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# Quarterly Report

8/31/2009

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**Prepared for:**

Bob Sample

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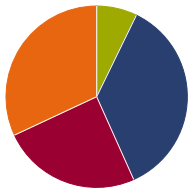
# Bob Sample: Client Aggregate

## Portfolio Snapshot

**Portfolio Value**  
\$234,068.44

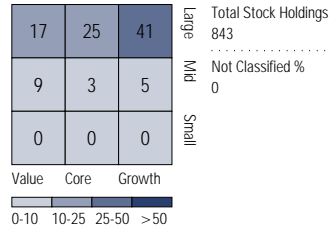
**Benchmark**  
S&P 500 TR

Analysis 07-31-2009

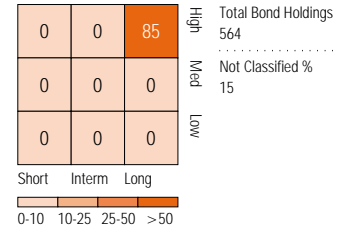


Asset Allocation	Portfolio Net %	Bmark Net %
Cash	7.61	0.00
US Stocks	35.52	99.91
Non-US Stocks	24.90	0.09
Bonds	31.93	0.00
Other/Not Classified	0.04	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**Morningstar Equity Style Box %**

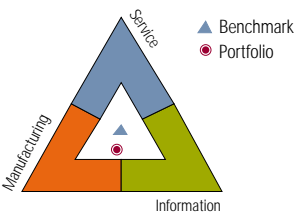


**Morningstar Fixed Income Style Box %**

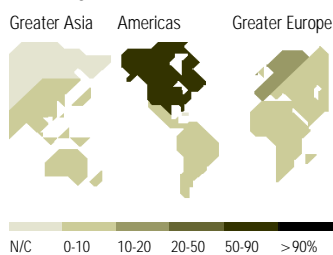


Stock Analysis 07-31-2009

**Stock Sectors**



**Stock Regions**



% of Stocks	Portfolio %	Bmark %
<b>Information</b>	<b>25.89</b>	<b>24.16</b>
Software	1.85	4.15
Hardware	14.33	10.70
Media	2.44	2.42
Telecom	7.26	6.89
<b>Service Economy</b>	<b>32.03</b>	<b>38.44</b>
Healthcare	9.73	12.72
Consumer Svcs	6.61	8.58
Business Svcs	3.13	3.38
Financial Svcs	12.55	13.76
<b>Mfg Economy</b>	<b>42.04</b>	<b>37.34</b>
Consumer Goods	9.02	10.99
Industrial Mtrls	9.31	10.58
Energy	21.83	11.90
Utilities	1.88	3.87
Not Classified	0.04	0.06

% of Stocks	Portfolio %	Bmark %
<b>Americas</b>	<b>67.04</b>	<b>99.99</b>
North America	61.99	99.90
Latin America	5.05	0.09
<b>Greater Europe</b>	<b>21.44</b>	<b>0.00</b>
United Kingdom	3.12	0.00
Europe-Developed	16.24	0.00
Europe-Emerging	0.73	0.00
Africa/Middle East	1.35	0.00
<b>Greater Asia</b>	<b>11.48</b>	<b>0.00</b>
Japan	5.04	0.00
Australasia	0.88	0.00
Asia-Developed	2.34	0.00
Asia-Emerging	3.21	0.00
Not Classified	0.04	0.01

Performance 07-31-2009

**Investment Activity Graph**



Trailing Returns	3Mo	1Yr	3Yr	5Yr	10Yr
Pre-Tax Portfolio Return	13.12	-11.25	7.58	9.66	4.84
Benchmark Return	13.81	-19.96	-6.16	-0.14	-1.19
+/- Benchmark Return	-0.69	8.71	13.74	9.80	6.03

Time Period Return	Best %	Worst %
3 Months	27.10 (03-09/05-09)	-26.06 (09-08/11-08)
1 Year	37.32 (11-06/10-07)	-33.82 (03-08/02-09)
3 Years	20.85 (11-04/10-07)	-12.71 (04-00/03-03)

Portfolio Yield	Yield %
Trailing 12 Month	2.36

**Performance Disclosure**

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Holdings 07-31-2009

Top 10 holdings out of 12

Holdings	Ticker	Type	Holding Value \$	% Assets
T. Rowe Price Instl Foreign Equity	PRFEX	MF	60,240.00	25.74
T. Rowe Price Instl Intl Bond	RPIIX	MF	59,520.00	25.43
Fidelity Spartan 500 Index Advantage	FSMAX	MF	22,239.75	9.50
T. Rowe Price International Bond	RPIBX	MF	19,420.00	8.30
First Solar	FSLR	ST	15,284.61	6.53
T. Rowe Price Blue Chip Growth	TRBCX	MF	11,465.04	4.90
ExxonMobil	XOM	ST	11,332.79	4.84
Cash	—	NS	11,280.00	4.82
Enterprise GP Holdings	EPE	ST	9,303.04	3.97
Selected American Shares S	SLASX	MF	7,416.84	3.17

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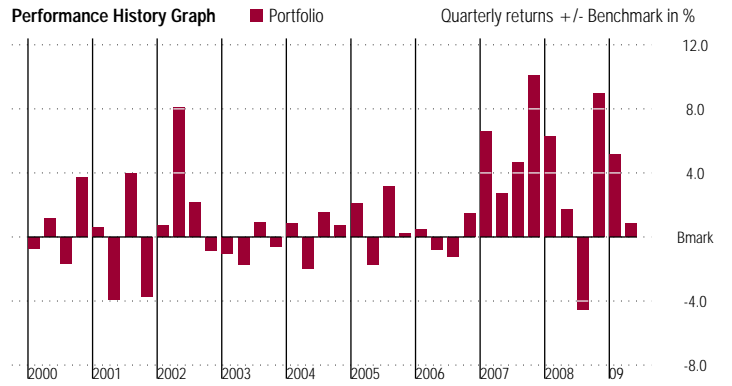
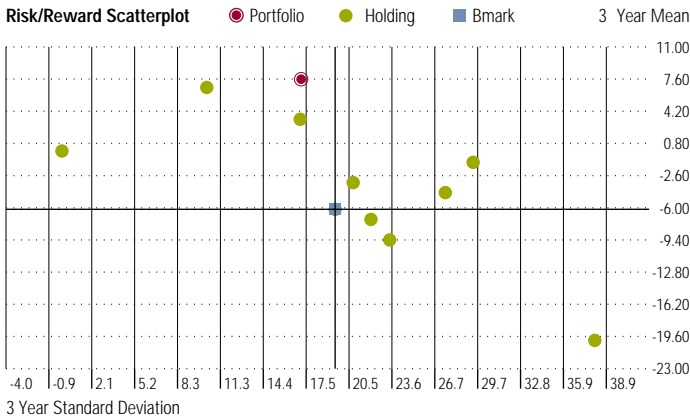
# Bob Sample: Client Aggregate

## Portfolio Snapshot

**Portfolio Value**  
\$234,068.44

**Benchmark**  
S&P 500 TR

### Risk Analysis 07-31-2009



**Risk and Return Statistics**

	3 Year		5 Year		10 Year	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	17.11	19.54	14.04	15.80	13.34	16.19
Mean	7.58	-6.16	9.66	-0.14	4.84	-1.19
Sharpe Ratio	0.35	-0.37	0.51	-0.12	0.19	-0.18

**MPT Statistics**

	3Yr Portfolio	5Yr Portfolio	10Yr Portfolio
Alpha	11.68	8.70	4.76
Beta	0.79	0.79	0.74
R-squared	82	79	81

### Fundamental Analysis 07-31-2009

**Asset Allocation**

	Portfolio Net %	Portfolio Long %	Portfolio Short %
Cash	7.61	40.44	32.82
US Stocks	35.52	35.52	0.00
Non-US Stocks	24.90	24.90	0.00
Bonds	31.93	32.03	0.10
Other/Not Classified	0.04	0.04	0.00
<b>Total</b>	<b>100.00</b>	<b>132.92</b>	<b>32.92</b>

**Market Maturity**

	Portfolio	Bmark
% of Stocks	91.55	100.00
Developed Markets	8.45	0.00
Emerging Markets	0.01	0.00
Not Available	0.01	0.00

**Geometric Avg Capitalization (\$Mil)**

	Portfolio	Benchmark
Geometric Avg Capitalization (\$Mil)	36,666.79	39,045.98

**Valuation Multiples**

	Portfolio	Bmark
Price/Earnings	11.38	14.61
Price/Book	2.11	2.06
Price/Sales	0.69	1.02
Price/Cash Flow	6.76	5.84

**Credit Quality**

	% of Bonds
AAA	42.88
AA	34.40
A	10.19
BBB	8.51
BB	3.26
B	0.23
Below B	0.10
NR/NA	0.42

**Type Weightings**

% of US Stocks

	Portfolio	Bmark
High Yield	0.94	3.40
Distressed	0.38	1.20
Hard Asset	30.51	11.91
Cyclical	26.93	6.96
Slow Growth	14.11	21.63
Classic Growth	9.19	27.08
Aggressive Growth	11.98	23.32
Speculative Growth	2.12	4.13
Not Available	3.83	0.37

**Profitability**

	Portfolio 2008	Bmark 2008
% of US Stocks	10.10	9.18
Net Margin	22.23	17.92
ROE	13.58	6.91
ROA	23.89	36.75

**Interest Rate Risk**

	Portfolio
Maturity	8.23
Duration (total portfolio)	6.25
Avg Credit Quality	AA

**Fund Statistics**

Potential Cap Gains Exposure	-25.40
Avg Net Expense Ratio	0.87
Avg Gross Expense Ratio	0.87

# Bob Sample: Client Aggregate

## Portfolio Snapshot

<b>Portfolio Value</b>	<b>Benchmark</b>
\$234,068.44	S&P 500 TR

### Disclosure for Standardized™ and Tax Adjusted Returns

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

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

Standardized Returns assume reinvestment of dividends and capital gains. 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 06-30-2009

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
Fidelity Spartan 500 Index Advantage	--	-26.19	--	--	-4.65	10-14-2005	NA	NA	0.07	0.07
Selected American Shares S	--	-27.97	-1.85	0.37	--	02-28-1933	NA	NA	0.92	0.92
T. Rowe Price Blue Chip Growth	--	-25.05	-1.40	-1.50	7.43	06-30-1993	NA	NA	0.80	0.80
T. Rowe Price Instl Foreign Equity	--	-30.84	1.66	0.11	4.68	09-07-1989	NA	NA	1.50	1.51
T. Rowe Price Instl Intl Bond	--	-0.67	--	--	5.95	05-31-2007	NA	NA	0.55	0.55
T. Rowe Price International Bond	--	-0.13	5.06	5.65	7.11	09-10-1986	NA	NA	0.81	0.81
<b>Standard &amp; Poor's 500 TR</b>	--	<b>-26.21</b>	<b>-2.24</b>	<b>-2.22</b>	--	--				
<b>BarCap's Agg Bond Index</b>	--	<b>6.05</b>	<b>5.01</b>	<b>5.98</b>	--	--				
<b>MSCI EAFE Index Ndrtr_D</b>	--	<b>-31.35</b>	<b>2.31</b>	<b>1.16</b>	--	--				
<b>3 Month T-Bill</b>	--	<b>0.62</b>	<b>3.12</b>	<b>3.13</b>	--	--				

1. Contractual waiver; expires 02/28/2011.

Returns after Taxes (%)	On Distribution					On Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
Fidelity Spartan 500 Index Advantage	-26.93	--	--	-5.36	10-14-2005	-17.04	--	--	-4.25
Selected American Shares S	-28.12	-1.98	-0.09	--	02-28-1933	-18.03	-1.54	0.18	--
T. Rowe Price Blue Chip Growth	-25.13	-1.52	-1.68	7.12	06-30-1993	-16.29	-1.25	-1.31	6.53
T. Rowe Price Instl Foreign Equity	-31.32	0.97	-0.81	3.75	09-07-1989	-20.10	1.06	-0.33	3.64
T. Rowe Price Instl Intl Bond	-4.17	--	--	3.16	05-31-2007	-0.50	--	--	3.47
T. Rowe Price International Bond	-3.01	2.97	3.71	4.52	09-10-1986	-0.16	3.12	3.68	4.54

# Bob Sample: Client Aggregate

## Portfolio Snapshot

**Portfolio Value**  
\$234,068.44

**Benchmark**  
S&P 500 TR

### Non-Load Adjusted Returns

Total 12 holdings as of 07-31-2009	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 %
T. Rowe Price Instl Foreign E-PRFEX	MF	06-09	25.74	60,240	—	-21.83	-4.40	4.40	0.81	4.68	09-89	NA	NA
T. Rowe Price Instl Intl Bond-RPIIX	MF	06-09	25.43	59,520	—	1.83	—	—	—	5.95	05-07	NA	NA
Fidelity Spartan 500 Index Ad-FSMAX	MF	05-09	9.50	22,239	—	-19.92	-6.17	-0.16	-1.27	-4.65	10-05	NA	NA
T. Rowe Price International B-RPIBX	MF	06-09	8.30	19,420	—	2.57	6.71	5.94	5.77	7.11	09-86	NA	NA
First Solar-FSLR	ST	—	6.53	15,284	—	-45.83	—	—	—	—	—	NA	NA
T. Rowe Price Blue Chip Growt-TRBCX	MF	06-09	4.90	11,465	—	-19.20	-3.34	0.81	-0.55	7.43	06-93	NA	NA
ExxonMobil-XOM	ST	—	4.84	11,332	—	-10.47	3.35	10.73	7.49	—	—	NA	NA
Cash	NS	—	4.82	11,280	—	0.00	0.00	0.00	0.00	—	—	NA	NA
Enterprise GP Holdings-EPE	ST	—	3.97	9,303	—	9.67	-1.20	—	—	—	—	NA	NA
Selected American Shares S-SLASX	MF	03-09	3.17	7,416	—	-20.05	-7.23	0.29	1.53	—	02-33	NA	NA
Pfizer-PFE	ST	—	1.44	3,377	—	-8.68	-9.40	-8.14	-3.70	—	—	NA	NA
General Electric-GE	ST	—	1.36	3,189	—	-48.99	-20.01	-11.01	-4.92	—	—	NA	NA

