

# BioScience Growth Stock

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**Prepared for:**  
BioScience Growth Stock

# Portfolio Snapshot

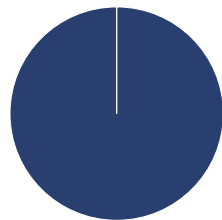
## BSG Stock (Brokerage)

**Portfolio Value**

\$999,984.67

**Benchmark**

S&amp;P 500 TR USD (USD, SPXT)

**Analysis** 03-31-2025**Asset Allocation**

- Cash
- US Stocks
- Non-US Stocks
- Bonds
- Other/Not Clsfd

|                 | Portfolio Net % | Bmark Net % |
|-----------------|-----------------|-------------|
| Cash            | 0.00            | 0.00        |
| US Stocks       | 100.00          | 99.48       |
| Non-US Stocks   | 0.00            | 0.52        |
| Bonds           | 0.00            | 0.00        |
| Other/Not Clsfd | 0.00            | 0.00        |

**Morningstar Equity Style Box %**

|       | Value | Blend | Growth |  |
|-------|-------|-------|--------|--|
| Large | 0     | 0     | 7      |  |
| Mid   | 0     | 0     | 21     |  |
| Small | 0     | 0     | 72     |  |

Value Blend Growth  
0-10 10-25 25-50 >50

Total Stock Holdings

14

% Not Classified

0

**Morningstar Fixed Income Style Box %**

|      | Ltd | Mod | Ext |  |
|------|-----|-----|-----|--|
| High |     |     |     |  |
| Med  |     |     |     |  |
| Low  |     |     |     |  |

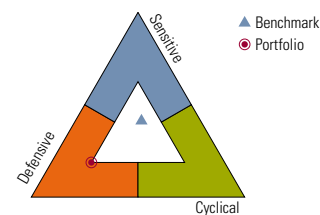
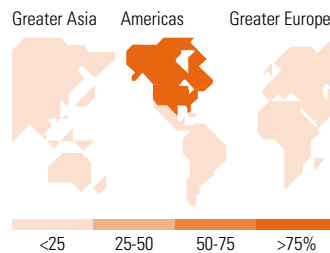
Ltd Mod Ext  
0-10 10-25 25-50 >50

Total Bond Holdings

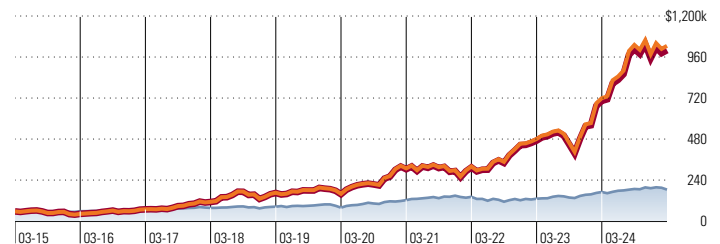
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% Not Classified

—

**Stock Analysis** 03-31-2025**Stock Sectors****World Regions****Performance** 03-31-2025**Investment Activity Graph**

Initial Mkt Val: \$56,682  
Final Mkt Val: \$999,985



|                       | Portfolio (%) | Bmark (%)    |
|-----------------------|---------------|--------------|
| <b>Cyclical</b>       | <b>0.00</b>   | <b>28.62</b> |
| Basic Matls           | 0.00          | 1.79         |
| Consumer Cycl         | 0.00          | 10.35        |
| Financial Svs         | 0.00          | 14.21        |
| Real Estate           | 0.00          | 2.27         |
| <b>Sensitive</b>      | <b>0.00</b>   | <b>51.44</b> |
| Commun Svs            | 0.00          | 9.33         |
| Energy                | 0.00          | 3.66         |
| Industrials           | 0.00          | 7.46         |
| Technology            | 0.00          | 30.99        |
| <b>Defensive</b>      | <b>100.00</b> | <b>19.94</b> |
| Consumer Def          | 0.00          | 6.03         |
| Healthcare            | 100.00        | 11.19        |
| Utilities             | 0.00          | 2.72         |
| <b>Not Classified</b> | <b>0.00</b>   | <b>0.00</b>  |

|                       | Portfolio (%) | Bmark (%)    |
|-----------------------|---------------|--------------|
| <b>Americas</b>       | <b>100.00</b> | <b>99.48</b> |
| North America         | 100.00        | 99.48        |
| Latin America         | 0.00          | 0.00         |
| <b>Greater Europe</b> | <b>0.00</b>   | <b>0.49</b>  |
| United Kingdom        | 0.00          | 0.03         |
| Europe-Developed      | 0.00          | 0.46         |
| Europe-Emerging       | 0.00          | 0.00         |
| Africa/Middle East    | 0.00          | 0.00         |
| <b>Greater Asia</b>   | <b>0.00</b>   | <b>0.04</b>  |
| Japan                 | 0.00          | 0.00         |
| Australasia           | 0.00          | 0.00         |
| Asia-Developed        | 0.00          | 0.04         |
| Asia-Emerging         | 0.00          | 0.00         |
| <b>Not Classified</b> | <b>0.00</b>   | <b>0.00</b>  |

| Trailing Returns*      | 3 Mo  | 1 Yr  | 3 Yr  | 5 Yr  | 10 Yr | Since Inception |
|------------------------|-------|-------|-------|-------|-------|-----------------|
| Portfolio Return-Gross | 4.97  | 42.51 | 47.47 | 45.15 | 33.58 | 34.71           |
| Portfolio Return-Net   | 4.90  | 42.15 | 47.10 | 44.79 | 33.25 | 34.38           |
| Benchmark Return       | -4.27 | 8.25  | 9.06  | 18.59 | 12.50 | 12.22           |
| Relative Return        | 9.17  | 33.90 | 38.04 | 26.20 | 20.75 | 22.16           |

Portfolio Inception Date: 03-31-2015

\*Full return history is not available for all securities. Please see Return Participation disclosure.

| Best/Worst Time Periods | Best % (Net of Fees)         | Worst % (Net of Fees)        |
|-------------------------|------------------------------|------------------------------|
| 3 Months                | 43.69 ( Nov 2020-Jan 2021 )  | -28.96 ( Dec 2015-Feb 2016 ) |
| 1 Year                  | 146.66 ( Nov 2023-Oct 2024 ) | -25.93 ( Mar 2015-Feb 2016 ) |
| 3 Years                 | 60.99 ( Mar 2016-Feb 2019 )  | 20.59 ( Jul 2019-Jun 2022 )  |

| Portfolio Yield ( 03-31-2025 ) | Yield % |
|--------------------------------|---------|
| 12-Month Yield                 | 0.75    |

**Disclosure**

The portfolio-level performance returns shown are hypothetical, based on historic economic and market assumptions and the investment and planning assumptions selected by your financial professional. Hypothetical performance is for illustrative purposes only and is not a guarantee of future results. The historical benchmark index performance is selected by you or your financial professional as a comparison tool and is provided for informational purposes only. Actual performance returns will vary. Please refer to the Investment Performance and Benchmark Disclosures for additional information.

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# Portfolio Snapshot

## BSG Stock (Brokerage)

**Portfolio Value**  
\$999,984.67

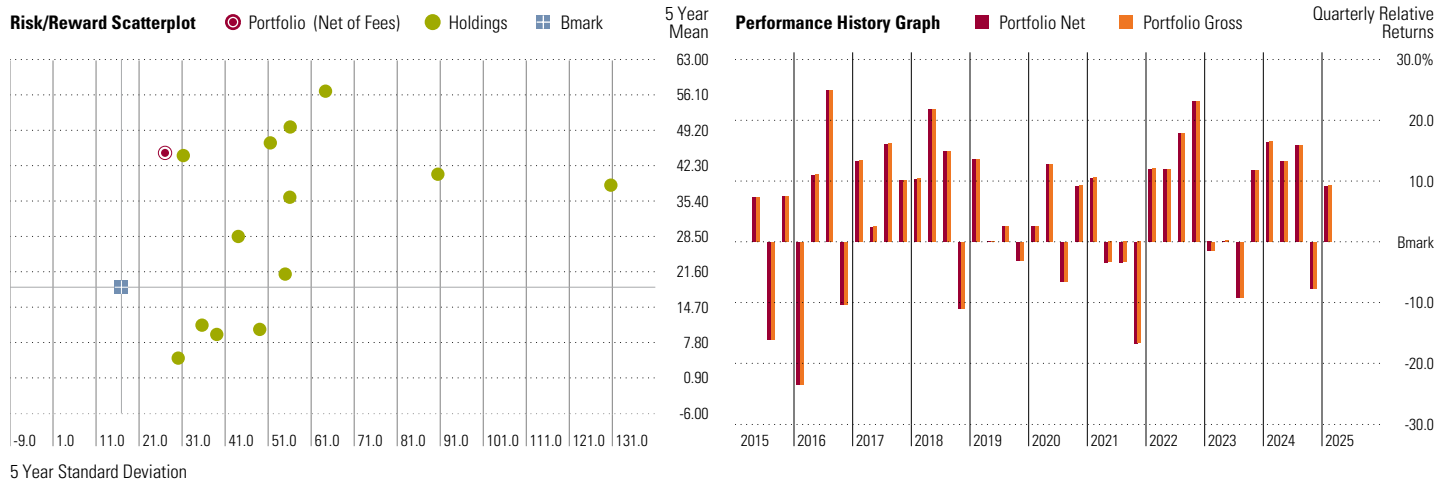
**Benchmark**  
S&P 500 TR USD (USD, SPXT)

