registrant included in the registrant statement. It is computed by determining the net change (exclusive of capital change and income other than investment income) in the value of the hypothetical pre-existing account having a balance of one accumulation unit of the account or subaccount at the beginning of the period, subtracting a hypothetical charge reflecting deductions from contract owner accounts, and dividing the difference by the value of the account at the beginning of the base period to obtain the base period return. The base period return is then multiplied by (365/7), with the resulting yield figure carried to at least the nearest hundredth of one percent. The current 7-day yield more closely reflects the current earnings of the money-market subaccount than the total return calculation. Morningstar does not calculate the current yield, but instead collects it from surveys that we conduct.

For ETFs, the Standardized Return reflects performance, both at market price and NAV price, without adjusting for the effects of broker commissions.

These returns are adjusted to reflect all ongoing ETF expenses. If adjusted for broker commissions, the performance quoted would be reduced.

For HOLDRs, the Standardized Return reflects performance at market price, without

adjusting for the effects of broker commissions. These returns are adjusted to reflect all ongoing expenses. If adjusted for broker commissions, the performance quoted would be reduced.

For closed-end funds, the Standardized Return reflects performance, both at market price and NAV price, without adjusting for the effects of broker commissions. These returns are adjusted to reflect all ongoing closed-end fund expenses. If adjusted for broker commissions, the performance quoted would be reduced.

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.

Return/Standard Deviation Scatterplot

The graph plots the return and risk (measured by standard deviation) for a selection of securities and a benchmark index for the trailing period identified in the report. The table beneath the graph identifies the specific risk and return plot points for the graphed securities and the benchmark index.

The returns notes for a security reflect any sales charges that were applied in the illustration over the time period selected, but do not reflect impacts of taxation. If impacts of taxation were reflected, the returns would be lower than those indicated in the report.

The return plotted in the graph is mean geometric return. Standard deviation is a statistical measure of the volatility of the security's or portfolio's returns in relation to the mean return. The larger the standard deviation, the greater the volatility of return in relation to the mean return.

Growth of \$10,000

The graph compares the growth of \$10,000 in a fund with that of an index and with that of the average for all funds in its Morningstar category. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

Correlation Matrix Graph

The Correlation Matrix is based on the correlation coefficient calculated for the monthly returns of each investment showing in the report against the other investments in the report. The correlation coefficient is a number between -1.0 and 1.0.

If there is perfect positive linear relationship between the returns of investments, the correlation will be 1.0. A correlation close to 1.0 means that two investments perform similarly—when one investment is performing above its average return, the other performs above its average return. The opposite is also true—when one investment performs below its average return, the other also performs below its average.

A correlation coefficient of 0.0 means that there is no linear relationship between the returns of two investments. Securities with a correlation coefficient at or near 0 indicate a pattern of returns between two securities that is unrelated.

If there is a perfect negative linear relationship between two investments the correlation coefficient is -1.0. If there is a perfectly negative relationship between two investments, when one investment performs above its average return, the other performs below its average, and vice versa.

Correlation between securities is a helpful measure because it indicates the extent to which securities may serve to improve diversification within a portfolio. Portfolios containing securities with low correlation of returns produce portfolio risk that is lower than the average risk of the individual securities. The lower the correlation between securities, the greater the impact in lowering portfolio risk. Securities with correlations equal to 1.0 indicate a pattern of returns that do not contribute to beneficial diversification in a portfolio and do not lower overall portfolio risk when the securities are combined in a portfolio. Securities with correlations equal to 0.0 or close to 0.0 indicate a pattern of returns that serve to improve diversification effects in a portfolio. Securities with correlations equal to -1.0 or close to -1.0 indicate a pattern of returns that serve to strongly improve diversification effects in a portfolio, notably, lower overall portfolio risk. Note that it is very unusual to have investments with extremely strong negative correlation patterns. Most securities have a correlation above 0.

Note that return patterns between securities may change over time. The correlation coefficient between two investments over one period may differ from that of another period.

Further, note that while combining securities with correlation coefficients less than 1.0 in a portfolio can reduce risk, risk cannot be completely eliminated with diversification. There is no guarantee that any particular mix of securities will eliminate risk, reduce your current exposure to risk, or manage your exposure to risk in a way that is tolerable for you.

Pre-inception Returns for Mutual Funds and Variable Annuity/LifeSubaccounts

The analysis in these graphs may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception.

For mutual funds, 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.

For variable annuity or life subaccounts, these calculated returns reflect historical performance of the oldest share class of the underlying insurance fund, adjusted to reflect the same fees and expenses of variable annuity or life contract.

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.

Investment Risks

International/Emerging Market Equities: Investing 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.

Sector Strategies: Portfolios 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 Strategies: Portfolios that invest a significant percentage of assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Equities: Portfolios 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.

Mid Cap Equities: Portfolios that invest in companies with market capitalization 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 Bonds: Portfolios that invest in lower-rated debt securities (commonly referred 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 Bonds: 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.

Bonds: Bonds 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. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

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.

Hedge Funds: The investor should note that hedge fund investing involves specialized risks that are dependent upon the type of strategies undertaken by the manager. This can include distressed or event-driven strategies, long/short strategies, using arbitrage (exploiting price inefficiencies), international investing, and use of leverage, options and/or derivatives. Although the goal of hedge fund managers may be to reduce volatility and produce positive absolute return under a variety of market conditions, hedge funds may involve a high degree of risk and are suitable only for investors of substantial financial means who could bear the entire loss of their investment.

Bank Loan/Senior Debt: Bank loans and senior loans are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. They

are often non-investment grade; therefore, the risk of default is high. These securities are also relatively illiquid. Managed products that invest in bank loans/senior debt are often highly leveraged, producing a high risk of return volatility.

Short Positions: When a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker may demand more collateral and a manager might have to close out a short position at an inopportune time to limit further losses.

Long-Short: 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.

Liquidity Risk: Closed-end fund, ETF, and HOLDRL trading may be halted due to market conditions, impacting an investor's ability to sell a fund.

Market Price Risk: The market price of ETFs, HOLDRLs, and closed-end funds 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 ETF's and HOLDRLs can fluctuate as a 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.

Benchmark Disclosure

BarCap Aggregate Bond

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 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 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.

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.