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# Stock Intersection

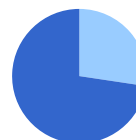
Portfolio Stock Intersection: Client Aggregate

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	27.36
● Other	72.64



## 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
<b>First Solar</b>	<b>FSLR</b>	<b>6.56</b>		<b>Hardware</b>
Source of Stock				
First Solar	FSLR	6.53		
T. Rowe Price Blue Chip Growth	TRBCX	0.03	06/30/09	
<b>ExxonMobil</b>	<b>XOM</b>	<b>5.23</b>		<b>Energy</b>
Source of Stock				
ExxonMobil	XOM	4.84		
Fidelity Spartan 500 Index Advantage	FSMAX	0.38	05/31/09	
T. Rowe Price Blue Chip Growth	TRBCX	0.01	06/30/09	
<b>Enterprise GP Holdings</b>	<b>EPE</b>	<b>3.97</b>		<b>Energy</b>
Source of Stock				
Enterprise GP Holdings	EPE	3.97		
<b>Pfizer</b>	<b>PFE</b>	<b>1.58</b>		<b>Healthcare</b>
Source of Stock				
Pfizer	PFE	1.44		
Fidelity Spartan 500 Index Advantage	FSMAX	0.11	05/31/09	
Selected American Shares S	SLASX	0.03	03/31/09	
<b>General Electric</b>	<b>GE</b>	<b>1.52</b>		<b>Industrial Materials</b>
Source of Stock				
General Electric	GE	1.36		
Fidelity Spartan 500 Index Advantage	FSMAX	0.16	05/31/09	
<b>Roche Holding AG</b>	<b>RHHVF</b>	<b>0.58</b>		<b>Healthcare</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.58	06/30/09	
T. Rowe Price Blue Chip Growth	TRBCX	0.00	06/30/09	
<b>Telefonica, S.A.</b>	<b>—</b>	<b>0.52</b>		<b>Telecommunications</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.52	06/30/09	

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# Stock Intersection

Portfolio Stock Intersection: Client Aggregate

<b>Total SA</b>	—	<b>0.51</b>	 <b>Energy</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.51	06/30/09
<b>Nestle</b>	—	<b>0.50</b>	 <b>Consumer Goods</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.50	06/30/09
<b>Julius Baer Holding Ltd</b>	—	<b>0.46</b>	 <b>Financial Services</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.41	06/30/09
Selected American Shares S	SLASX	0.05	03/31/09
<b>Brazilian Petroleum Corporation</b>	<b>PBR.A</b>	<b>0.45</b>	 <b>Energy</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.40	06/30/09
T. Rowe Price Blue Chip Growth	TRBCX	0.05	06/30/09
<b>Schlumberger, Ltd.</b>	<b>SLB</b>	<b>0.45</b>	 <b>Energy</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.27	06/30/09
T. Rowe Price Blue Chip Growth	TRBCX	0.10	06/30/09
Fidelity Spartan 500 Index Advantage	FSMAX	0.08	05/31/09
<b>Capita Grp</b>	—	<b>0.44</b>	 <b>Business Services</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.44	06/30/09
<b>Inbev</b>	—	<b>0.44</b>	 <b>Consumer Goods</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.44	06/30/09
<b>Banco Santander SA</b>	—	<b>0.43</b>	 <b>Financial Services</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.43	06/30/09
<b>Jupiter Telecommunications</b>	—	<b>0.40</b>	 <b>Telecommunications</b>
Source of Stock			
T. Rowe Price Instl Foreign Equity	PRFEX	0.40	06/30/09

# Stock Intersection

Portfolio Stock Intersection: Client Aggregate

<b>America Movil S.A.B. de C.V.</b>				
<b>ADR L</b>	<b>AMX</b>	<b>0.39</b>		 <b>Telecommunications</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.39	06/30/09	
<b>Apple, Inc.</b>	<b>AAPL</b>	<b>0.38</b>		 <b>Hardware</b>
Source of Stock				
T. Rowe Price Blue Chip Growth	TRBCX	0.25	06/30/09	
Fidelity Spartan 500 Index Advantage	FSMAX	0.13	05/31/09	
<b>Philip Morris International Inc</b>	<b>PM</b>	<b>0.38</b>		 <b>Consumer Goods</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.26	06/30/09	
Fidelity Spartan 500 Index Advantage	FSMAX	0.09	05/31/09	
Selected American Shares S	SLASX	0.03	03/31/09	
<b>Microsoft Corporation</b>	<b>MSFT</b>	<b>0.38</b>		 <b>Software</b>
Source of Stock				
Fidelity Spartan 500 Index Advantage	FSMAX	0.17	05/31/09	
T. Rowe Price Blue Chip Growth	TRBCX	0.14	06/30/09	
Selected American Shares S	SLASX	0.06	03/31/09	
<b>Fresenius SE (Preference)</b>	<b>—</b>	<b>0.37</b>		 <b>Healthcare</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.37	06/30/09	
<b>Nintendo</b>	<b>—</b>	<b>0.35</b>		 <b>Consumer Goods</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.35	06/30/09	
T. Rowe Price Blue Chip Growth	TRBCX	0.00	06/30/09	
<b>E.ON AG</b>	<b>—</b>	<b>0.35</b>		 <b>Utilities</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.35	06/30/09	
<b>Tencent Holdings Ltd.</b>	<b>—</b>	<b>0.35</b>		 <b>Telecommunications</b>
Source of Stock				
T. Rowe Price Instl Foreign Equity	PRFEX	0.31	06/30/09	
T. Rowe Price Blue Chip Growth	TRBCX	0.04	06/30/09	
<b>Danone</b>	<b>—</b>	<b>0.35</b>		 <b>Consumer Goods</b>
Source of Stock				

# Stock Intersection

Portfolio Stock Intersection: Client Aggregate

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T. Rowe Price Instl Foreign Equity	PRFEX	0.35	06/30/09
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# Fidelity Spartan 500 Index Advantage

Overall Morningstar Rtg™ **★★★★** 1722  
**Standard Index**  
 S&P 500 TR

Incept Type **10-14-05 MF** **Total Assets** \$6,660.1 mil **Morningstar Cat** Large Blend  
**Category Index**  
 Russell 1000 TR USD

Performance 07-31-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	0.63	6.26	2.03	-3.35	5.46
2008	-9.46	-2.74	-8.38	-21.96	-37.03
2009	-10.98	15.96	—	—	11.05
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-19.92	—	—	—	-2.69
Std Quarterly	-26.19	—	—	—	-4.65
Total Return	-19.92	-6.17	-0.16	-1.27	-2.69
+/- Std Index	0.04	-0.01	-0.02	-0.08	—
+/- Cat Index	0.25	-0.18	-0.48	-0.55	—
% Rank Cat	51	50	52	56	—
No. in Cat	2026	1722	1354	686	—
7-day Yield	—				

**Performance Disclosure**  
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.  
 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 sold, may be worth more or less than their original cost.

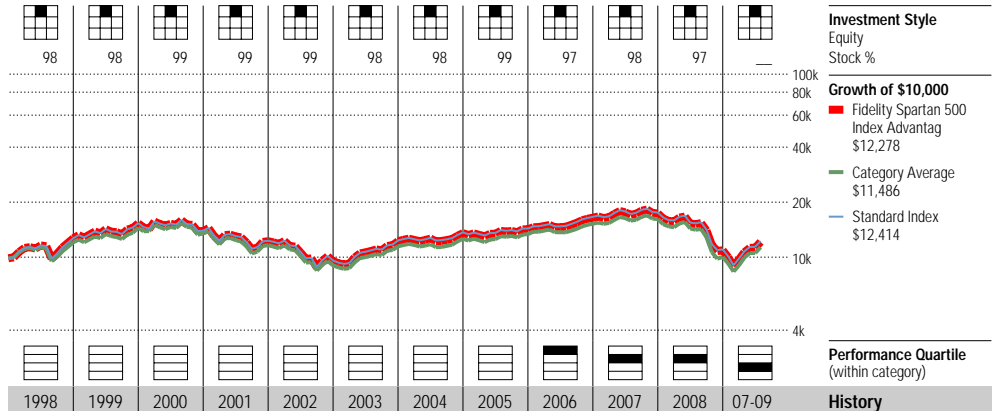
Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-544-5555 or visit [www.fidelity.com](http://www.fidelity.com).

Fees and Expenses	
Sales Charges	NA
Front-End Load %	NA
Deferred Load %	NA
<b>Fund Expenses</b>	
Management Fees %	0.07
12b1 Expense %	0.00
<b>Prospectus Gross Expense Ratio %</b>	<b>0.07</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3☆	3☆
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	Avg
	1,722 funds	1,354 funds	686 funds
	3 Yr	5 Yr	10 Yr
Standard Deviation	19.54	15.81	16.18
Mean	-6.17	-0.16	-1.27
Sharpe Ratio	-0.37	-0.12	-0.19
MPT Statistics	Standard Index	Best Fit Index S&P 500 TR	
Alpha	-0.01	-0.01	
Beta	1.00	1.00	
R-Squared	100.00	100.00	

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-8.08% Assets

**Operations**  
 Family: Fidelity Investments  
 Manager: Jeffrey Adams  
 Tenure: 5.6 Years



History	NAV	Total Return %	+/- Standard Index	+/- Category Index	% Rank Cat	No. of Funds in Cat
1998	28.48	-0.10	1.46	—	—	—
1999	20.65	-0.39	-0.26	—	—	—
2000	-9.13	-0.03	-1.34	—	—	—
2001	-12.05	-0.16	0.40	—	—	—
2002	-22.17	-0.07	-0.52	—	—	—
2003	28.49	-0.19	-1.40	—	—	—
2004	10.73	-0.15	-0.67	—	—	—
2005	86.02	-0.05	-1.41	—	—	—
2006	97.97	0.29	—	22	1980	—
2007	101.32	-0.03	—	50	2090	—
2008	62.11	-0.03	0.57	38	2086	—
07-09	68.43	0.08	-1.23	59	2083	—

## Portfolio Analysis 05-31-2009

Composition %	Long %	Short %	Net %	Share Chg since 04-2009	Share Amount	500 Total Stocks	% Assets
Cash	3.4	0.0	3.4			0 Total Fixed-Income	
U.S. Stocks	92.6	0.0	92.6		7 mil	6% Turnover Ratio	3.96
Non-U.S. Stocks	4.1	0.0	4.1	+	1,990		3.67
Bonds	0.0	0.0	0.0	+	365 mil		2.93
Other/Not Classified	0.0	0.0	0.0		11 mil		1.84
Total	100.0	0.0	100.0		4 mil		1.76

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	13.4	0.92	1.02
	P/C Ratio TTM	7.3	1.24	1.08
	P/B Ratio TTM	1.9	0.94	1.03
	Geo Avg Mkt Cap \$mil	36648	0.94	0.79

Fixed-Income Style	Short Int	Long	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
			—	—	—	—	—
			—	—	—	—	—
			—	—	—	—	—

Credit Analysis	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Top Holdings	Share Amount	Value	% Assets
ExxonMobil Corporation	7 mil	101.32	3.96
S&P 500 Index (Fut)	1,990	62.11	3.67
Fidelity Cash Central Fund	365 mil	11.05	2.93
Microsoft Corporation	11 mil	0.08	1.84
Johnson & Johnson	4 mil	-1.23	1.76
Procter & Gamble Company	4 mil	68.43	1.76
AT&T, Inc.	8 mil	11.05	1.69
International Business Machin	2 mil	0.08	1.64
General Electric Company	15 mil	-0.03	1.64
J.P. Morgan Chase & Co.	5 mil	0.57	1.60
Chevron Corporation	3 mil	0.57	1.54
Apple, Inc.	1 mil	0.57	1.39
Wells Fargo Company	7 mil	-1.23	1.35
Wal-Mart Stores, Inc.	3 mil	-1.23	1.28
Cisco Systems, Inc.	8 mil	-1.23	1.24

Sector Weightings	Stocks %	Rel Std Index
<b>Information Economy</b>	<b>23.6</b>	<b>0.98</b>
Software	4.3	1.03
Hardware	9.9	0.92
Media	2.4	1.00
Telecommunication	7.0	1.02
<b>Service Economy</b>	<b>38.0</b>	<b>0.99</b>
Healthcare Services	12.7	1.00
Consumer Services	8.7	1.01
Business Services	3.2	0.94
Financial Services	13.4	0.98
<b>Manufacturing Economy</b>	<b>38.4</b>	<b>1.03</b>
Consumer Goods	10.9	0.99
Industrial Goods	10.9	1.03
Energy	12.9	1.08
Utilities	3.8	0.98

# Selected American Shares S

Overall Morningstar Rtg™ **★★★** 1722  
**Standard Index**  
 S&P 500 TR

Incept 02-28-33 MF Type  
 Total Assets \$4,548.2 mil Large Blend  
 Morningstar Cat  
**Category Index**  
 Russell 1000 TR USD

Performance 07-31-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	0.37	6.81	-0.45	-1.82	4.79
2008	-8.87	-2.57	-9.83	-24.36	-39.44
2009	-12.75	21.04	—	—	13.98
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-20.05	—	0.29	1.53	—
Std Quarterly	-27.97	—	-1.85	0.37	—
Total Return	-20.05	-7.23	0.29	1.53	—
+/- Std Index	-0.09	-1.07	0.43	2.72	—
+/- Cat Index	0.12	-1.24	-0.03	2.25	—
% Rank Cat	54	72	43	17	—
No. in Cat	2026	1722	1354	686	—
7-day Yield	—				

### Performance Disclosure

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### Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.53
12b1 Expense %	0.25
Prospectus Gross Expense Ratio %	0.92