### Holdings 03-31-2025

#### Top 10 holdings out of 14

|                                   | Symbol | Type | Holding Value \$ | % Assets |
|-----------------------------------|--------|------|------------------|----------|
| Insulet Corp (USD)                | PODD   | ST   | 71,430           | 7.14     |
| Corcept Therapeutics Inc (USD)    | CORT   | ST   | 71,430           | 7.14     |
| Lantheus Holdings Inc (USD)       | LNTH   | ST   | 71,430           | 7.14     |
| TransMedics Group Inc (USD)       | TMDX   | ST   | 71,430           | 7.14     |
| Halozyne Therapeutics Inc (USD)   | HALO   | ST   | 71,430           | 7.14     |
| PROCEPT BioRobotics Corp (USD)    | PRCT   | ST   | 71,430           | 7.14     |
| Viking Therapeutics Inc (USD)     | VKTX   | ST   | 71,430           | 7.14     |
| Inspire Medical Systems Inc (USD) | INSP   | ST   | 71,430           | 7.14     |
| Globus Medical Inc Class A (USD)  | GMED   | ST   | 71,430           | 7.14     |
| Natera Inc (USD)                  | NTRA   | ST   | 71,430           | 7.14     |

### Risk Analysis 03-31-2025



#### Risk and Return Statistics (Portfolio is Net of Fees)\*

|                    | 3 Yr      |       | 5 Yr      |       | 10 Yr     |       |
|--------------------|-----------|-------|-----------|-------|-----------|-------|
|                    | Portfolio | Bmark | Portfolio | Bmark | Portfolio | Bmark |
| Standard Deviation | 26.53     | 17.31 | 27.04     | 16.90 | 27.94     | 15.38 |
| Mean               | 47.10     | 9.06  | 44.79     | 18.59 | 33.25     | 12.50 |
| Sharpe Ratio       | 1.71      | 0.34  | 1.70      | 1.00  | 1.28      | 0.76  |

#### MPT Statistics (Net of Fees)\*

|           | 3 Yr Portfolio | 5 Yr Portfolio | 10 Yr Portfolio |
|-----------|----------------|----------------|-----------------|
| Alpha     | 32.22          | 23.24          | 18.82           |
| Beta      | 1.02           | 0.95           | 1.10            |
| R-Squared | 43.58          | 35.67          | 36.70           |

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# Portfolio Snapshot

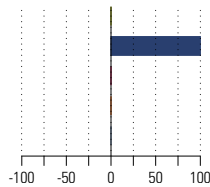
## BSG Stock (Brokerage)

**Portfolio Value**

\$999,984.67

**Benchmark**

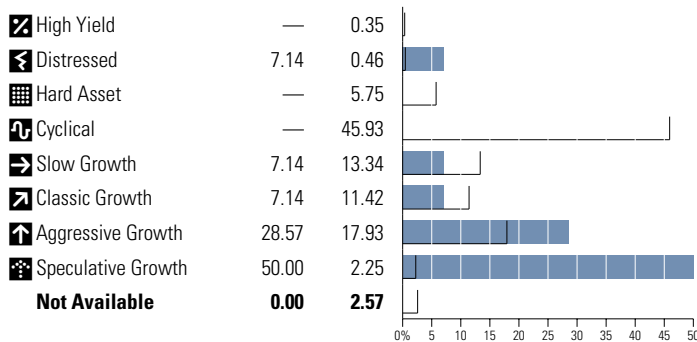
S&amp;P 500 TR USD (USD, SPXT)

**Fundamental Analysis** 03-31-2025**Asset Allocation**

|                 | Portfolio Net % | Portfolio Long % | Portfolio Short % |
|-----------------|-----------------|------------------|-------------------|
| Cash            | 0.00            | 0.00             | 0.00              |
| US Stocks       | 100.00          | 100.00           | 0.00              |
| Non-US Stocks   | 0.00            | 0.00             | 0.00              |
| Bonds           | 0.00            | 0.00             | 0.00              |
| Other/Not Clsfd | 0.00            | 0.00             | 0.00              |
| <b>Total</b>    | <b>100.00</b>   | <b>100.00</b>    | <b>0.00</b>       |

**Type Weightings**

% of Stocks

**Market Maturity**

| % of Stocks          | Portfolio   | Bmark       |
|----------------------|-------------|-------------|
| Developed Markets    | 100.00      | 100.00      |
| Emerging Markets     | 0.00        | 0.00        |
| <b>Not Available</b> | <b>0.00</b> | <b>0.00</b> |

**Valuation Multiples**

|                 | Portfolio | Bmark |
|-----------------|-----------|-------|
| Price/Earnings  | 39.69     | 24.90 |
| Price/Book      | 6.60      | 4.50  |
| Price/Sales     | 6.96      | 3.01  |
| Price/Cash Flow | 28.86     | 17.60 |

**Profitability**

| % of Stocks  | Portfolio 2025-03 | Bmark 2025-03 |
|--------------|-------------------|---------------|
| Net Margin   | 12.10             | 21.22         |
| ROE          | 31.85             | 33.58         |
| ROA          | 8.09              | 15.08         |
| Debt/Capital | 27.47             | 37.63         |

**Fund Statistics**

|                              |   |
|------------------------------|---|
| Potential Cap Gains Exposure | — |
| Avg Net Expense Ratio        | — |
| Avg Gross Expense Ratio      | — |

**Average Capitalization (\$Mil)**

|           |            |
|-----------|------------|
| Portfolio | 9,000.34   |
| Benchmark | 312,902.82 |

**Credit Quality Breakdown**

|         |   |
|---------|---|
| AAA     | — |
| AA      | — |
| A       | — |
| BBB     | — |
| BB      | — |
| B       | — |
| Below B | — |
| NR      | — |

**Interest Rate Risk**

| Bonds            | % Not Available |
|------------------|-----------------|
| Avg Eff Maturity | —               |
| Avg Eff Duration | —               |
| Avg Wtd Coupon   | —               |

**Disclosure**

Fundamental analysis is a method that uses qualitative factors and quantitative measurements to evaluate an investment. Please refer to the Investment Performance Disclosures for additional information.

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# Portfolio Snapshot

## BSG Stock (Brokerage)

**Portfolio Value**  
\$999,984.67

**Benchmark**  
S&P 500 TR USD (USD, SPXT)

### Non-Load Adjusted Returns

| Total 14 holdings as of 03-31-2025 | Symbol | Type | Holdings Date | % of Assets | Holding Value \$ | 30-day SEC Yield Subsidized | 30-day SEC Yield Unsubsidized | 1 Yr Ret % | 3 Yr Ret % | 5 Yr Ret % | 10 Yr Ret % |
|------------------------------------|--------|------|---------------|-------------|------------------|-----------------------------|-------------------------------|------------|------------|------------|-------------|
| Insulet Corp (USD)                 | PODD   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 52.83      | -0.72      | 9.38       | 22.61       |
| Corcept Therapeutics Inc (USD)     | CORT   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 352.30     | 71.38      | 56.83      | 34.86       |
| Lantheus Holdings Inc (USD)        | LNTH   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 56.42      | 20.54      | 49.84      | —           |
| TransMedics Group Inc (USD)        | TMDX   | ST   | —             | 7.14        | 71,430           | —                           | —                             | -9.23      | 35.33      | 40.63      | —           |
| Halozyme Therapeutics Inc (USD)    | HALO   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 56.47      | 16.67      | 28.49      | 15.86       |
| PROCEPT BioRobotics Corp (USD)     | PRCT   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 17.59      | 18.23      | —          | —           |
| Viking Therapeutics Inc (USD)      | VKTX   | ST   | —             | 7.14        | 71,430           | —                           | —                             | -70.62     | 99.91      | 38.50      | —           |
| Inspire Medical Systems Inc (USD)  | INSP   | ST   | —             | 7.14        | 71,430           | —                           | —                             | -26.03     | -14.92     | 21.15      | —           |
| Globus Medical Inc Class A (USD)   | GMED   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 36.12      | -0.51      | 11.19      | 10.96       |
| Natera Inc (USD)                   | NTRA   | ST   | —             | 7.14        | 71,430           | —                           | —                             | 54.23      | 51.11      | 36.14      | —           |
| Neurocrine Biosciences Inc (USD)   | NBIX   | ST   | —             | 7.14        | 71,430           | —                           | —                             | -20.01     | 5.40       | 4.76       | 10.51       |
| Penumbra Inc (USD)                 | PEN    | ST   | —             | 7.14        | 71,429           | —                           | —                             | 19.52      | 6.11       | 10.36      | —           |
| Eli Lilly and Co (USD)             | LLY    | ST   | —             | 7.14        | 71,429           | —                           | —                             | 6.56       | 43.28      | 44.27      | 29.56       |
| ADMA Biologics Inc (USD)           | ADMA   | ST   | —             | 7.14        | 71,401           | —                           | —                             | 199.85     | 120.77     | 46.74      | 7.04        |

### Asset-Based Fees

The returns and/or return statistics in this report reflect the deduction of the asset-based fees listed in the table below. The annual fee percentage and frequency were provided by your financial professional. This type of fee is in addition to the normal operating

expenses of the securities within the portfolio. At the portfolio-level, the asset-based fee is based on a weighted calculation of the fees associated with the underlying holdings/securities of the portfolio and the account-level fee, if any.

| Security                                | Annual Fee % | Frequency    |
|-----------------------------------------|--------------|--------------|
| ADMA Biologics Inc (USD, ADMA)          | 0.2500       | Once a Month |
| Corcept Therapeutics Inc (USD, CORT)    | 0.2500       | Once a Month |
| Eli Lilly and Co (USD, LLY)             | 0.2500       | Once a Month |
| Globus Medical Inc Class A (USD, GMED)  | 0.2500       | Once a Month |
| Halozyme Therapeutics Inc (USD, HALO)   | 0.2500       | Once a Month |
| Inspire Medical Systems Inc (USD, INSP) | 0.2500       | Once a Month |
| Insulet Corp (USD, PODD)                | 0.2500       | Once a Month |
| Lantheus Holdings Inc (USD, LNTH)       | 0.2500       | Once a Month |
| Natera Inc (USD, NTRA)                  | 0.2500       | Once a Month |
| Neurocrine Biosciences Inc (USD, NBIX)  | 0.2500       | Once a Month |
| Penumbra Inc (USD, PEN)                 | 0.2500       | Once a Month |
| PROCEPT BioRobotics Corp (USD, PRCT)    | 0.2500       | Once a Month |
| TransMedics Group Inc (USD, TMDX)       | 0.2500       | Once a Month |
| Viking Therapeutics Inc (USD, VKTX)     | 0.2500       | Once a Month |

### Return Participation 03-31-2025

This portfolio report includes securities for which return data is not available for the entire history represented. When return is not available for a security, the remaining securities returns are reweighted to maintain consistent proportions for the securities that do have returns. The reweighting impacts trailing return data, as well as statistics that are calculated using return, including standard deviation, mean, Sharpe ratio, alpha, beta and R-squared. The following securities do not have 120 months of return data reflected in the report.

### Security

PROCEPT BioRobotics Corp (USD, PRCT)

### Start Date

10-31-2021

| <b>Security</b>                         | <b>Start Date</b> |
|-----------------------------------------|-------------------|
| TransMedics Group Inc (USD, TMDX)       | 06-30-2019        |
| Inspire Medical Systems Inc (USD, INSP) | 06-30-2018        |
| Penumbra Inc (USD, PEN)                 | 10-31-2015        |
| Natera Inc (USD, NTRA)                  | 08-31-2015        |
| Lantheus Holdings Inc (USD, LNTH)       | 07-31-2015        |
| Viking Therapeutics Inc (USD, VKTX)     | 05-31-2015        |

### **Performance Disclosure**

*The security-level performance data shown represents past performance and does not guarantee future results. The investment return and market value will fluctuate. Current performance and market value will be lower or higher than stated herein. Please refer to the Standardized and Tax Adjusted Returns Disclosure Statement and relevant information at the end of the report for additional information. The historical benchmark index performance is selected by [you or] your financial professional as an appropriate comparison tool and is provided for informational purposes only. Actual performance returns will vary. Please refer to the Benchmark Disclosures for additional information.*

**See Disclosure Page for Standardized Returns.**

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# Appendix

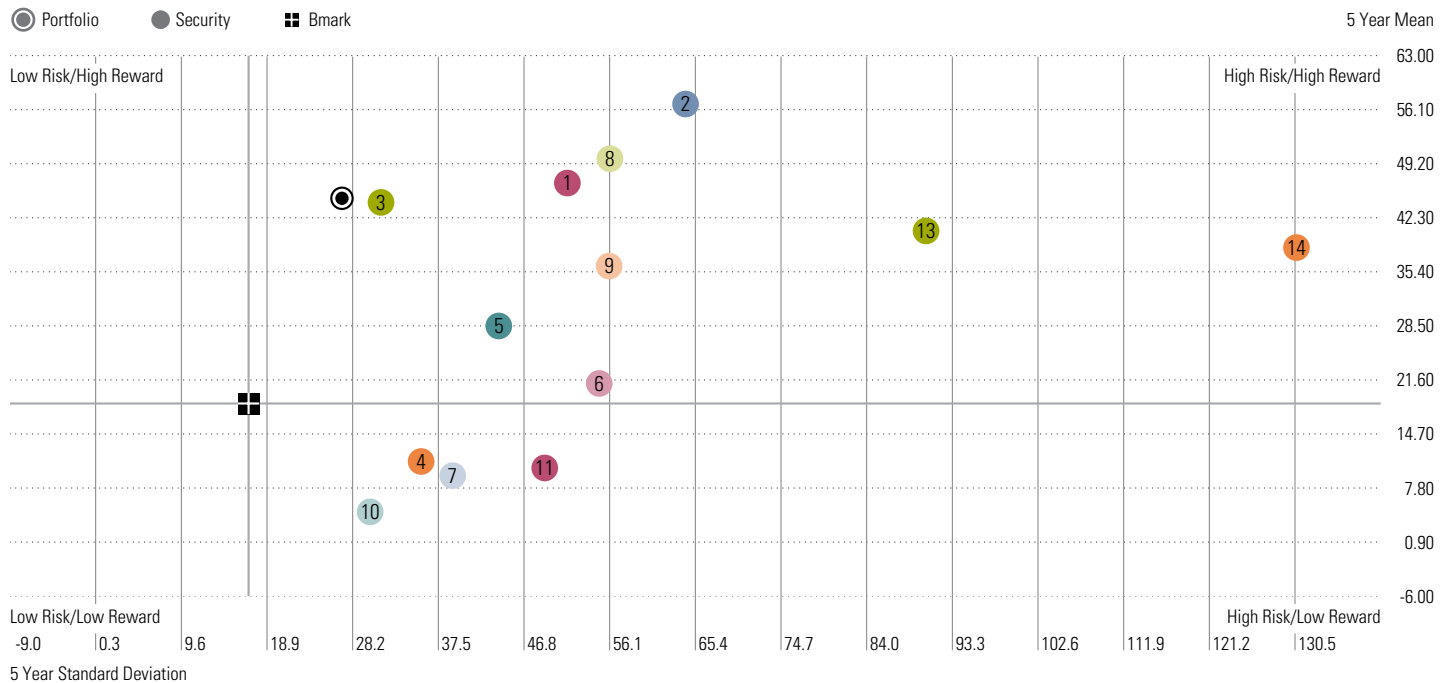
| Quarterly Performance History |        |        |       |        |       |       |        |       |       |       |      |
|-------------------------------|--------|--------|-------|--------|-------|-------|--------|-------|-------|-------|------|
| Portfolio Net %               | 2015   | 2016   | 2017  | 2018   | 2019  | 2020  | 2021   | 2022  | 2023  | 2024  | YTD  |
| Q1                            | —      | -23.52 | 13.28 | 10.32  | 13.53 | 2.50  | 10.50  | 11.98 | -1.49 | 16.41 | 9.17 |
| Q2                            | 7.28   | 10.98  | 2.45  | 21.79  | 0.09  | 12.72 | -3.39  | 11.91 | 0.14  | 13.23 | —    |
| Q3                            | -16.09 | 24.86  | 16.13 | 14.89  | 2.54  | -6.57 | -3.38  | 17.82 | -9.18 | 15.88 | —    |
| Q4                            | 7.44   | -10.34 | 10.11 | -11.02 | -3.12 | 9.20  | -16.73 | 23.09 | 11.74 | -7.71 | —    |
| Portfolio Gross %             | 2015   | 2016   | 2017  | 2018   | 2019  | 2020  | 2021   | 2022  | 2023  | 2024  | YTD  |
| Q1                            | —      | -23.47 | 13.35 | 10.39  | 13.61 | 2.56  | 10.58  | 12.05 | -1.42 | 16.49 | 9.24 |
| Q2                            | 7.35   | 11.05  | 2.51  | 21.87  | 0.15  | 12.80 | -3.32  | 11.97 | 0.21  | 13.30 | —    |
| Q3                            | -16.04 | 24.94  | 16.20 | 14.97  | 2.60  | -6.50 | -3.32  | 17.89 | -9.12 | 15.96 | —    |
| Q4                            | 7.51   | -10.28 | 10.18 | -10.97 | -3.05 | 9.27  | -16.67 | 23.17 | 11.81 | -7.65 | —    |

# 5 Years Risk/Reward Scatterplot: BSG Stock (Brokerage)

03-31-2020 to 03-31-2025

Currency  
USDBenchmark  
S&P 500 TR USD (USD, SPXT)