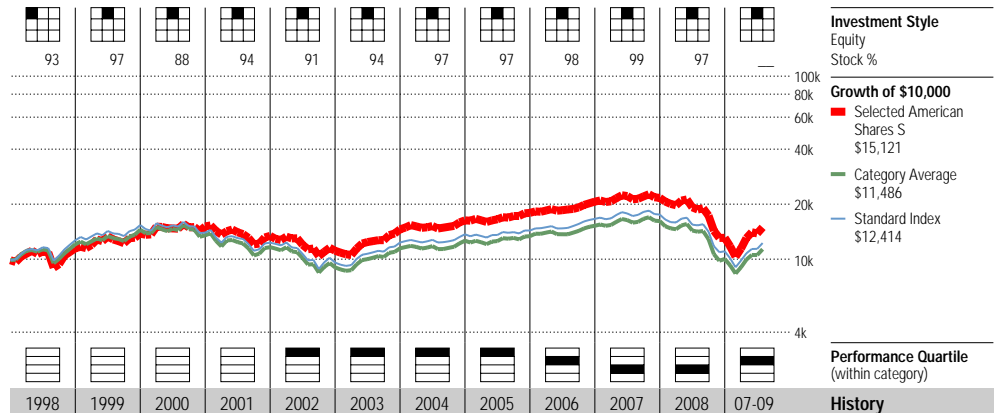
### Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	1,722 funds	1,354 funds	686 funds
Morningstar Rating™	2★	3★	4★
Morningstar Risk	+ Avg	+ Avg	Avg
Morningstar Return	-Avg	Avg	+ Avg
Standard Deviation	22.10	17.57	16.23
Mean	-7.23	0.29	1.53
Sharpe Ratio	-0.36	-0.07	-0.01
MPT Statistics	Standard Index	Best Fit Index S&P 500 TR	
Alpha	0.20	0.20	
Beta	1.11	1.11	
R-Squared	96.78	96.78	

12-Month Yield	1.09%
30-day SEC Yield	0.78
Potential Cap Gains Exp	5.60% Assets

### Operations

Family: Selected Funds  
 Manager: Christopher Davis  
 Tenure: 14.7 Years



Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	07-09	History
NAV	31.16	35.80	35.33	30.99	25.51	33.17	36.87	40.24	46.06	47.78	28.54	32.53	NAV
Total Return %	16.27	20.32	9.33	-11.17	-17.06	30.90	11.97	9.90	15.19	4.79	-39.44	13.98	Total Return %
+/- Standard Index	-12.31	-0.72	18.43	0.72	5.04	2.22	1.09	4.99	-0.60	-0.70	-2.44	3.01	+/- Standard Index
+/- Category Index	-10.75	-0.59	17.12	1.28	4.59	1.01	0.57	3.63	-0.27	-0.98	-1.84	1.70	+/- Category Index
% Rank Cat	—	—	—	—	11	13	22	10	35	62	70	36	% Rank Cat
No. of Funds in Cat	—	—	—	—	1468	1526	1611	1743	1980	2090	2086	2083	No. of Funds in Cat

### Portfolio Analysis 03-31-2009

Composition %	Long %	Short %	Net %	Share Chg since 12-2008	Share Amount	86 Total Stocks	5 Total Fixed-Income	18% Turnover Ratio	% Assets
Cash	3.1	0.0	3.1						
U.S. Stocks	83.4	0.0	83.4	+	3,770	Berkshire Hathaway Inc. A			5.38
Non-U.S. Stocks	11.8	0.0	11.8	-	6 mil	Costco Wholesale Corporation			4.69
Bonds	1.7	0.0	1.7		5 mil	Occidental Petroleum Corporat			4.66
Other/Not Classified	0.0	0.0	0.0	-	5 mil	ConocoPhillips			3.41
Total	100.0	0.0	100.0		3 mil	EOG Resources			2.86

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	10.5	0.72	0.80
	P/C Ratio TTM	5.7	0.98	0.85
	P/B Ratio TTM	1.5	0.70	0.77
	Geo Avg Mkt Cap \$mil	22448	0.57	0.48

Fixed-Income Style	Short Int	Long	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
			—	—	—	12.64	92.91

Credit Analysis	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	91.6	0.92
Greater Europe	5.5	—
Greater Asia	2.9	—

Sector Weightings	Stocks %	Rel Std Index
<b>Information Economy</b>	<b>16.4</b>	<b>0.68</b>
Software	4.3	1.05
Hardware	5.8	0.54
Media	4.9	2.01
Telecommunication	1.5	0.21
<b>Service Economy</b>	<b>51.8</b>	<b>1.35</b>
Healthcare Services	6.6	0.52
Consumer Services	11.9	1.38
Business Services	5.6	1.66
Financial Services	27.7	2.01
<b>Manufacturing Economy</b>	<b>31.7</b>	<b>0.85</b>
Consumer Goods	8.7	0.79
Industrial Goods	5.1	0.48
Energy	17.8	1.49
Utilities	0.2	0.05

# T. Rowe Price Blue Chip Growth

Overall Morningstar Rtg™ **★★★★** 1539  
**Standard Index**  
 S&P 500 TR

Incept 06-30-93 Type MF Total Assets \$7,894.4 mil Morningstar Cat Large Growth  
**Category Index**  
 Russell 1000 Growth TR USD

Performance 07-31-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	0.36	8.48	5.55	-1.65	13.02
2008	-12.28	1.64	-14.30	-24.91	-42.62
2009	-0.83	17.44	—	—	23.95
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-19.20	—	0.81	-0.55	7.81
Std Quarterly	-25.05	—	-1.40	-1.50	7.43
Total Return	-19.20	-3.34	0.81	-0.55	7.81
+/- Std Index	0.76	2.82	0.95	0.64	—
+/- Cat Index	-1.63	-0.70	0.11	2.66	—
% Rank Cat	45	40	46	34	—
No. in Cat	1825	1539	1276	661	—
7-day Yield	—				

**Performance Disclosure**  
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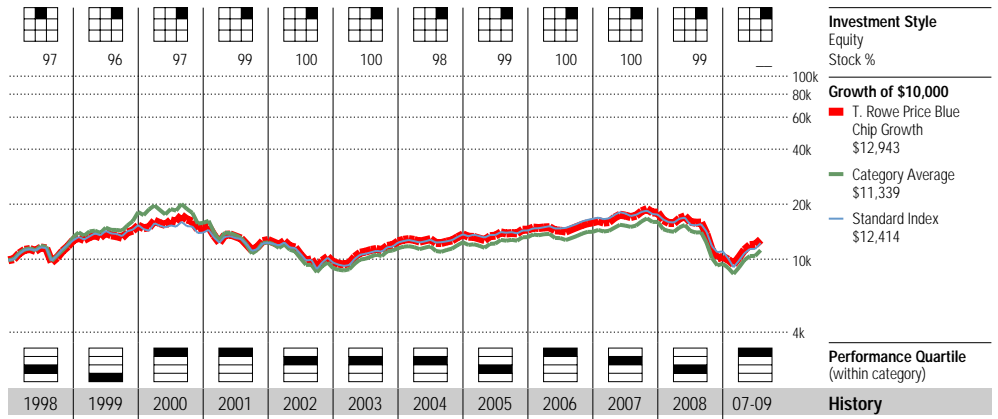
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Fees and Expenses	
Sales Charges	NA
Front-End Load %	NA
Deferred Load %	NA
<b>Fund Expenses</b>	
Management Fees %	0.61
12b1 Expense %	0.00
<b>Prospectus Gross Expense Ratio %</b>	<b>0.80</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	3★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	Avg	Avg
661 funds			
1,539 funds			
1,276 funds			
Standard Deviation			
	20.83	16.95	17.47
Mean			
	-3.34	0.81	-0.55
Sharpe Ratio			
	-0.19	-0.05	-0.12
MPT Statistics			
	Standard Index	Best Fit Index	
		Russell 1000 Growth TR US	
Alpha	3.39	-0.29	
Beta	1.02	1.05	
R-Squared	91.43	98.00	

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-41.32% Assets

**Operations**  
 Family: T. Rowe Price  
 Manager: Larry Puglia  
 Tenure: 16.2 Years



Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	07-09	History
NAV	30.60	36.34	33.85	28.97	21.95	28.45	30.92	32.68	35.73	40.23	23.01	28.52	NAV
Total Return %	28.84	20.00	-2.53	-14.42	-24.23	29.75	9.25	5.95	9.73	13.02	-42.62	23.95	Total Return %
+/- Standard Index	0.26	-1.04	6.57	-2.53	-2.13	1.07	-1.63	1.04	-6.06	7.53	-5.62	12.98	+/- Standard Index
+/- Category Index	-9.87	-13.16	19.89	6.00	3.65	0.00	2.95	0.69	0.66	1.21	-4.18	4.50	+/- Category Index
% Rank Cat	70	86	12	20	29	34	36	53	25	48	69	18	% Rank Cat
No. of Funds in Cat	470	633	805	1064	1234	1311	1400	1495	1642	1748	1809	1873	No. of Funds in Cat

## Portfolio Analysis 06-30-2009

Composition %	Long %	Short %	Net %	Share Chg since 03-2009	Share Amount	125 Total Stocks	% Assets
Cash	0.5	0.1	0.5			0 Total Fixed-Income	
U.S. Stocks	93.4	0.0	93.4			54% Turnover Ratio	
Non-U.S. Stocks	6.2	0.0	6.2	+	3 mil	Apple, Inc.	5.14
Bonds	0.0	0.0	0.0	-	4 mil	Amazon.com, Inc.	4.09
Other/Not Classified	0.0	0.0	0.0	+	790,000	Google, Inc.	3.79
Total	100.1	0.1	100.0	+	11 mil	Microsoft Corporation	2.86
				-	4 mil	Danaher Corporation	2.67
<b>Equity Style</b>	Portfolio Statistics	Port Avg	Rel Index	Rel Cat			
Value Blend Growth	P/E Ratio TTM	19.1	1.31	1.22	+	2 mil	Goldman Sachs Group, Inc.
	P/C Ratio TTM	12.1	2.07	1.19	+	5 mil	Qualcomm, Inc.
	P/B Ratio TTM	2.8	1.35	0.98	+	4 mil	State Street Corporation
	Geo Avg Mkt Cap \$mil	27977	0.72	0.77	-	4 mil	Gilead Sciences, Inc.
					+	3 mil	Schlumberger, Ltd.
					+	4 mil	Medco Health Solutions, Inc.
					+	2 mil	Express Scripts
					+	6 mil	Juniper Networks, Inc.
					+	2 mil	Franklin Resources
					-	3 mil	Wal-Mart Stores, Inc.

Fixed-Income Style	Short Int	Long	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
			—	—	—	—	—
			—	—	—	—	—
			—	—	—	—	—

Credit Analysis	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	97.9	0.98
Greater Europe	1.1	—
Greater Asia	0.9	—

Sector Weightings	Stocks %	Rel Std Index
<b>Information Economy</b>	<b>32.4</b>	<b>1.34</b>
Software	5.7	1.36
Hardware	11.9	1.11
Media	3.0	1.22
Telecommunication	11.9	1.73
<b>Service Economy</b>	<b>50.0</b>	<b>1.30</b>
Healthcare Services	12.2	0.96
Consumer Services	15.9	1.85
Business Services	6.4	1.90
Financial Services	15.5	1.13
<b>Manufacturing Economy</b>	<b>17.5</b>	<b>0.47</b>
Consumer Goods	1.4	0.13
Industrial Goods	7.8	0.74
Energy	7.5	0.63
Utilities	0.8	0.21

# T. Rowe Price Instl Foreign Equity

Overall Morningstar Rtg™ **★★** 221  
 Standard Index MSCI EAFE NR USD  
 Incept 09-07-89 Type MF Total Assets \$50.6 mil Morningstar Cat Foreign Large Growth  
 Category Index MSCI EAFE Growth NR USD

Performance 07-31-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	2.35	5.69	4.29	-0.50	12.25
2008	-9.40	-1.12	-21.96	-26.44	-48.57
2009	-9.10	32.53	—	—	31.76
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-21.83	—	4.40	0.81	5.13
Std Quarterly	-30.84	—	1.66	0.11	4.68
Total Return	-21.83	-4.40	4.40	0.81	5.13
+/- Std Index	0.77	1.17	-0.40	-0.94	—
+/- Cat Index	3.52	0.56	-0.35	0.77	—
% Rank Cat	45	49	64	67	—
No. in Cat	279	221	171	90	—
7-day Yield	—				

### Performance Disclosure

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### Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.70
12b1 Expense %	0.00
Prospectus Gross Expense Ratio %	1.51

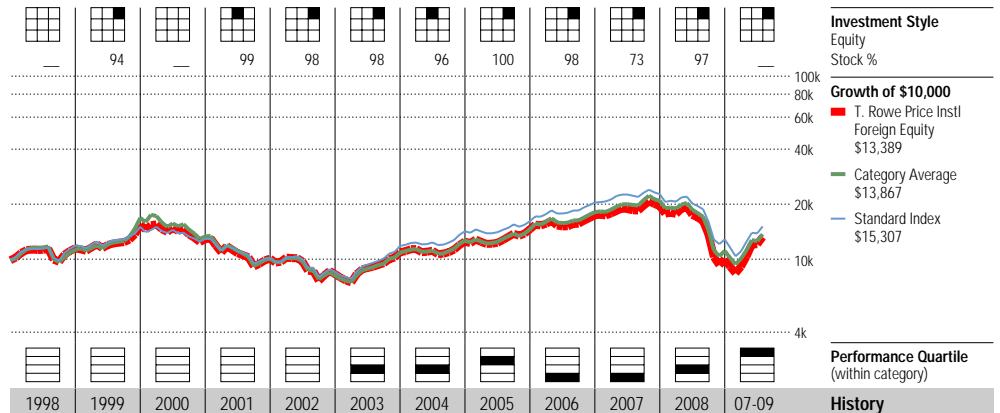
### Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	221 funds	171 funds	90 funds
Morningstar Rating™	3★	2★	2★
Morningstar Risk	+ Avg	+ Avg	Avg
Morningstar Return	Avg	Avg	-Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	27.42	22.40	20.43
Mean	-4.40	4.40	0.81
Sharpe Ratio	-0.13	0.17	0.00
MPT Statistics	Standard Index	Best Fit Index	
		MSCI World Ex US NR USD	
Alpha	2.94	2.05	
Beta	1.13	1.12	
R-Squared	96.91	97.20	