## Risk/Reward Analysis



| Securities                                 | 5 Years Std Dev<br>(Net of Fees) | 5 Years Mean<br>(Net of Fees) |
|--------------------------------------------|----------------------------------|-------------------------------|
| 1 ADMA Biologics Inc(USD,ADMA,ST)          | 51.51                            | 46.74                         |
| 2 Corcept Therapeutics Inc(USD,CORT,ST)    | 64.34                            | 56.83                         |
| 3 Eli Lilly and Co(USD,LLY,ST)             | 31.28                            | 44.27                         |
| 4 Globus Medical Inc Class A(USD,GMED,ST)  | 35.63                            | 11.19                         |
| 5 Halozyme Therapeutics Inc(USD,HALO,ST)   | 44.06                            | 28.49                         |
| 6 Inspire Medical Systems Inc(USD,INSP,ST) | 54.97                            | 21.15                         |
| 7 Insulet Corp(USD,PODD,ST)                | 39.06                            | 9.38                          |
| 8 Lantheus Holdings Inc(USD,LNTH,ST)       | 56.13                            | 49.84                         |
| 9 Natera Inc(USD,NTRA,ST)                  | 56.04                            | 36.14                         |
| 10 Neurocrine Biosciences Inc(USD,NBIX,ST) | 30.10                            | 4.76                          |
| 11 Penumbra Inc(USD,PEN,ST)                | 49.05                            | 10.36                         |
| 12 PROCEPT BioRobotics Corp(USD,PRCT,ST)   | —                                | —                             |
| 13 TransMedics Group Inc(USD,TMDX,ST)      | 90.45                            | 40.63                         |
| 14 Viking Therapeutics Inc(USD,VKTX,ST)    | 130.66                           | 38.50                         |
| ● Portfolio (Net of Fees)                  | 27.04                            | 44.79                         |
| ■ Benchmark                                | 16.90                            | 18.59                         |

## Disclosure

The portfolio-level performance returns shown are hypothetical, based on historic economic and market assumptions and the investment and planning assumptions selected by your financial professional. Hypothetical performance is for illustrative purposes only and is not a guarantee of future results. Actual performance returns will vary. If required to do so under applicable regulation, your financial professional has determined that you have the resources and financial expertise to understand the risks and limitations of using such hypothetical performance returns in making investment decisions. "Net" performance returns are calculated using the fees and expenses input by your financial professional. "Gross" performance returns are calculated before the deduction of all fees and expenses that you have paid or would have paid in connection with your financial professional's services. Such fees may include investment advisory fees; however, not all financial professionals charge investment advisory fees. You should speak with your financial professional to understand the fees and expenses they included and the impact that fees and expenses have on performance returns before making investment decisions. The historical benchmark index performance is selected by your financial professional as a comparison tool and is provided for informational purposes only. Actual performance returns will vary. Please refer to the Investment Performance and Benchmark Disclosures for additional information.

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# Correlation Matrix 03-31-2020 to 03-31-2025: BSG Stock (Brokerage)

Report Currency  
USD

## Correlation Matrix 5 Year

| 1  | 2    | 3     | 4    | 5    | 6    | 7    | 8    | 9     | 10   | 11   | 12   | 13 | 14   |
|----|------|-------|------|------|------|------|------|-------|------|------|------|----|------|
| 1  |      |       |      |      |      |      |      |       |      |      |      |    |      |
| 2  | 0.19 |       |      |      |      |      |      |       |      |      |      |    |      |
| 3  | 0.10 | -0.05 |      |      |      |      |      |       |      |      |      |    |      |
| 4  | 0.27 | 0.09  | 0.11 |      |      |      |      |       |      |      |      |    |      |
| 5  | 0.24 | 0.20  | 0.36 | 0.48 |      |      |      |       |      |      |      |    |      |
| 6  | 0.12 | -0.01 | 0.07 | 0.26 | 0.30 |      |      |       |      |      |      |    |      |
| 7  | 0.22 | 0.09  | 0.00 | 0.36 | 0.30 | 0.49 |      |       |      |      |      |    |      |
| 8  | 0.05 | 0.18  | 0.02 | 0.04 | 0.18 | 0.00 | 0.10 |       |      |      |      |    |      |
| 9  | 0.08 | 0.20  | 0.26 | 0.35 | 0.34 | 0.28 | 0.42 | 0.02  |      |      |      |    |      |
| 10 | 0.11 | -0.03 | 0.12 | 0.42 | 0.21 | 0.17 | 0.15 | -0.01 | 0.15 |      |      |    |      |
| 11 | 0.16 | -0.19 | 0.05 | 0.20 | 0.15 | 0.28 | 0.32 | -0.06 | 0.16 | 0.20 |      |    |      |
| 12 | NA   | NA    | NA   | NA   | NA   | NA   | NA   | NA    | NA   | NA   | NA   |    |      |
| 13 | 0.24 | -0.10 | 0.23 | 0.17 | 0.39 | 0.20 | 0.50 | 0.26  | 0.32 | 0.11 | 0.17 | NA |      |
| 14 | 0.10 | -0.06 | 0.22 | 0.02 | 0.10 | 0.10 | 0.02 | 0.07  | 0.30 | 0.00 | 0.08 | NA | 0.04 |

### Investment Key

- 1 ADMA Biologics Inc (USD, ADMA)
- 2 Corcept Therapeutics Inc (USD, CORT)
- 3 Eli Lilly and Co (USD, LLY)
- 4 Globus Medical Inc Class A (USD, GMED)
- 5 Halozyme Therapeutics Inc (USD, HALO)
- 6 Inspire Medical Systems Inc (USD, INSP)
- 7 Insulet Corp (USD, PODD)
- 8 Lantheus Holdings Inc (USD, LNTH)
- 9 Natera Inc (USD, NTRA)
- 10 Neurocrine Biosciences Inc (USD, NBIX)
- 11 Penumbra Inc (USD, PEN)
- 12 PROCEPT BioRobotics Corp (USD, PRCT)
- 13 TransMedics Group Inc (USD, TMDX)
- 14 Viking Therapeutics Inc (USD, VKTX)

### Degree of Correlation

|              |              |               |                     |                 |
|--------------|--------------|---------------|---------------------|-----------------|
| High         | Moderate     | None          | Moderately Negative | Highly Negative |
| 0.70 to 1.00 | 0.11 to 0.69 | 0.10 to -0.10 | -0.11 to -0.69      | -0.70 to -1.00  |

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

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

### Disclosure

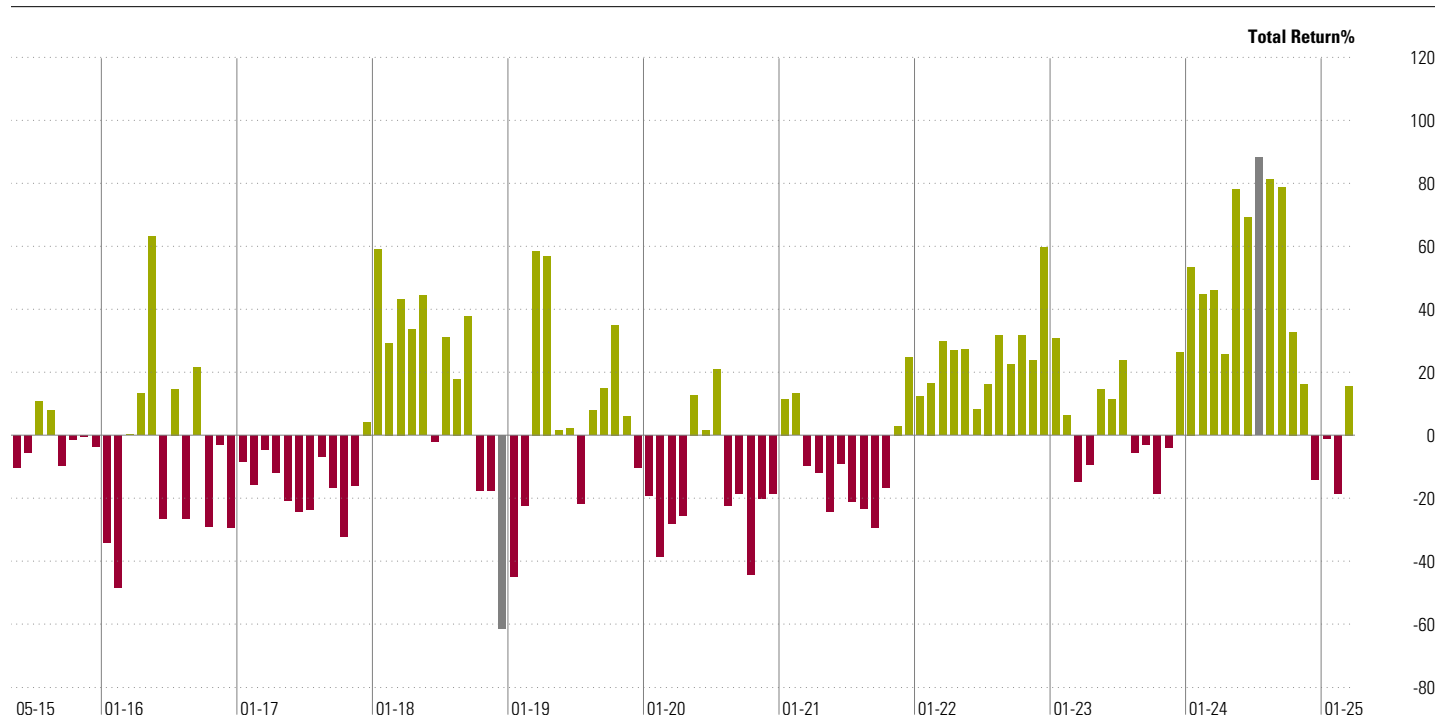
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# ADMA Biologics Inc (USD, ADMA)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|--------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| ADMA Biologics Inc (USD, ADMA) | 02-28-2015 to 03-31-2025 | 102.78                                | 7.26                                  |
| Highest Historical Return      | 04-30-2024 to 07-31-2024 | 88.23                                 | —                                     |
| Lowest Historical Return       | 09-30-2018 to 12-31-2018 | -61.54                                | —                                     |

### Performance Disclosure

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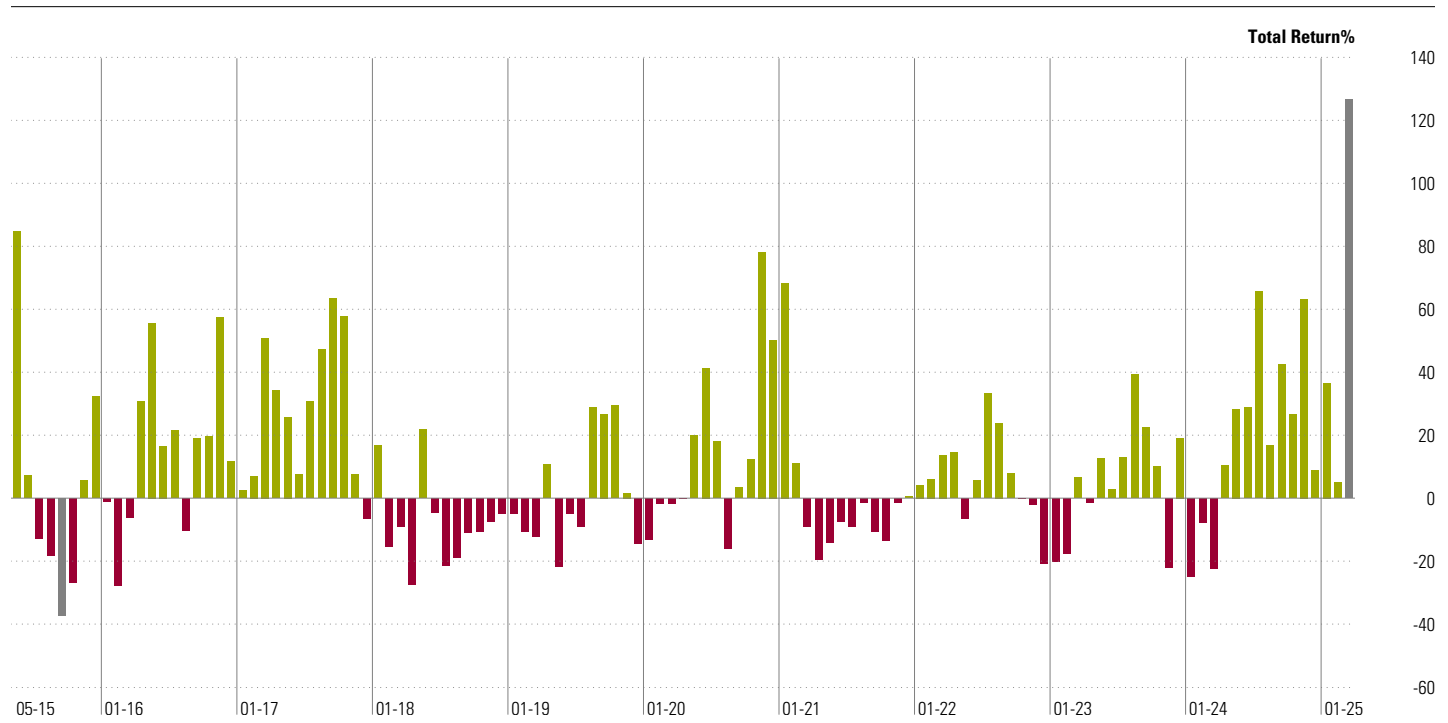
| Security                       | Annual Fee % | Frequency    |
|--------------------------------|--------------|--------------|
| ADMA Biologics Inc (USD, ADMA) | 0.2500       | Once a Month |

# Corcept Therapeutics Inc (USD, CORT)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                      | Time Period              | Period's Cumulative Total Return % | Period's Annualized Total Return % |
|--------------------------------------|--------------------------|------------------------------------|------------------------------------|
| Corcept Therapeutics Inc (USD, CORT) | 02-28-2015 to 03-31-2025 | 3,264.75                           | 41.72                              |
| Highest Historical Return            | 12-31-2024 to 03-31-2025 | 126.53                             | —                                  |
| Lowest Historical Return             | 06-30-2015 to 09-30-2015 | -37.48                             | —                                  |

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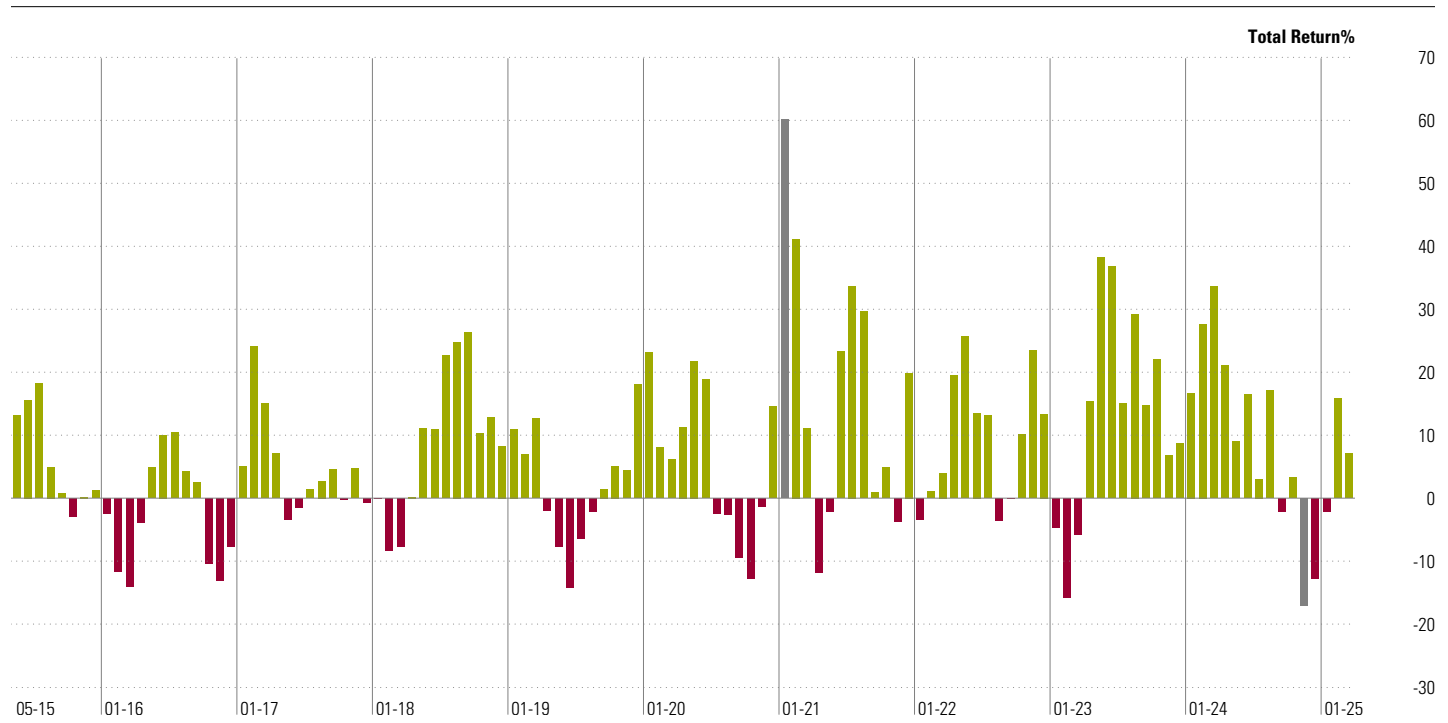
| Security                             | Annual Fee % | Frequency    |
|--------------------------------------|--------------|--------------|
| Corcept Therapeutics Inc (USD, CORT) | 0.2500       | Once a Month |

# Eli Lilly and Co (USD, LLY)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                             | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|-----------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Eli Lilly and Co (USD, LLY) | 02-28-2015 to 03-31-2025 | 1,279.86                              | 29.73                                 |
| Highest Historical Return   | 10-31-2020 to 01-31-2021 | 60.12                                 | —                                     |
| Lowest Historical Return    | 08-31-2024 to 11-30-2024 | -17.07                                | —                                     |