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-67.21% Assets

### Operations

Family: T. Rowe Price  
 Manager: Mark Bickford-Smith  
 Tenure: 5.4 Years



History	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	07-09	NAV	Total Return %	+/- Standard Index	+/- Category Index	% Rank Cat	No. of Funds in Cat
NAV	17.99	22.56	17.30	13.13	10.64	13.73	15.42	17.43	20.45	22.67	11.43	15.06	15.06	31.76	13.95	16.27	45	279
Total Return %	16.12	34.65	-16.73	-21.65	-17.65	31.70	14.26	16.67	19.36	12.25	-48.57	31.76	31.76	31.76	13.95	16.27	45	279
+/- Standard Index	-3.88	7.68	-2.56	-0.21	-1.71	-6.89	-5.99	3.13	-6.98	1.08	-5.19	13.95	13.95	13.95	13.95	16.27	45	279
+/- Category Index	-6.09	5.21	7.78	2.93	-1.63	-0.29	-1.86	3.39	-2.97	-4.20	-5.87	16.27	16.27	16.27	16.27	16.27	45	279
% Rank Cat	—	—	—	—	—	59	61	38	86	80	61	19	19	19	19	19	45	279
No. of Funds in Cat	—	—	—	—	—	226	221	213	243	220	251	289	289	289	289	289	45	279

### Portfolio Analysis 06-30-2009

Composition %	Long %	Short %	Net %	Share Chg since 03-2009	Share Amount	126 Total Stocks	% Assets	
Cash	2.4	0.3	2.1			0 Total Fixed-Income		
U.S. Stocks	5.3	0.0	5.3			72% Turnover Ratio		
Non-U.S. Stocks	92.6	0.0	92.6	⊖	1 mil	T. Rowe Price Reserve	2.36	
Bonds	0.0	0.0	0.0	⊖	8,439	Roche Holding AG	2.27	
Other/Not Classified	0.0	0.0	0.0	⊖	45,336	Telefonica, S.A.	2.03	
Total	100.3	0.3	100.0	⊕	18,690	Total SA	2.00	
				⊕	26,298	Nestle	1.96	
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat				
Value Blend Growth	P/E Ratio TTM	8.8	0.71	0.90	⊖	24,164	Inbev	1.72
	P/C Ratio TTM	7.3	1.13	0.93	⊖	74,022	Capita Grp	1.72
	P/B Ratio TTM	1.8	1.28	0.92	⊖	70,686	Banco Santander SA	1.68
	Geo Avg Mkt Cap \$mil	17796	0.65	0.89	⊖	20,720	Julius Baer Holding Ltd	1.59
					⊕	1,051	Jupiter Telecommunications	1.57
					⊖	23,640	Brazilian Petroleum Corporati	1.55
					⊖	19,600	America Movil S.A.B. de C.V.	1.50
					★	13,444	Fresenius SE (Preference)	1.43
					⊖	19,650	E.ON AG	1.37
					⊖	2,500	Nintendo	1.36

### Fixed-Income Style

Short Int	Long	Avg Eff Duration	—
		Avg Eff Maturity	—
		Avg Credit Quality	—
		Avg Wtd Coupon	—
		Avg Wtd Price	—

### Credit Analysis

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

### Regional Exposure

	Stocks %	Rel Std Index
Americas	22.3	58.58
Greater Europe	50.6	0.78
Greater Asia	27.0	0.78

### Sector Weightings

	Stocks %	Rel Std Index
<b>Information Economy</b>	<b>19.3</b>	<b>1.74</b>
Software	1.3	1.42
Hardware	1.8	1.84
Media	3.8	2.86
Telecommunication	12.4	1.57
<b>Service Economy</b>	<b>41.4</b>	<b>0.99</b>
Healthcare Services	9.8	1.16
Consumer Services	8.2	1.79
Business Services	4.5	1.20
Financial Services	18.9	0.75
<b>Manufacturing Economy</b>	<b>39.2</b>	<b>0.83</b>
Consumer Goods	16.4	0.91
Industrial Goods	10.9	0.70
Energy	9.1	1.13
Utilities	3.0	0.55

# T. Rowe Price Instl Intl Bond

Overall Morningstar Rtg™ **183** Incept 05-31-07 Type MF Total Assets \$86.1 mil Morningstar Cat World Bond  
 Standard Index BarCap US Agg Bond TR USD Category Index Citi WGBI NonUSD USD

Performance 07-31-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	—	—	6.87	2.96	—
2008	8.81	-4.52	-6.33	4.07	1.27
2009	-5.35	7.67	—	—	5.48
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	1.83	—	—	—	7.41
Std Quarterly	-0.67	—	—	—	5.95
Total Return	1.83	—	—	—	7.41
+/- Std Index	-6.02	—	—	—	—
+/- Cat Index	-3.78	—	—	—	—
% Rank Cat	73	—	—	—	—
No. in Cat	241	183	158	105	—
7-day Yield	—	—	—	—	—

**Performance Disclosure**  
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.  
 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 sold, 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 call 800-638-8797 or visit [www.troweprice.com](http://www.troweprice.com).

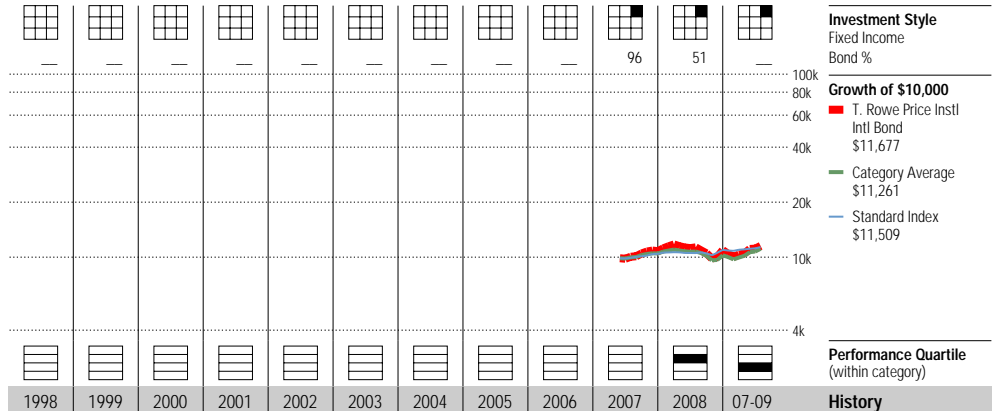
Fees and Expenses	
Sales Charges	NA
Front-End Load %	NA
Deferred Load %	NA
<b>Fund Expenses</b>	
Management Fees %	0.55
12b1 Expense %	0.00
<b>Prospectus Gross Expense Ratio %</b>	<b>0.55</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
	183 funds	158 funds	105 funds
Morningstar Rating™	—	—	—
Morningstar Risk	—	—	—
Morningstar Return	—	—	—
<b>MPT Statistics</b>			
	3 Yr	5 Yr	10 Yr
Standard Deviation	—	—	—
Mean	—	—	—
Sharpe Ratio	—	—	—
<b>Alpha</b>			
Beta	—	—	—
R-Squared	—	—	—

12-Month Yield	3.35%
30-day SEC Yield	2.90
Potential Cap Gains Exp	0.84% Assets

**Operations**

Family: T. Rowe Price  
 Manager: Ian Kelson  
 Tenure: 2.3 Years



Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	07-09	History
NAV	—	—	—	—	—	—	—	—	—	10.56	9.74	9.92	NAV
Total Return %	—	—	—	—	—	—	—	—	—	—	1.27	5.48	Total Return %
+/- Standard Index	—	—	—	—	—	—	—	—	—	—	-3.97	1.94	+/- Standard Index
+/- Category Index	—	—	—	—	—	—	—	—	—	—	-8.84	3.93	+/- Category Index
% Rank Cat	—	—	—	—	—	—	—	—	—	—	38	71	% Rank Cat
No. of Funds in Cat	—	—	—	—	—	—	—	—	—	—	234	267	No. of Funds in Cat

**Portfolio Analysis 06-30-2009**

Composition %	Long %	Short %	Net %	Share Chg since 03-2009	Share Amount	0 Total Stocks	% Assets
Cash	119.2	113.6	5.7	—	—	262 Total Fixed-Income	—
U.S. Stocks	0.0	0.0	0.0	—	—	94% Turnover Ratio	—
Non-U.S. Stocks	0.0	0.0	0.0	+	520 mil	Japan (Govt Of) 1.4%	6.38
Bonds	94.5	0.3	94.2	+	5 mil	T. Rowe Price Reserve	5.93
Other/Not Classified	0.1	0.0	0.1	+	2 mil	Germany (Federal Republic Of)	4.31
Total	213.8	113.8	100.0	+	34 mil	Mexico (United Mexican States)	3.13
				+	247 mil	Japan (Government Of) 1.5%	3.08
				+	216 mil	Japan (Govt Of) 1.5%	2.69
				+	2 mil	Italy (Republic Of) 5.5%	2.65
				+	1 mil	United Kingdom (Government Of)	2.52
				+	1 mil	France (Republic Of) 4%	2.02
				+	153 mil	Japan (Government Of) 1.3%	1.89
				*	5 mil	Republic Of Poland	1.88
				+	145 mil	Japan (Government Of) 1.9%	1.76
				+	165 mil	Japan (Govt Of) 1.212%	1.76
				+	140 mil	Japan (Govt Of) 1.4%	1.74
				+	131 mil	Japan (Government Of) 2.4%	1.64

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	—	—	—
	P/C Ratio TTM	—	—	—
	P/B Ratio TTM	—	—	—
	Geo Avg Mkt	—	—	—
	Cap \$mil	—	—	—

Fixed-Income Style	Short Int	Long	Avg Eff Duration	Bond %
			6.29	—
			8.32	—
			AA	—
			4.44	—
			96.00	—

Credit Analysis 06-30-2009	Bond %
AAA	42.50
AA	35.10
A	9.70
BBB	8.70
BB	3.60
B	0.20
Below B	0.10
NR/NA	0.10

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings	Stocks %	Rel Std Index
<b>Information Economy</b>	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
<b>Service Economy</b>	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
<b>Manufacturing Economy</b>	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

# T. Rowe Price International Bond

Overall Morningstar Rtg™ **★★★★** 183  
**Standard Index**  
 BarCap US Agg Bond TR USD

Incept **09-10-86** Type **MF** Total Assets **\$2,291.8 mil** Morningstar Cat **World Bond**  
**Category Index**  
 Citi WGBI NonUSD USD

Performance 07-31-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	1.25	-1.06	6.71	2.96	10.05
2008	8.69	-4.45	-6.30	4.59	1.78
2009	-5.42	7.74	—	—	5.43
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	2.57	—	5.94	5.77	7.24
Std Quarterly	-0.13	—	5.06	5.65	7.11
Total Return	2.57	6.71	5.94	5.77	7.24
+/- Std Index	-5.28	0.19	0.80	-0.42	—
+/- Cat Index	-3.04	-1.72	-0.94	-0.63	—
% Rank Cat	61	23	28	44	—
No. in Cat	241	183	158	105	—
7-day Yield	—				

**Performance Disclosure**  
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.  
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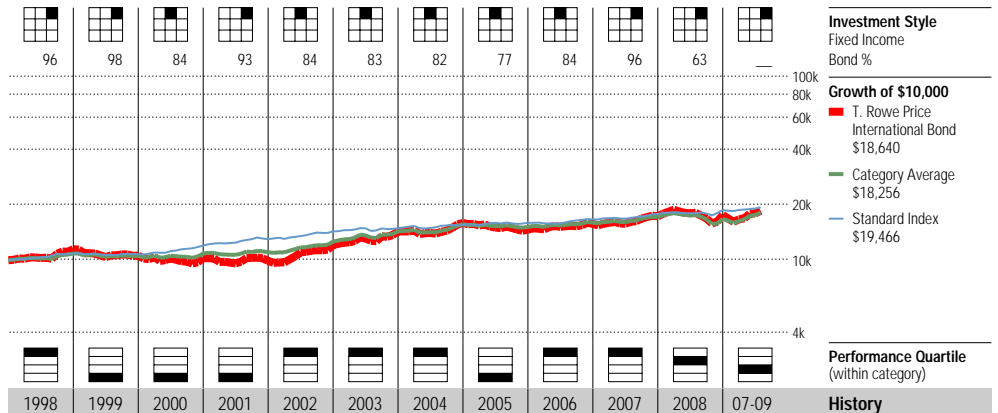
Fees and Expenses	
Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.66
12b1 Expense %	0.00
Prospectus Gross Expense Ratio %	0.81

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	4★	4★	3★
Morningstar Risk	+ Avg	+ Avg	+ Avg
Morningstar Return	+ Avg	+ Avg	Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	10.36	9.08	8.89
Mean	6.71	5.94	5.77
Sharpe Ratio	0.41	0.34	0.33
MPT Statistics	Standard Index	Best Fit Index	
		Citi	WGBI NonUSD USD
Alpha	-2.80	-1.73	
Beta	1.95	1.04	
R-Squared	59.58	90.67	

12-Month Yield	2.98%
30-day SEC Yield	2.50
Potential Cap Gains Exp	1.56% Assets

## Operations

Family: T. Rowe Price  
 Manager: Ian Kelson  
 Tenure: 8.7 Years



History	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	07-09	NAV	Total Return %	+/- Standard Index	+/- Category Index	% Rank Cat	No. of Funds in Cat																																																							
NAV	10.46	9.16	8.47	7.86	9.29	10.25	10.69	9.40	9.69	10.09	9.57	9.71	10.46	15.03	-7.86	-3.13	-3.41	21.80	18.78	11.41	-8.18	7.55	10.05	1.78	5.43	6.34	-7.04	-14.76	-11.85	11.55	14.68	7.07	-10.61	3.22	3.08	-3.46	1.89	-2.76	-2.79	-0.50	0.13	-0.19	0.26	-0.73	1.02	0.61	-1.40	-8.33	3.88	15	80	86	83	9	25	19	77	19	17	32	72	139	152	145	134	144	162	167	170	197	218	234	267