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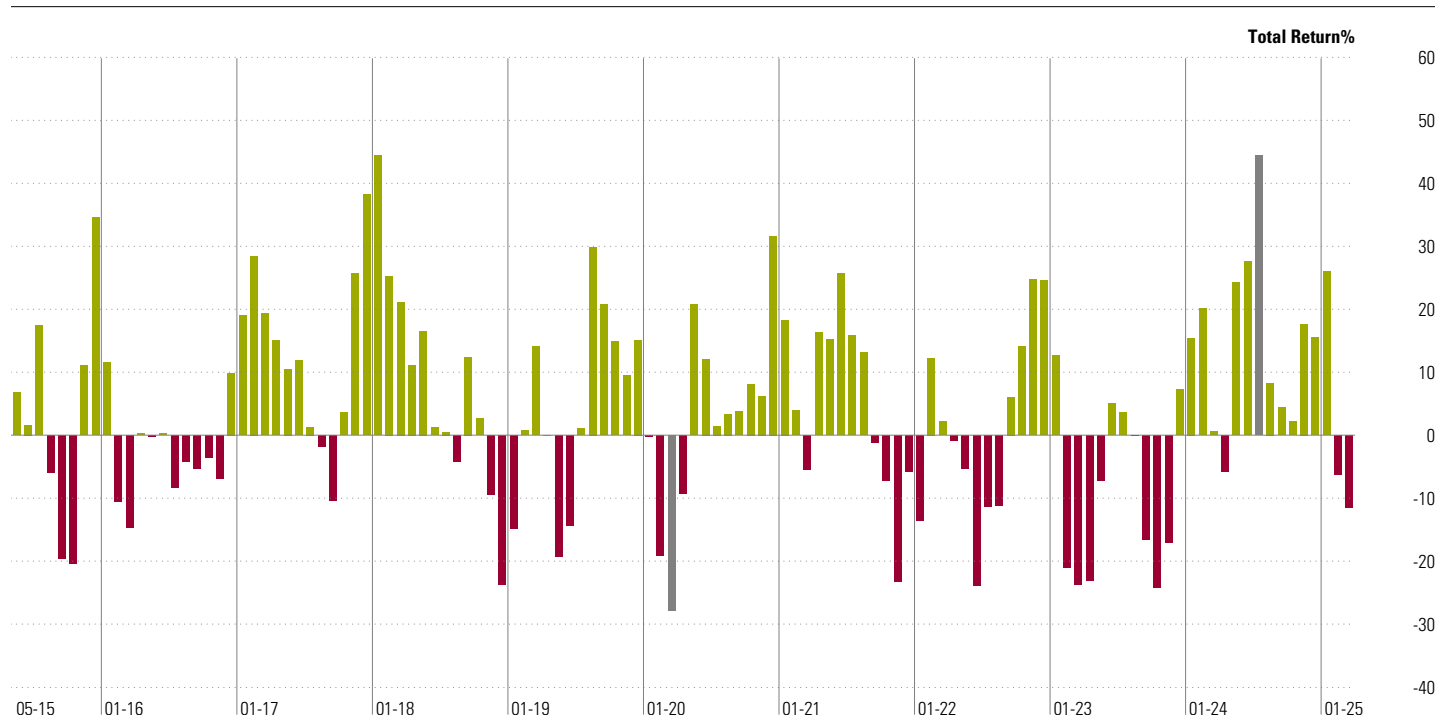
| Security                    | Annual Fee % | Frequency    |
|-----------------------------|--------------|--------------|
| Eli Lilly and Co (USD, LLY) | 0.2500       | Once a Month |

# Globus Medical Inc Class A (USD, GMED)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                        | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|----------------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Globus Medical Inc Class A (USD, GMED) | 02-28-2015 to 03-31-2025 | 193.97                                | 11.29                                 |
| Highest Historical Return              | 04-30-2024 to 07-31-2024 | 44.44                                 | —                                     |
| Lowest Historical Return               | 12-31-2019 to 03-31-2020 | -27.81                                | —                                     |

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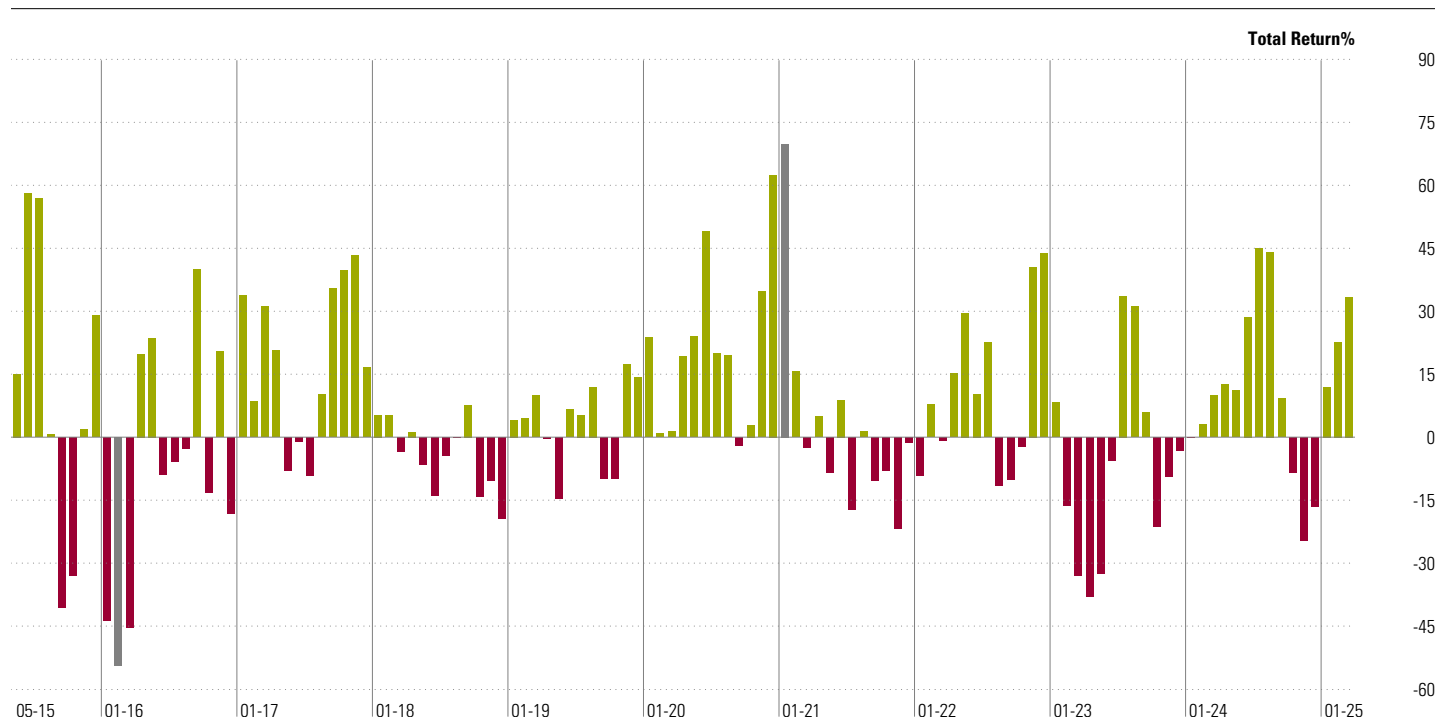
| Security                               | Annual Fee % | Frequency    |
|----------------------------------------|--------------|--------------|
| Globus Medical Inc Class A (USD, GMED) | 0.2500       | Once a Month |

# Halozyme Therapeutics Inc (USD, HALO)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                       | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|---------------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Halozyme Therapeutics Inc (USD, HALO) | 02-28-2015 to 03-31-2025 | 312.87                                | 15.10                                 |
| Highest Historical Return             | 10-31-2020 to 01-31-2021 | 69.86                                 | —                                     |
| Lowest Historical Return              | 11-30-2015 to 02-29-2016 | -54.35                                | —                                     |

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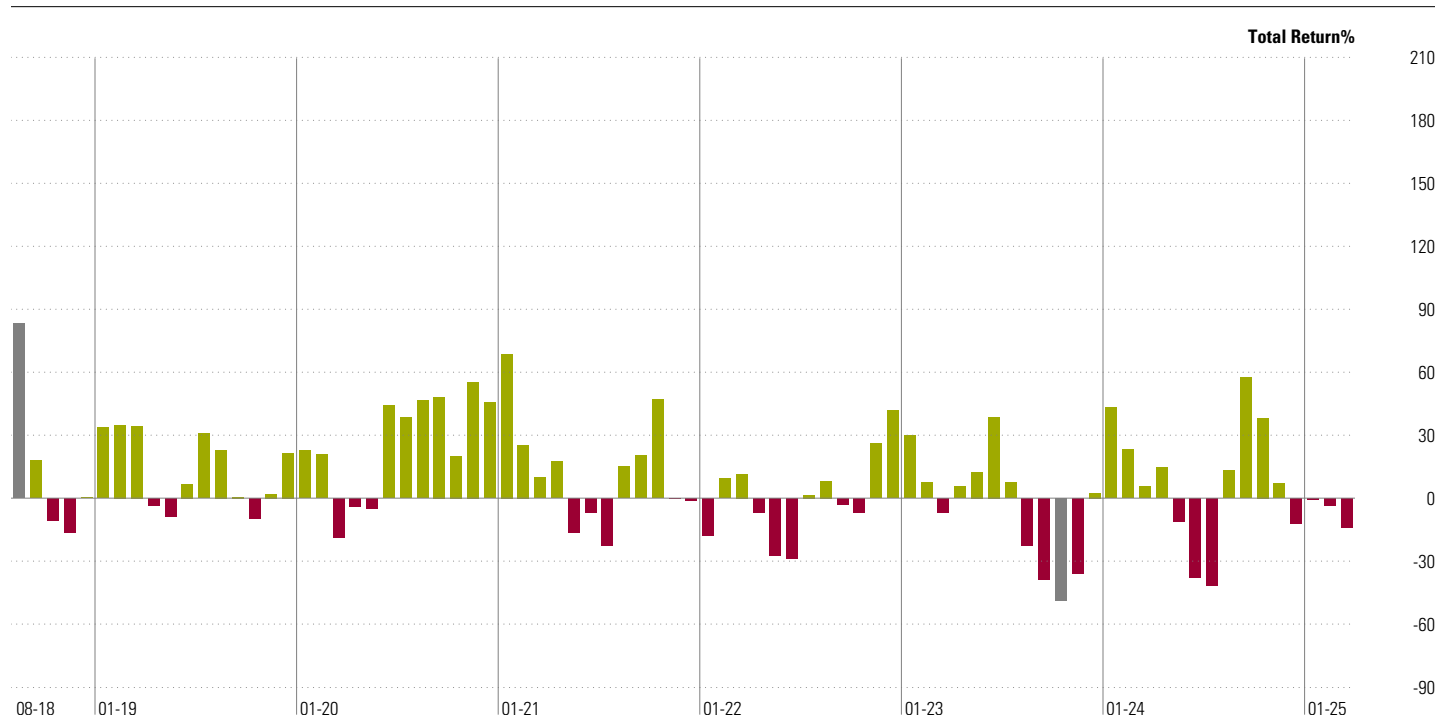
| Security                              | Annual Fee % | Frequency    |
|---------------------------------------|--------------|--------------|
| Halozyme Therapeutics Inc (USD, HALO) | 0.2500       | Once a Month |

# Inspire Medical Systems Inc (USD, INSP)

## 3 Month Rolling Returns : 05-31-2018 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                         | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|-----------------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Inspire Medical Systems Inc (USD, INSP) | 05-31-2018 to 03-31-2025 | 421.93                                | 27.36                                 |
| Highest Historical Return               | 05-31-2018 to 08-31-2018 | 83.19                                 | —                                     |
| Lowest Historical Return                | 07-31-2023 to 10-31-2023 | -48.90                                | —                                     |

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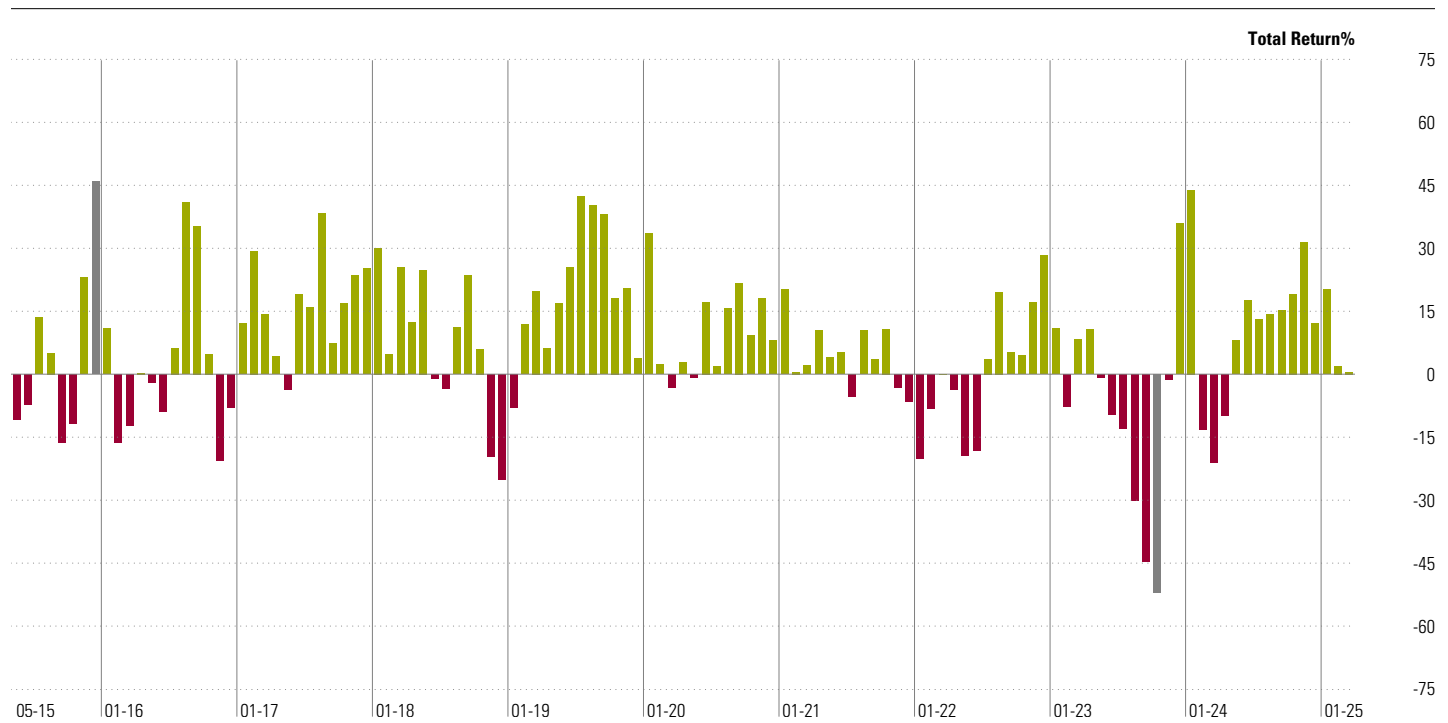
| Security                                | Annual Fee % | Frequency    |
|-----------------------------------------|--------------|--------------|
| Inspire Medical Systems Inc (USD, INSP) | 0.2500       | Once a Month |

# Insulet Corp (USD, P0DD)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                           | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|---------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Insulet Corp (USD, P0DD)  | 02-28-2015 to 03-31-2025 | 707.01                                | 23.01                                 |
| Highest Historical Return | 09-30-2015 to 12-31-2015 | 45.84                                 | —                                     |
| Lowest Historical Return  | 07-31-2023 to 10-31-2023 | -52.13                                | —                                     |

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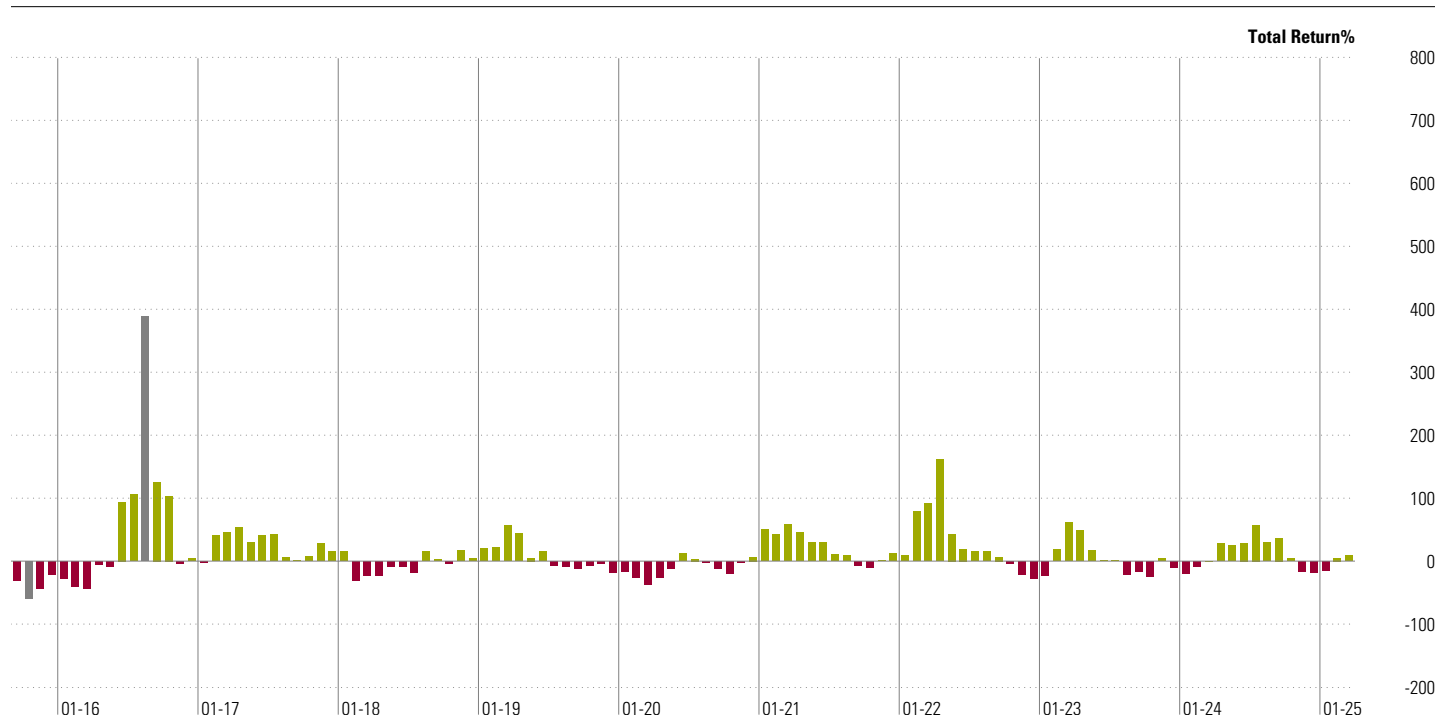
| Security                 | Annual Fee % | Frequency    |
|--------------------------|--------------|--------------|
| Insulet Corp (USD, P0DD) | 0.2500       | Once a Month |