## Portfolio Analysis 06-30-2009

Composition %	Long %	Short %	Net %	Share Chg since 03-2009	Share Amount	0 Total Stocks	297 Total Fixed-Income	69% Turnover Ratio	% Assets
Cash	51.1	46.7	4.4						
U.S. Stocks	0.0	0.0	0.0	⊕	90 mil	Germany (Federal Republic Of)			4.93
Non-U.S. Stocks	0.0	0.0	0.0	⊖	10 bil	Japan(Govt Of) 1.5%			3.80
Bonds	95.7	0.3	95.4		65 mil	France(Govt Of) 3.75%			3.54
Other/Not Classified	0.2	0.0	0.2	⊕	9 bil	Japan(Govt Of) 1.4%			3.51
Total	147.0	47.0	100.0	⊕	94 mil	T. Rowe Price Reserve			3.47
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat					
Value Blend Growth	P/E Ratio TTM	—	—	—	⊕	47 mil	United Kingdom (Government Of)		2.81
	P/C Ratio TTM	—	—	—	⊕	6 bil	Japan(Govt Of) 1.4%		2.42
	P/B Ratio TTM	—	—	—	⊕	6 bil	Japan (Government Of) 1%		2.28
	Geo Avg Mkt	—	—	—	⊕	37 mil	Italy (Republic Of) 5.25%		2.09
	Cap \$mil	—	—	—	⊕	5 bil	Japan (Government Of) 1.9%		1.94
					⊕	35 mil	Germany (Federal Republic Of)		1.92
					⊕	5 bil	Japan, 10 Year Interest Rate		1.77
					⊕	33 mil	Germany (Federal Republic Of)		1.66
						30 mil	France(Govt Of) 3.5%		1.61
						4 bil	Japan		1.54

## Fixed-Income Style

Short Int	Long	Avg Eff Duration	6.12
		Avg Eff Maturity	7.94
		Avg Credit Quality	AA
		Avg Wtd Coupon	4.26
		Avg Wtd Price	99.46

## Credit Analysis 06-30-2009

	Bond %
AAA	44.10
AA	33.30
A	11.30
BBB	8.20
BB	2.60
B	0.30
Below B	0.10
NR/NA	0.10

## Regional Exposure

	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

## Sector Weightings

	Stocks %	Rel Std Index
<b>Information Economy</b>	—	—
Software	—	—
Hardware	—	—
Media	—	—
Telecommunication	—	—
<b>Service Economy</b>	—	—
Healthcare Services	—	—
Consumer Services	—	—
Business Services	—	—
Financial Services	—	—
<b>Manufacturing Economy</b>	—	—
Consumer Goods	—	—
Industrial Goods	—	—
Energy	—	—
Utilities	—	—

# Enterprise GP Holdings EPE

**Last Close \$** \$28.49    **Sales \$Mil** \$26,746    **Mkt Cap \$Mil** \$3,966    **Industry** Oil & Gas Refining & Marketing

Enterprise GP Holdings owns the general partner stake in Enterprise Products Partners, Duncan Energy Partners, and TEPCO Partners. The company also owns a minority interest in Energy Transfer Equity, the general partner of Energy Transfer Partners. Combined, these companies control pipelines and infrastructure that stretch from coast to coast. As a partnership, Enterprise GP pays no corporate income tax; its tax burden flows through to individual stockholders.

1100 LOUISIANA 10TH FLOOR Suite 101  
Houston, TX 77002  
Phone: 1 713 381-6500 Website: <http://www.enterprisegp.com>

Growth Rates Compound Annual					
Grade: B	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue	32.8	42.5	—	—	
Operating Income	48.7	39.0	—	—	
Earnings/Share	37.1	23.9	—	—	
Dividends	16.1	—	—	—	
Book Value/Share	—	—	—	—	
Stock Total Return	1.5	-1.6	0.0	0.0	
+/- Industry	33.4	7.3	0.0	0.0	
+/- Market	22.4	6.0	0.0	0.0	

Profitability Analysis				
Grade:	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	—	—	5.0	—
Return on Assets %	0.6	—	2.0	—
Fixed Asset Turns	1.6	—	2.3	—
Inventory Turns	30.6	—	14.4	—
Revenue/Employee \$K	5943.6	7152.8*	—	—
Gross Margin %	6.7	—	—	—
Operating Margin %	6.4	—	—	—
Net Margin %	0.6	—	—	—
Free Cash Flow/Rev %	—	—	0.2	—
R&D/Rev %	—	—	—	—

Financial Position		
	06-08 \$Mil	06-09 \$Mil
Cash	25	70
Inventories	579	1050
Receivables	4550	2274
Current Assets	5490	4002
Fixed Assets	15710	17210
Intangibles	2738	2744
Total Assets	26691	26701
Payables	5122	438
Short-Term Debt	0	181
Current Liabilities	5801	3892
Long-Term Debt	11397	13027
Total Liabilities	24610	24736
Total Equity	—	—

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	21.4	—	14.5	—
Forward P/E	17.3	—	—	—
Price/Cash Flow	2.6	—	5.5	—
Price/Free Cash Flow	—	—	208.3	—
Dividend Yield %	6.6	—	2.2	—
Price/Book	—	—	1.4	—
Price/Sales	0.1	—	0.5	—
PEG Ratio	1.7	—	—	—

**Morningstar Rating** ★★★★★  
As of 08-28-2009

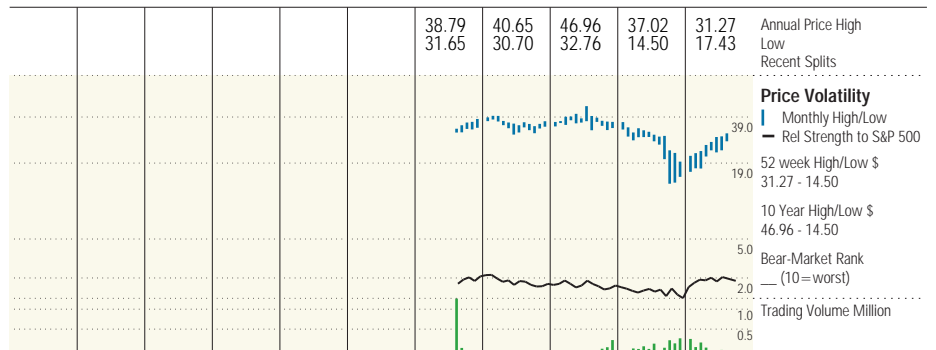
**Uncertainty** High

**Fair Value** \$53.00  
As of 07-30-2009

**Economic Moat** Wide

**Style** Mid Value

**Sector** Energy



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD	Stock Performance
0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	4.2	-48.2	68.9	Total Return %
0.0	0.0	0.0	0.0	0.0	0.0	0.0	-12.4	0.6	-9.8	55.0	+/- Market
0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.6	-31.1	-0.7	59.2	+/- Industry
0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	4.0	9.9	—	Dividend Yield %
—	—	—	—	—	—	3353	3286	5153	2426	3966	Market Cap \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Financials
—	—	—	—	—	—	12257	13991	26714	35470	26746	Revenue \$Mil
—	—	—	—	—	—	5.8	6.4	4.9	5.2	6.7	Gross Margin %
—	—	—	—	—	—	661	856	1194	1775	1703	Oper Income \$Mil
—	—	—	—	—	—	5.4	6.1	4.5	5.0	6.4	Operating Margin %
—	—	—	—	—	—	55	99	109	164	170	Net Income \$Mil
—	—	—	—	—	—	0.70	1.12	0.97	1.33	1.31	Earnings Per Share \$
—	—	—	—	—	—	0.00	1.22	1.49	1.73	1.85	Dividends \$
—	—	—	—	—	—	80	88	112	123	129	Shares Mil
—	—	—	—	—	—	—	—	—	—	—	Book Value Per Share \$
—	—	—	—	—	—	614	1159	1937	1567	1395	Oper Cash Flow \$Mil
—	—	—	—	—	—	-864	-1341	-2749	-2567	-2073	Cap Spending \$Mil
—	—	—	—	—	—	-250	-182	-812	-1000	-678	Free Cash Flow \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Profitability
—	—	—	—	—	—	0.4	0.8	0.6	0.7	0.6	Return on Assets %
—	—	—	—	—	—	—	—	—	—	—	Return on Equity %
—	—	—	—	—	—	0.5	0.7	0.4	0.5	0.6	Net Margin %
—	—	—	—	—	—	0.97	1.05	1.42	1.44	1.00	Asset Turnover
—	—	—	—	—	—	—	—	—	—	18.1	Financial Leverage

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	06-09	Financial Health
—	—	—	—	—	—	76	-64	-948	-52	109	Working Capital \$Mil
—	—	—	—	—	—	4968	5451	9507	12715	13027	Long-Term Debt \$Mil
—	—	—	—	—	—	—	—	—	—	—	Total Equity \$Mil
—	—	—	—	—	—	—	—	—	—	—	Debt/Equity

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Valuation
—	—	—	—	—	—	53.8	33.0	38.2	13.1	21.4	Price/Earnings
—	—	—	—	—	—	—	—	—	—	—	P/E vs. Market
—	—	—	—	—	—	0.3	0.2	0.2	0.1	0.1	Price/Sales
—	—	—	—	—	—	—	—	—	—	—	Price/Book
—	—	—	—	—	—	5.5	2.8	2.1	1.4	2.6	Price/Cash Flow

### Quarterly Results

Revenue \$Mil	Sep	Dec	Mar	Jun
Most Recent	10499	5925.5	4887.0	5434.3
Previous	6721.7	8357.5	8506.4	10539
Rev Growth %	Sep	Dec	Mar	Jun
Most Recent	56.2	-29.1	-42.5	-48.4
Previous	73.6	149.4	156.0	67.4
Earnings Per Share \$	Sep	Dec	Mar	Jun
Most Recent	0.34	0.21	0.47	0.28
Previous	0.10	0.17	0.38	0.40

### Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Spectra Energy Corporation	12266	4662	13.0	13.6
Kinder Morgan Energy Partn	10396	8956	11.9	—

### Major Fund Holders

	% of shares
Royce Total Return Invmt	0.21
JPMorgan Value Advantage A	0.18
Fidelity Spartan Extended Mkt Index Inv	0.03

\*3Yr Avg data is displayed in place of 5Yr Avg

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# ExxonMobil XOM

**Last Close \$** \$70.12    **Sales \$Mil** \$360,918    **Mkt Cap \$Mil** \$336,982    **Industry** Major Integrated Oil & Gas

Exxon is an integrated oil and gas company that explores for, produces, and refines oil around the world. In 2008, it produced 2.4 million barrels of oil and 9.1 million cubic feet of natural gas a day. At year-end, reserves stood at 12.8 billion barrels of oil equivalent (plus 8.3 billion for equity companies), 59% of which are oil. The company is the world's largest refiner with 36 refineries, and it is one of the world's largest manufacturers of commodity and specialty chemicals.

5959 Las Colinas Boulevard  
Irving, TX 75039-2298  
Phone: 1 972 444-1000 Website: <http://www.exxonmobil.com>

**Morningstar Rating** ★★☆☆  
As of 08-28-2009

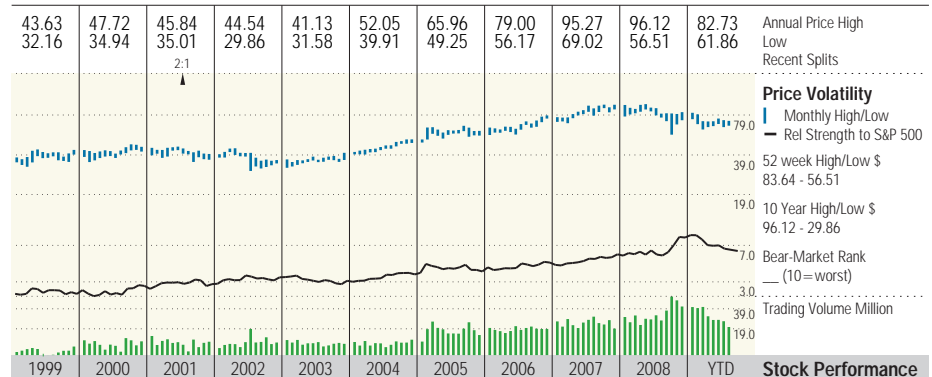
**Uncertainty** Low

**Fair Value** \$87.00  
As of 08-24-2009

**Economic Moat** Wide

**Style** Large Core

**Sector** Energy



Growth Rates		Compound Annual			
Grade: B		1 Yr	3 Yr	5 Yr	10 Yr
Revenue		18.0	8.8	14.1	15.0
Operating Income		66.4	25.3	29.7	29.1
Earnings/Share		19.4	15.0	22.5	20.9
Dividends		13.1	10.8	9.6	6.6
Book Value/Share		-0.3	7.5	10.3	9.6
Stock Total Return		-12.1	1.9	11.0	7.4
+/- Industry		6.2	4.6	3.4	3.4
+/- Market		8.8	9.4	12.5	10.1

Profitability Analysis					
Grade: A		Current	5 Yr Avg	Ind	Mkt
Return on Equity %		26.6	33.7	11.9	—
Return on Assets %		12.5	17.4	5.4	—
Fixed Asset Turns		2.9	3.4	2.6	—
Inventory Turns		14.5	21.6	11.1	—
Revenue/Employee \$K		4517.1	5193.7*	—	—
Gross Margin %		43.0	42.9	—	—
Operating Margin %		25.0	18.1	—	—
Net Margin %		8.5	9.6	—	—
Free Cash Flow/Rev %		4.2	9.1	2.5	—
R&D/Rev %		—	—	—	—

Financial Position			
Grade: B		06-08 \$Mil	06-09 \$Mil
Cash		38968	15576
Inventories		15861	12441
Receivables		41820	26862
Current Assets		103982	59496
Fixed Assets		124925	127861
Intangibles		—	6946
Total Assets		266758	224661
Payables		14661	7562
Short-Term Debt		2310	2157
Current Liabilities		77233	51614
Long-Term Debt		7327	7117
Total Liabilities		141932	118069
Total Equity		124826	106592

Valuation Analysis					
		Current	5 Yr Avg	Ind	Mkt
Price/Earnings		11.1	11.3	20.4	—
Forward P/E		11.7	—	—	—
Price/Cash Flow		9.5	8.4	7.3	—
Price/Free Cash Flow		22.4	12.1	32.6	—
Dividend Yield %		2.3	—	2.0	—
Price/Book		3.1	3.6	1.7	—
Price/Sales		0.9	1.1	0.8	—
PEG Ratio		1.8	—	—	—

Stock Performance											
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD	
12.5	10.1	-7.5	-8.8	20.1	27.6	11.8	38.7	24.1	-13.1	-11.1	Total Return %
-7.1	20.2	5.5	14.6	-6.2	18.6	8.8	25.1	20.5	25.3	-25.0	+/- Market
-9.6	13.5	8.0	-5.7	-9.1	7.9	-5.2	12.8	2.9	16.5	-11.3	+/- Industry
2.1	2.0	1.8	2.6	2.4	2.1	2.0	1.7	1.5	1.9	—	Dividend Yield %
195603	302213	268833	235108	271002	330693	349512	446944	511887	406067	336982	Market Cap \$Mil

Financials											
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	
185527	232748	213488	204506	246738	298035	370680	377635	404552	477359	360918	Revenue \$Mil
58.5	53.2	56.8	55.5	47.8	45.5	42.8	43.8	42.8	39.8	43.0	Gross Margin %
11845	27670	24412	17908	32173	41879	59928	68056	70874	117905	90367	Oper Income \$Mil
6.4	11.9	11.4	8.8	13.0	14.1	16.2	18.0	17.5	24.7	25.0	Operating Margin %
7910	17720	15320	11460	21510	25330	36130	39500	40610	45220	30791	Net Income \$Mil
1.13	2.28	2.18	1.61	3.15	3.89	5.71	6.62	7.28	8.69	6.23	Earnings Per Share \$
0.84	0.88	0.91	0.92	0.98	1.06	1.14	1.28	1.37	1.55	1.62	Dividends \$
7031	7031	6932	6821	6659	6511	6327	5966	5578	5149	4942	Shares Mil
13.07	10.18	10.70	11.09	13.60	15.77	17.87	19.52	22.29	22.21	22.18	Book Value Per Share \$
15013	22937	22889	21268	28498	40551	48138	49286	52002	59725	35994	Oper Cash Flow \$Mil
-10849	-8446	-9989	-11437	-12859	-11986	-13839	-15462	-15387	-19318	-20705	Cap Spending \$Mil
4164	14491	12900	9831	15639	28565	34299	33824	36615	40407	15289	Free Cash Flow \$Mil

Profitability											
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	
6.7	12.1	10.5	7.8	13.2	13.7	17.9	18.5	17.6	19.2	12.5	Return on Assets %
14.8	26.4	21.3	15.5	26.1	26.4	33.9	35.1	34.5	38.5	26.6	Return on Equity %
4.3	7.6	7.2	5.6	8.7	8.5	9.7	10.5	10.0	9.5	8.5	Net Margin %
1.56	1.59	1.46	1.38	1.51	1.61	1.84	1.77	1.75	2.03	1.47	Asset Turnover
2.3	2.1	2.0	2.0	1.9	1.9	1.9	1.9	2.0	2.0	2.1	Financial Leverage

Financial Health											
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	06-09	
-7592	2208	5567	5116	7574	17396	27035	26960	27651	23166	7882	Working Capital \$Mil
8402	7280	7099	6655	4756	5013	6220	6645	7183	7025	7117	Long-Term Debt \$Mil
63466	70757	73161	74597	89915	101756	111186	113844	121762	112965	106592	Total Equity \$Mil
0.13	0.10	0.10	0.09	0.05	0.05	0.06	0.06	0.06	0.06	0.07	Debt/Equity

Valuation											
1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	
35.8	19.1	18.0	21.7	13.0	13.2	9.8	11.6	12.9	9.2	11.1	Price/Earnings
—	—	—	—	—	—	—	—	—	—	—	P/E vs. Market
1.5	1.3	1.3	1.2	1.1	1.1	1.0	1.2	1.3	0.9	0.9	Price/Sales
3.1	4.3	3.7	3.1	3.0	3.3	3.1	3.9	4.2	3.6	3.1	Price/Book
18.9	13.3	11.9	11.2	9.6	8.2	7.5	9.4	10.1	6.9	9.5	Price/Cash Flow

Quarterly Results				
Revenue \$Mil	Sep	Dec	Mar	Jun
Most Recent	137737	84696	64028	74457
Previous	102337	116642	116854	138072
Rev Growth %	Sep	Dec	Mar	Jun
Most Recent	34.6	-27.4	-45.2	-46.1
Previous	2.8	29.6	34.0	40.4
Earnings Per Share \$	Sep	Dec	Mar	Jun
Most Recent	2.86	1.58	0.92	0.81
Previous	1.70	2.13	2.03	2.22

Close Competitors				
	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Royal Dutch Shell PLC	170863	334744	12.9	9.5
BP PLC	162267	270569	13.5	11.6

Major Fund Holders		% of shares
Vanguard 500 Index Investor		0.98
Vanguard Total Stock Mkt Idx		0.95
Vanguard Institutional Index		0.68

\*3Yr Avg data is displayed in place of 5Yr Avg

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# First Solar FSLR

**Last Close \$** \$124.21    **Sales \$Mil** \$1,726    **Mkt Cap \$Mil** \$10,514    **Industry** Semiconductor - Specialized

First Solar manufactures solar panels and constructs turnkey solar systems. The company's solar panels employ a proprietary production process that uses the compound cadmium telluride to convert sunlight into electricity (known as one of the thin-film solar PV technologies). Its customers include solar project developers, independent power purchasers (IPPs), and utilities. In November 2007, the company acquired Turner Renewable Energy, which now serves as its plant engineering and construction unit. First Solar's manufacturing footprint includes facilities in the United States, Germany, and Malaysia.

350 West Washington Street Suite 600  
Tempe, AZ 85281  
Phone: 1 602 414-9300 Website: <http://www.firstsolar.com>

Growth Rates Compound Annual					
Grade: A	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue	147.3	196.0	229.5	—	
Operating Income	219.5	—	—	—	
Earnings/Share	108.9	—	—	—	
Dividends	—	—	—	—	
Book Value/Share	32.6	311.0	—	—	
Stock Total Return	-55.3	0.0	0.0	0.0	
+/- Industry	-22.7	0.0	0.0	0.0	
+/- Market	-34.4	0.0	0.0	0.0	

Profitability Analysis				
Grade: F	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	32.6	-12.1	-0.1	—
Return on Assets %	25.2	-2.4	-0.0	—
Fixed Asset Turns	2.2	1.2	4.0	—
Inventory Turns	5.7	6.8	5.4	—
Revenue/Employee \$K	489.9	295.0*	—	—
Gross Margin %	55.8	27.9	—	—
Operating Margin %	38.4	-13.9	—	—
Net Margin %	33.4	-15.0	—	—
Free Cash Flow/Rev %	3.3	—	6.0	—
R&D/Rev %	3.0	4.9	—	—

Financial Position		
Grade: B	06-08 \$Mil	06-09 \$Mil
Cash	511	429
Inventories	107	163
Receivables	51	351
Current Assets	839	1244
Fixed Assets	674	912
Intangibles	34	295
Total Assets	1675	2910
Payables	94	113
Short-Term Debt	25	77
Current Liabilities	279	366
Long-Term Debt	109	157
Total Liabilities	425	625
Total Equity	1251	2285

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	17.5	—	238.1	—
Forward P/E	15.2	—	—	—
Price/Cash Flow	23.7	—	19.2	—
Price/Free Cash Flow	—	—	51.0	—
Dividend Yield %	0.0	—	1.1	—
Price/Book	4.5	—	3.3	—
Price/Sales	5.9	—	3.0	—
PEG Ratio	0.3	—	—	—

**Morningstar Rating** ★★★★★  
As of 08-28-2009

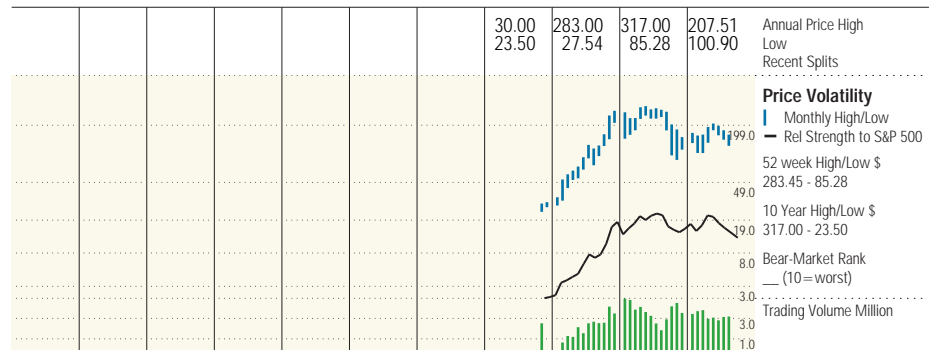
**Uncertainty** Very High

**Fair Value** \$261.00  
As of 07-20-2009

**Economic Moat** None

**Style** Large Growth

**Sector** Hardware



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD	Stock Performance	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	795.2	-48.4	-10.0	Total Return %	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	791.7	-9.9	-23.9	+/- Market	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	758.3	2.1	-31.2	+/- Industry	
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	—	Dividend Yield %	
—	—	—	—	—	—	—	—	2071	20825	11187	10514	Market Cap \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Financials
—	—	—	—	3	14	48	135	504	1246	1726	Revenue \$Mil
—	—	—	—	—	-39.4	34.5	40.2	49.9	54.4	55.8	Gross Margin %
—	—	—	—	—	-17	-5	3	137	438	664	Oper Income \$Mil
—	—	—	—	—	-124.1	-10.0	2.1	27.2	35.2	38.4	Operating Margin %
—	—	—	—	-28	-17	-6	4	158	348	577	Net Income \$Mil
—	—	—	—	-0.78	-0.39	-0.13	0.07	2.03	4.24	6.93	Earnings Per Share \$
—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Dividends \$
—	—	—	—	36	43	48	58	77	82	83	Shares Mil
—	—	—	—	—	—	—	5.93	14.08	18.66	26.99	Book Value Per Share \$
—	—	—	—	—	-15	5	-1	206	463	427	Oper Cash Flow \$Mil
—	—	—	—	—	-8	-42	-153	-242	-459	-370	Cap Spending \$Mil
—	—	—	—	—	-23	-37	-154	-36	4	57	Free Cash Flow \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Profitability
—	—	—	—	—	-40.2	-9.0	1.2	16.2	20.0	25.2	Return on Assets %
—	—	—	—	—	-74.1	-36.1	1.9	21.0	26.7	32.6	Return on Equity %
—	—	—	—	-873.5	-124.0	-13.4	2.9	31.4	27.9	33.4	Net Margin %
—	—	—	—	—	0.32	0.67	0.40	0.52	0.72	0.75	Asset Turnover
—	—	—	—	—	1.8	7.8	1.4	1.3	1.4	1.3	Financial Leverage

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	06-09	Financial Health
—	—	—	—	—	7	-7	336	616	696	878	Working Capital \$Mil
—	—	—	—	—	14	29	61	69	164	157	Long-Term Debt \$Mil
—	—	—	—	—	23	13	411	1097	1513	2285	Total Equity \$Mil
—	—	—	—	—	—	2.18	0.15	0.06	0.11	0.07	Debt/Equity

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Valuation
—	—	—	—	—	—	—	—	131.6	32.6	17.5	Price/Earnings
—	—	—	—	—	—	—	—	—	—	—	P/E vs. Market
—	—	—	—	—	—	—	11.4	41.3	9.1	5.9	Price/Sales
—	—	—	—	—	—	—	5.0	19.0	7.4	4.5	Price/Book
—	—	—	—	—	—	—	—	101.0	24.4	23.7	Price/Cash Flow

Quarterly Results				
Revenue \$Mil	Sep	Dec	Mar	Jun
Most Recent	348.7	433.6	418.2	525.9
Previous	159.0	200.8	196.9	267.0
Rev Growth %	Sep	Dec	Mar	Jun
Most Recent	119.3	116.0	112.4	96.9
Previous	479.7	281.0	194.1	245.8
Earnings Per Share \$	Sep	Dec	Mar	Jun
Most Recent	1.20	1.61	1.99	2.11
Previous	0.58	0.79	0.57	0.85

Close Competitors				
	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
SunPower Corporation	2529	1290	32.4	6.0
Suntech Power Holdings Co.	2346	1645	—	-1.6

Major Fund Holders		
		% of shares
American Funds Growth Fund of Amer A		3.47
American Funds NVIT Growth II		1.53
Fidelity Growth Company		1.46

\*3Yr Avg data is displayed in place of 5Yr Avg

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# General Electric GE

Last Close \$ 14.08 Sales \$Mil \$170,940 Mkt Cap \$Mil \$149,626 Industry Diversified

General Electric is organized into five segments: technology infrastructure, energy infrastructure, NBC Universal, consumer and industrial, and capital services. Financial services accounted for 43% of the firm's profit in 2008. The infrastructure segment is the main growth driver, thanks to its size relative to the overall portfolio (contributing 50% of industrial revenue and 53% of total segment profit), strong growth prospects, and favorable operating leverage.

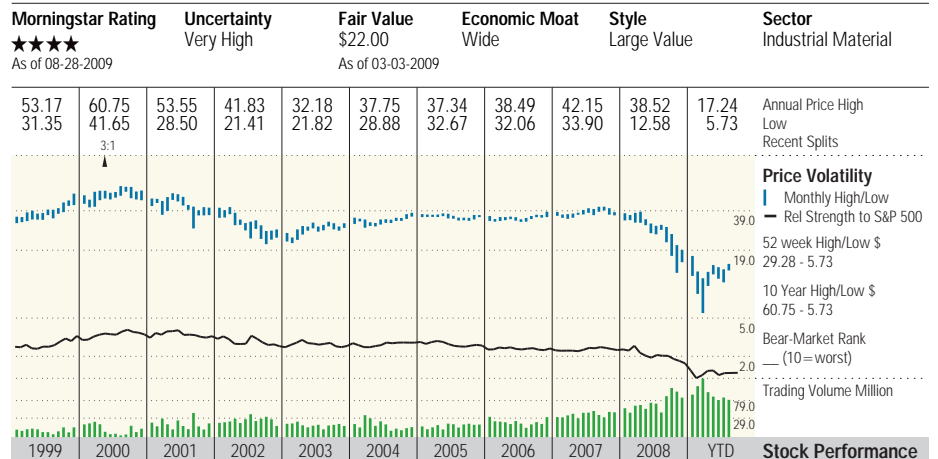
3135 Easton Turnpike W3F  
Fairfield, CT 06828-0001  
Phone: 1 203 373-2211 Website: <http://www.ge.com>

Growth Rates Compound Annual					
Grade: C	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue	5.7	6.8	6.3	6.2	
Operating Income	72.9	27.6	18.2	13.1	
Earnings/Share	-19.1	5.0	2.8	6.7	
Dividends	7.8	10.9	10.0	11.5	
Book Value/Share	-9.1	0.3	5.9	10.2	
Stock Total Return	-47.6	-19.9	-10.1	-5.3	
+/- Industry	-12.1	-5.4	-2.9	-1.7	
+/- Market	-26.7	-12.4	-8.6	-2.6	

Profitability Analysis				
Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	11.5	17.3	13.8	—
Return on Assets %	1.6	2.6	2.5	—
Fixed Asset Turns	2.2	2.4	3.2	—
Inventory Turns	5.8	6.5	5.1	—
Revenue/Employee \$K	529.2	535.2*	—	—
Gross Margin %	52.1	56.2	—	—
Operating Margin %	23.2	16.7	—	—
Net Margin %	7.8	11.4	—	—
Free Cash Flow/Rev %	13.8	14.7	10.6	—
R&D/Rev %	—	—	—	—

Financial Position		
Grade: C	06-08 \$Mil	06-09 \$Mil
Cash	18989	52316
Inventories	15012	13307
Receivables	453837	385312
Current Assets	533699	496149
Fixed Assets	79925	72937
Intangibles	100371	99052
Total Assets	846988	778168
Payables	22278	19194
Short-Term Debt	204837	174644
Current Liabilities	259567	224913
Long-Term Debt	351264	339420
Total Liabilities	728602	666049
Total Equity	118386	112119

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	10.5	18.2	12.9	—
Forward P/E	15.9	—	—	—
Price/Cash Flow	4.0	—	5.8	—
Price/Free Cash Flow	6.1	—	8.7	—
Dividend Yield %	7.4	—	3.0	—
Price/Book	1.3	—	1.8	—
Price/Sales	0.8	—	0.9	—
PEG Ratio	1.7	—	—	—



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD	Stock Performance
53.1	-6.0	-15.0	-37.4	30.4	20.5	-1.5	9.1	2.7	-53.0	-10.6	Total Return %
33.6	4.2	-2.0	-14.1	4.0	11.5	-4.5	-4.5	-0.8	-14.5	-24.5	+/- Market
9.0	-4.0	-0.6	-6.9	-0.1	3.7	2.8	-3.0	-5.5	-4.8	-12.3	+/- Industry
0.9	1.2	1.6	3.0	2.5	2.3	2.6	2.8	3.1	7.7	—	Dividend Yield %
506839	475008	397889	242308	311066	385883	370344	390120	380982	161278	149626	Market Cap \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Financials
111630	69497	125913	131698	134187	152363	149702	163391	172738	182515	170940	Revenue \$Mil
58.8	37.3	61.0	59.9	61.8	59.5	55.4	54.6	57.7	54.1	52.1	Gross Margin %
15577	16534	19701	18891	19904	20106	22129	24620	26598	45991	39700	Oper Income \$Mil
14.0	23.8	15.6	14.3	14.8	13.2	14.8	15.1	15.4	25.2	23.2	Operating Margin %
10717	12735	13684	14118	15002	16593	16353	20829	22208	17335	13291	Net Income \$Mil
1.07	1.27	1.41	1.51	1.55	1.59	1.54	1.99	2.20	1.78	1.33	Earnings Per Share \$
0.49	0.57	0.66	0.73	0.77	0.82	0.91	1.03	1.15	1.24	1.03	Dividends \$
4.33	5.10	5.52	6.40	7.89	10.43	—	11.40	11.83	—	10.55	Shares Mil
24593	22690	32195	29488	30289	36484	37641	30646	45967	48601	36064	Oper Cash Flow \$Mil
-15502	-13967	-15520	-13351	-9767	-13118	-14441	-16650	-17870	-16010	-12404	Cap Spending \$Mil
9091	8723	16675	16137	20522	23366	23200	13996	28097	32591	23660	Free Cash Flow \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Profitability
2.8	3.0	2.9	2.6	2.5	2.4	2.3	3.0	3.0	2.2	1.6	Return on Assets %
26.3	27.4	26.0	23.8	21.0	17.5	14.9	18.8	19.5	15.7	11.5	Return on Equity %
9.6	18.3	10.9	10.7	11.2	10.9	10.9	12.7	12.9	9.5	7.8	Net Margin %
0.29	0.17	0.27	0.25	0.22	0.22	0.21	0.24	0.23	0.23	0.21	Asset Turnover
9.5	8.7	9.0	9.0	8.2	6.8	6.2	6.2	6.9	7.6	6.9	Financial Leverage

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	06-09	Financial Health
111971	139551	141804	206819	238969	287542	184959	218214	244405	254715	271236	Working Capital \$Mil
71427	82132	79806	140632	170004	213161	212281	260804	319015	330067	339420	Long-Term Debt \$Mil
42557	50492	54824	63706	79180	110284	109354	112314	115559	104665	112119	Total Equity \$Mil
1.68	1.63	1.46	2.21	2.15	1.93	1.94	2.32	2.76	3.15	3.03	Debt/Equity

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Valuation
48.1	37.7	28.4	16.1	20.0	22.9	20.0	18.8	18.4	11.1	10.5	Price/Earnings
—	—	—	—	—	—	—	—	—	—	—	P/E vs. Market
4.6	6.9	3.2	1.9	2.3	2.5	—	2.4	2.3	—	0.8	Price/Sales
11.9	9.4	7.3	3.8	3.9	3.5	—	3.3	3.1	—	1.3	Price/Book
21.0	21.2	12.5	8.3	10.3	10.4	—	9.7	9.3	—	4.0	Price/Cash Flow

Quarterly Results					
Revenue \$Mil	Sep	Dec	Mar	Jun	
Most Recent	47234	46213	38411	39082	
Previous	42534	48576	42273	46891	
Rev Growth %	Sep	Dec	Mar	Jun	
Most Recent	11.1	-4.9	-9.1	-16.6	
Previous	4.1	8.4	5.2	10.8	
Earnings Per Share \$	Sep	Dec	Mar	Jun	
Most Recent	0.45	0.36	0.26	0.26	
Previous	0.54	0.69	0.43	0.51	

Close Competitors				
	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Siemens AG	75639	104742	24.6	3.2
United Technologies	56138	54224	13.5	20.9

Major Fund Holders		
	% of shares	
Vanguard 500 Index Investor	0.95	
Vanguard Total Stock Mkt Idx	0.89	
Vanguard Institutional Index	0.66	

\*3Yr Avg data is displayed in place of 5Yr Avg

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# Pfizer PFE

**Last Close \$** \$16.81    **Sales \$Mil** \$46,170    **Mkt Cap \$Mil** \$113,453    **Industry** Drug Manufacturers - Major

Pfizer is the world's largest pharmaceutical firm, with annual sales near \$50 billion. After the sale of its consumer health-care division to J&J, prescription drugs now account for more than 90% of sales. Top sellers include cholesterol-lowering Lipitor, Celebrex for arthritis, Viagra for impotence, and Lyrica for epilepsy and some types of neuropathic pain. Recently approved drugs with blockbuster potential include oncology drug Sutent and Chantix for smoking cessation.

235 East 42nd Street  
New York, NY 10017-5755  
Phone: 1 212 573-2323 Website: <http://www.pfizer.com>

**Morningstar Rating** ★★★★★  
As of 08-28-2009

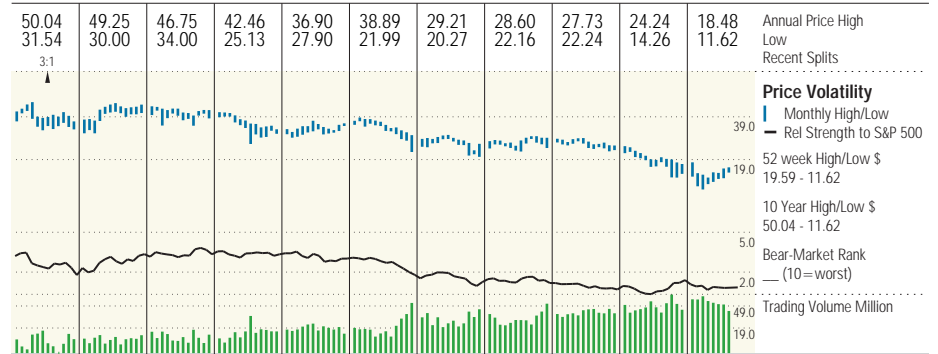
**Uncertainty** High

**Fair Value** \$26.00  
As of 03-12-2009

**Economic Moat** Wide

**Style** Large Value

**Sector** Health Care



Growth Rates		Compound Annual			
Grade: C		1 Yr	3 Yr	5 Yr	10 Yr
Revenue	-0.3	-2.0	1.3	13.6	
Operating Income	26.4	0.6	29.1	7.1	
Earnings/Share	0.8	3.0	40.2	9.2	
Dividends	10.3	19.0	16.4	17.6	
Book Value/Share	-10.3	-1.4	-0.0	14.2	
Stock Total Return	-7.8	-9.9	-7.8	-4.5	
+/- Industry	1.0	-4.8	-6.6	-2.7	
+/- Market	13.1	-2.4	-6.3	-1.9	

Profitability Analysis		Current	5 Yr Avg	Ind	Mkt
Return on Equity %	11.6	16.5	11.1	—	—
Return on Assets %	5.9	9.4	5.2	—	—
Fixed Asset Turns	3.3	3.0	3.1	—	—
Inventory Turns	1.4	1.5	2.2	—	—
Revenue/Employee \$K	564.4	547.7*	—	—	—
Gross Margin %	84.8	82.6	—	—	—
Operating Margin %	26.5	23.9	—	—	—
Net Margin %	16.3	22.2	—	—	—
Free Cash Flow/Rev %	35.1	28.2	22.6	—	—
R&D/Rev %	16.6	16.6	—	—	—

Financial Position		06-08 \$Mil	06-09 \$Mil
Cash		820	2244
Inventories		5334	4993
Receivables		10245	11381
Current Assets		48651	71550
Fixed Assets		14925	13194
Intangibles		41579	38405
Total Assets		116515	139339
Payables		5005	4283
Short-Term Debt		9448	7645
Current Liabilities		23193	26109
Long-Term Debt		13851	38893
Total Liabilities		49946	76298
Total Equity		66569	63041

Valuation Analysis		Current	5 Yr Avg	Ind	Mkt
Price/Earnings	15.1	18.1	17.1	—	—
Forward P/E	7.7	—	—	—	—
Price/Cash Flow	6.4	10.7	9.4	—	—
Price/Free Cash Flow	6.9	12.4	11.1	—	—
Dividend Yield %	5.8	—	3.1	—	—
Price/Book	1.8	2.5	2.9	—	—
Price/Sales	2.4	3.4	2.5	—	—
PEG Ratio	27.3	—	—	—	—

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD	Stock Performance
-21.4	42.9	-12.4	-22.0	17.5	-22.0	-10.4	15.2	-7.8	-16.5	-1.5	Total Return %
-40.9	53.1	0.6	1.4	-8.8	-31.0	-13.5	1.6	-11.3	22.0	-15.4	+/- Market
-5.7	16.4	-0.4	0.4	6.1	-16.6	-11.0	3.7	-7.6	1.0	-4.8	+/- Industry
0.9	0.8	1.1	1.7	1.7	2.5	3.3	3.7	5.1	7.2	—	Dividend Yield %
125844	290216	250526	188377	269622	202508	171901	186751	155241	119417	113453	Market Cap \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Financials
16204	29574	32259	32373	45188	52516	51298	48371	48418	48296	46170	Revenue \$Mil
84.4	83.4	84.4	87.5	78.2	85.6	83.4	84.2	76.8	83.2	84.8	Gross Margin %
4448	5781	10329	11796	3263	14007	11534	13028	9278	11726	12231	Oper Income \$Mil
27.5	19.5	32.0	36.4	7.2	26.7	22.5	26.9	19.2	24.3	26.5	Operating Margin %
3179	3726	7788	9126	3910	11361	8085	19337	8144	8104	7534	Net Income \$Mil
0.82	0.59	1.22	1.47	0.22	1.49	1.09	1.52	1.18	1.19	1.11	Earnings Per Share \$
0.31	0.36	0.44	0.52	0.60	0.68	0.76	0.96	1.16	1.28	1.12	Dividends \$
3884	6368	6361	6241	7286	7614	7411	7274	6939	6750	6749	Shares Mil
2.29	2.55	2.91	3.24	8.54	9.04	8.88	9.88	9.51	8.52	9.33	Book Value Per Share \$
3076	6195	9291	9864	11725	16340	14733	17594	13353	18238	17586	Oper Cash Flow \$Mil
-1561	-2191	-2203	-1758	-2641	-2601	-2106	-2050	-1880	-1701	-1355	Cap Spending \$Mil
1515	4004	7088	8106	9084	13739	12627	15544	11473	16537	16231	Free Cash Flow \$Mil

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Profitability
16.4	13.8	21.4	21.4	4.8	9.4	6.7	16.6	7.1	7.2	5.9	Return on Assets %
35.9	29.9	45.3	47.7	9.2	17.1	12.1	28.3	12.0	13.2	11.6	Return on Equity %
19.6	12.6	24.1	28.2	8.7	21.6	15.8	40.0	16.8	16.8	16.3	Net Margin %
0.83	1.09	0.89	0.76	0.55	0.44	0.43	0.42	0.42	0.43	0.36	Asset Turnover
2.3	2.1	2.1	2.3	1.8	1.8	1.8	1.6	1.8	1.9	2.2	Financial Leverage

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	06-09	Financial Health
2006	5206	4810	6226	6084	13236	13448	25560	25014	16067	45441	Working Capital \$Mil
525	1123	2609	3140	5755	7279	6347	5546	7314	14531	38893	Long-Term Debt \$Mil
8887	16076	18293	19950	65377	68278	65627	71358	65010	57556	63041	Total Equity \$Mil
0.06	0.07	0.14	0.16	0.09	0.11	0.10	0.08	0.11	0.25	0.62	Debt/Equity

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	TTM	Valuation
39.5	78.1	32.7	20.8	—	18.1	21.4	17.0	19.3	14.9	15.1	Price/Earnings
—	—	—	—	—	—	—	—	—	—	—	P/E vs. Market
7.8	6.1	7.9	5.9	5.7	3.9	3.4	3.9	3.3	2.5	2.4	Price/Sales
14.2	18.1	13.7	9.4	4.1	3.0	2.6	2.6	2.4	2.1	1.8	Price/Book
41.0	29.0	27.3	19.3	22.0	12.5	11.8	10.8	11.8	6.5	6.4	Price/Cash Flow

Quarterly Results		Sep	Dec	Mar	Jun
Revenue \$Mil					
Most Recent	11973	12346	10867	10984	
Previous	11990	12870	11848	12129	
Rev Growth %					
Most Recent	-0.1	-4.1	-8.3	-9.4	
Previous	-2.4	2.1	-5.0	9.4	
Earnings Per Share \$					
Most Recent	0.33	0.03	0.40	0.34	
Previous	0.12	0.39	0.41	0.41	

Close Competitors		Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
GlaxoSmithKline PLC		110792	39260	13.1	60.4
Merck & Co., Inc.		68159	23262	12.1	28.2

Major Fund Holders		% of shares
Fairholme		1.13
Vanguard 500 Index Investor		0.95
Vanguard Total Stock Mkt Idx		0.90

\*3Yr Avg data is displayed in place of 5Yr Avg

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# Correlation Matrix: Item(s) from 8-01-2006 to 7-31-2009

	1										
1 Enterprise GP Holdings	1										
2 ExxonMobil	2	0.06									
3 Fidelity Spartan 500 Index Advantage	3	0.43	0.44								
4 First Solar	4	NA	NA	NA							
5 General Electric	5	0.32	0.22	0.81	NA						
6 Pfizer	6	0.07	0.18	0.60	NA	0.56					
7 Selected American Shares S	7	0.45	0.41	0.98	NA	0.82	0.59				
8 T. Rowe Price Blue Chip Growth	8	0.53	0.39	0.96	NA	0.70	0.46	0.93			
9 T. Rowe Price Instl Foreign Equity	9	0.45	0.42	0.92	NA	0.69	0.51	0.91	0.93		
10 T. Rowe Price Instl Intl Bond	10	NA	NA	NA	NA	NA	NA	NA	NA	NA	
11 T. Rowe Price International Bond	11	-0.01	0.26	0.46	NA	0.51	0.51	0.45	0.40	0.60	NA

### 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 a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per

## Portfolio Snapshot Report Disclosure Statement (continued)

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

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

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

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

Market Maturity shows the percentage of a holding's 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. For separate accounts and stocks we pull the audited expense ratio from the annual report.

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.

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

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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.

# Mutual Fund Detail Report Disclosure Statement

The Mutual Fund Detail Report is to be used as supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus and a disclosure statement. Please read the prospectus carefully. In all cases, this disclosure statement should accompany the Mutual Fund Detail Report. Morningstar is not itself a FINRA-member firm. Portfolio information is based on the most recent information available to Morningstar.

## 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 Performance section.

**When pre-inception data are presented in the report, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.**

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.

## Performance

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 when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

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.

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 and/or shareholder report available to Morningstar. Standardized returns never include pre-inception history.

Morningstar % Rank within Morningstar Category does not account for a fund's sales charge (if applicable). Rankings will not be provided for periods less than one year.

## 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.

**If pre-inception data is included in the analysis, it will be graphed.**

## Risk and Return

The Morningstar Rating is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Please note that some Morningstar proprietary calculations, including the Morningstar Rating, may be calculated based on adjusted historical returns (pre-inception returns). If the extended performance rating is in effect, the "stars" are represented as unshaded stars. For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's adjusted monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. This investment's independent Morningstar Rating metric is then compared against the open-end mutual fund universe's actual performance breakpoints to determine its extended performance rating. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the actual performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return rates a mutual fund's performance relative to other funds in its Morningstar Category. It is an assessment of a fund's excess return over a risk-free rate (the return of the 90-day Treasury Bill), after adjusting for all applicable loads and sales charges, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return (HIGH), the next 22.5% Above Average (+AVG), the middle 35% Average (AVG), the next 22.5% Below Average (-AVG), and the bottom 10% Low (LOW). Morningstar Return is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

Morningstar Risk evaluates a mutual fund's downside volatility relative to that of other funds in its Morningstar Category. It is an assessment of the variations in a fund's monthly returns, with an emphasis on downside variations, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk (LOW), the next 22.5% Below Average (-AVG), the middle 35% Average (AVG), the next 22.5% Above Average (+AVG), and the top 10% High (HIGH). Morningstar Risk is measured for up to three time periods

(three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

**If pre-inception returns are included in this analysis, the risk and return profile data calculated on the basis of these returns will appear in italics.**

### Risk Measures

The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Mean represents the annualized geometric return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

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

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.

Best fit index: Alpha, beta, and R-squared statistics are presented for a broad market index and a "Best fit" index. The Best-Fit index identified in this report was determined by Morningstar by calculating R-squared for the fund against approximately 100 indexes tracked by Morningstar. The index representing the highest R-squared is identified as the best-fit index. The best-fit index may not be the fund's benchmark, nor does it necessarily contain the types of securities that may be held by the fund.

**Risk measures calculated using pre-inception data, if included in the analysis, will be presented in italics.**

### Asset Allocation

The weighting of the portfolio in various asset classes, including "Other," is shown in this table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. 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.

Note that all other portfolio statistics presented in this report are based on the long holdings of the fund only.

### Style Analysis

The Morningstar Style Box reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds 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).

### Equity Portfolio Statistics

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

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

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's 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 geometric average market capitalization of a fund's equity portfolio offers a measure of the size of the companies in which the mutual fund invests.

### Fixed-Income Portfolio Statistics

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

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity 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 calculated by taking the weighted average of the credit rating for each bond in the portfolio.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in 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.

Turnover Ratio is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for a security in the fund. As turnover increases, a fund's brokerage costs typically rise as well.

### Operations

Purchase constraints denote if a mutual fund has any of the following qualities: Qualified Access (A), Institutional (T), Closed to New Investments, (C) or Closed to All Investments (L). Because these qualities can all act as restrictions and/or requirements for investment, they are grouped together.

Potential capital gains exposure is the percentage of a mutual fund's total assets that represent capital appreciation.

### Investment Risk

International Funds/Emerging Market Funds: The investor should note that funds 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.

Sector Funds: The investor should note that funds 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: The investor should note that funds that reinvest 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: The investor should note that funds 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 Funds: The investor should note that funds 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 Bond Funds: The investor should note that funds 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 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.

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.

### Fees and Expenses

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.

# Stock Detail Report

## Disclosure Statement

Please read this information carefully. In all cases, this disclosure statement should accompany the Stock Detail report. Morningstar is not itself a FINRA-member firm. All data presented is based on the most recent information available to Morningstar. Morningstar gathers data from many sources including third party providers such as Comstock and Reuters. Unless otherwise stated, all data and statistics presented in the report are as of the release date noted within the Detail Report and constitute "as originally reported" information.

### Last Close \$

Stock price shown represents the market price of the stock as of the close of trading on the release date noted at the top of the investment detail page.

### Market Capitalization \$ mil

Value of a company as determined by the market price of its outstanding common stock. It is calculated by multiplying the market price as of the close of trading as of the last day of the most recent month-end by the number of shares outstanding as of the most recently completed fiscal quarter. It may be used as an indicator of how investors value a company's future prospects.

### Morningstar Rating

The Morningstar Rating for stocks is calculated by comparing Morningstar's assessment of a stock's fair value with the stock's current market price. The rating is assigned a five star rating if fair value is 30% or more above the current market price, four star rating if it is 10% to 30% above the current market price, three star rating if fair value is 10% above or below the current market price, two star rating if fair value is 10% to 30% below the current market price, and a one star rating for a fair value of 30% or more below the current market price.

### Fair Value Uncertainty

Fair Value Uncertainty is meant to give investors an idea of how tightly we feel we can bound our fair value estimate for any given company. To generate Morningstar Fair Value Uncertainty, analysts consider the following factors:

- Sales predictability
- Operating leverage
- Financial leverage
- A firm's exposure to contingent events

Based on these factors, analysts classify the stock into one of several uncertainty levels: Low, Medium, High, Very High, or Extreme. The greater the level of uncertainty, the greater the discount to fair value required before a stock can earn 5 stars, and the greater the premium to fair value before a stock earns a 1 star rating.

### Fair Value

Each stock's fair value is estimated by utilizing a proprietary discounted cash flow model (DCF). This model assumes that the stock's value is equal to the total of the free cash flows of the company is expected to generate in the future, discounted back to the present at the rate commensurate with the riskiness of the cash flows. As with any DCF model, the ending value is highly sensitive to Morningstar's projections of future growth.

### Economic Moat

Economic Moat measures the strength and sustainability of a firm's compet-

itive advantage. Many factors are considered when assigning this rating, including the firm's historical performance, the source of the company's excess economic profits, market share, ability to produce products at lower costs than competitors, governmental protection via patents/copyrights, high customer switching costs, and other various considerations as determined by our Editorial staff. The rating value assigned will be either none, narrow, or wide.

### Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

### Stock Grades

The grading system is a letter-based system from A through F, with A being the highest.

The Growth Grade shows how well the company's growth compares with the Morningstar universe. Growth is measured by revenue per share.

The Profitability Grade shows how well a company's profitability, as measured by return on equity, compares with the Morningstar universe.

The Financial Health Grade compares a company's enterprise value with the book value of its liabilities, rewarding those firms that have a low probability of enterprise value falling below the value of liabilities.

### Stock Performance

Total Return represents shareholders' gains from a stock over a given period of time (YTD, one month, three month, one-, three-, and five year). Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming the reinvestment of all dividends, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation.

### Financials

Earnings per share \$ (EPS), diluted EPS, is calculated by dividing net income net of preferred dividends by a weighted average of total shares outstanding plus additional common shares that would have been outstanding if the dilutive common share would have been issued for the trailing 12 months (TTM).

Dividend per share \$ is the dollar amount of dividends paid out by the company in a particular period to its common shareholders, as reported by the company.

### Profitability

Return on Assets (ROA) is the percentage a company earns on its assets in a given year. (Year 1, 2, etc.). The calculation is net income divided by end-of-year total assets, then multiplied by 100.

Return on Equity (ROE) is the percentage a company earns on its total equity in a given year (Year 1, 2, etc.). The calculation is net income divided by end-of-year net worth, multiplied by 100.

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.

Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period.

Financial leverage is calculated by dividing total assets by total shareholders' equity.

## Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share.

Price/Book (PB) is the most recent stock price divided by the most recent book value per share.

Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months.

Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

## Growth Rates

All the figures in the Growth section represent the compounded or annualized growth rate. These figures are collected for revenue, net income, EPS, equity per share, and dividends.

## Profitability Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Return on Equity % is the percentage a company earns on its total equity in a given year. The calculation is net income divided by end-of-year net worth.

Return on Assets % 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.

Revenue/Employee \$K looks at a company's sales in relation to the number of employees they have. This ratio is most useful when compared against other companies in the same industry. Ideally, a company wants the highest revenue per employee possible, as it denotes higher productivity.

Operating Margin % is used to measure pricing strategy and operating efficiency. It is calculated by dividing operating income by net sales. Also known as operating profit margin or net profit margin.

Net Margin % is equal to annual net income divided by revenues.

Free Cash Flow/Rev % is free cash flow divided by sales for the same time period. Free cash flow is calculated by subtracting capital spending from cash flow from operations for the same time period. It is the money left over after investment, and it can be used to pay dividends, buy back stock, or pay down debt.

## Valuation Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Price/Earnings is the stock's price divided by the company's earnings per share.

Forward P/E ratio is the most-recent stock price divided by the mean EPS estimate for the current fiscal year. This number gives some indication of how cheap or expensive a stock is compared with consensus earnings estimates. The lower the forward P/E, the cheaper the stock. Reuters Estimates data is used in the denominator of this calculation.

Price/Cash Flow is the stock's price divided by the cash-flow per share of the latest fiscal year.

Price/Free Cash Flow is the free cash flow divided by its "enterprise value", or market capitalization plus net debt. This number tells you what cash return you would get if you bought the entire company, including its debt.

Dividend Yield % is a percentage calculated by dividing total dividends by the current market price and multiplying by 100.

Price/Book is the stock price divided by the book value per share.

Price/Sales is the stock's price divided by the company's sales per share.

PEG Ratio is Forward P/E ratio divided by the company's EPS Growth % Five-Year Mean Estimate. The Forward P/E ratio used in the numerator of this ratio is calculated by taking the current share price and dividing by the mean EPS estimate for the current fiscal year. The denominator is the average estimate of long-term EPS growth, derived from all polled analysts' estimates from Reuters Estimates.

## Market

Standard & Poor's 500: A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

# 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.

### **Russell 1000 TR USD**

Consists of the 1000 largest companies within the Russell 3000 index, which represents approximately 98% of the investable US equity market. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose.

### **Russell 1000 Growth TR USD**

Tracks the companies within the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

### **MSCI World Ex US NR USD**

This index measures the performance of the stock market in 21 non-U.S. industrialized countries.

### **Citi WGBI NonUSD USD**

A market-capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, and United Kingdom. Country eligibility is determined based upon market capitalization and investability criteria. The index includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of US\$25 million. Government securities typically exclude floating or variable rate bonds.