# Lantheus Holdings Inc (USD, LNTH)

## 3 Month Rolling Returns : 06-30-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                   | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|-----------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Lantheus Holdings Inc (USD, LNTH) | 06-30-2015 to 03-31-2025 | 1,438.72                              | 32.36                                 |
| Highest Historical Return         | 05-31-2016 to 08-31-2016 | 387.90                                | —                                     |
| Lowest Historical Return          | 07-31-2015 to 10-31-2015 | -59.32                                | —                                     |

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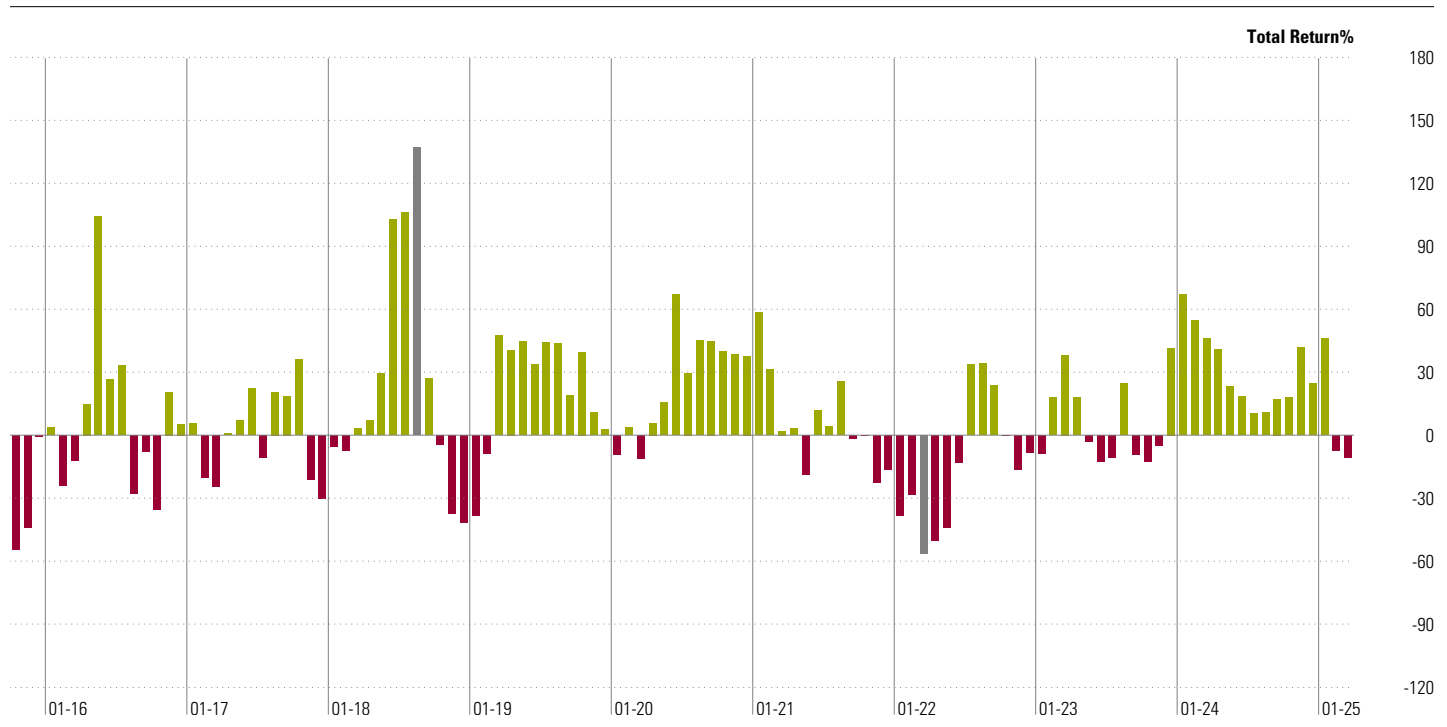
| Security                          | Annual Fee % | Frequency    |
|-----------------------------------|--------------|--------------|
| Lantheus Holdings Inc (USD, LNTH) | 0.2500       | Once a Month |

# Natera Inc (USD, NTRA)

## 3 Month Rolling Returns : 07-31-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                           | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|---------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Natera Inc (USD, NTRA)    | 07-31-2015 to 03-31-2025 | 663.01                                | 23.39                                 |
| Highest Historical Return | 05-31-2018 to 08-31-2018 | 136.90                                | —                                     |
| Lowest Historical Return  | 12-31-2021 to 03-31-2022 | -56.47                                | —                                     |

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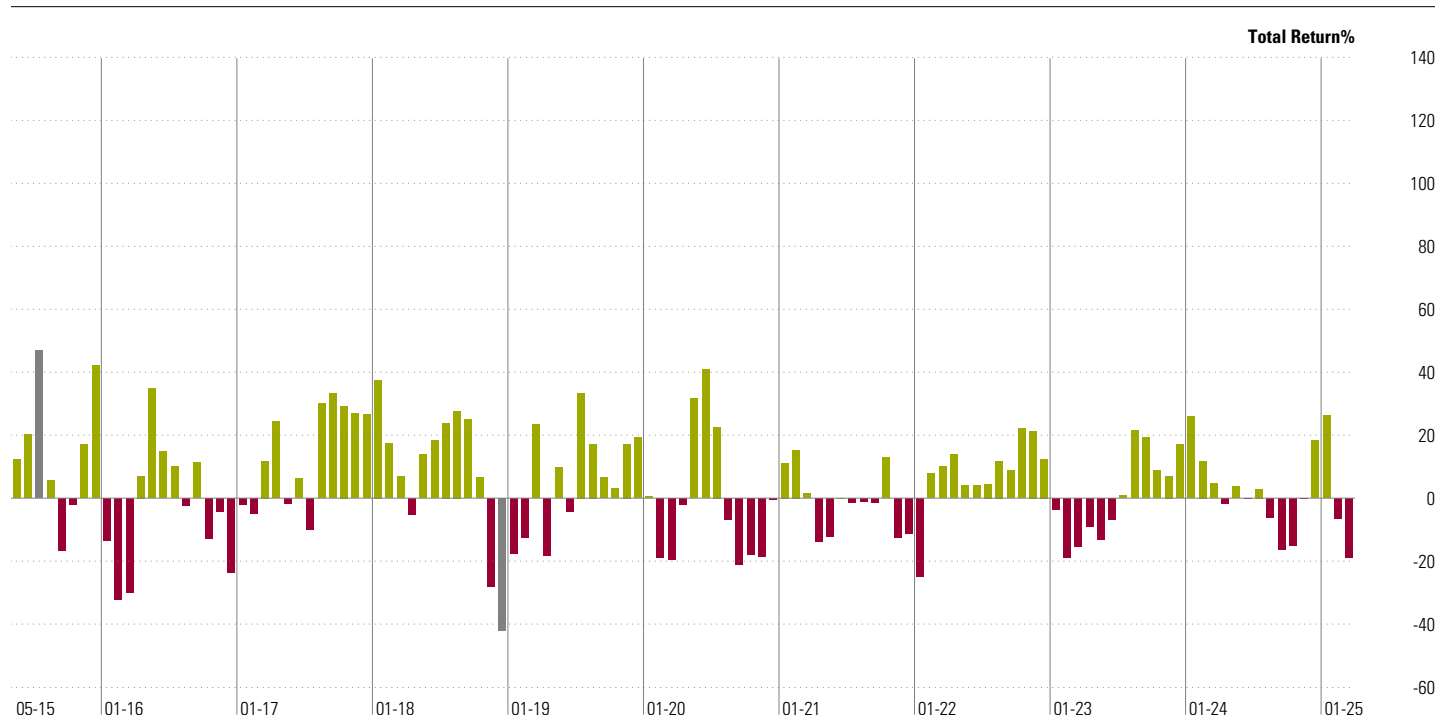
| Security               | Annual Fee % | Frequency    |
|------------------------|--------------|--------------|
| Natera Inc (USD, NTRA) | 0.2500       | Once a Month |

# Neurocrine Biosciences Inc (USD, NBIX)

## 3 Month Rolling Returns : 02-28-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                        | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|----------------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Neurocrine Biosciences Inc (USD, NBIX) | 02-28-2015 to 03-31-2025 | 176.17                                | 10.60                                 |
| Highest Historical Return              | 04-30-2015 to 07-31-2015 | 46.93                                 | —                                     |
| Lowest Historical Return               | 09-30-2018 to 12-31-2018 | -41.96                                | —                                     |

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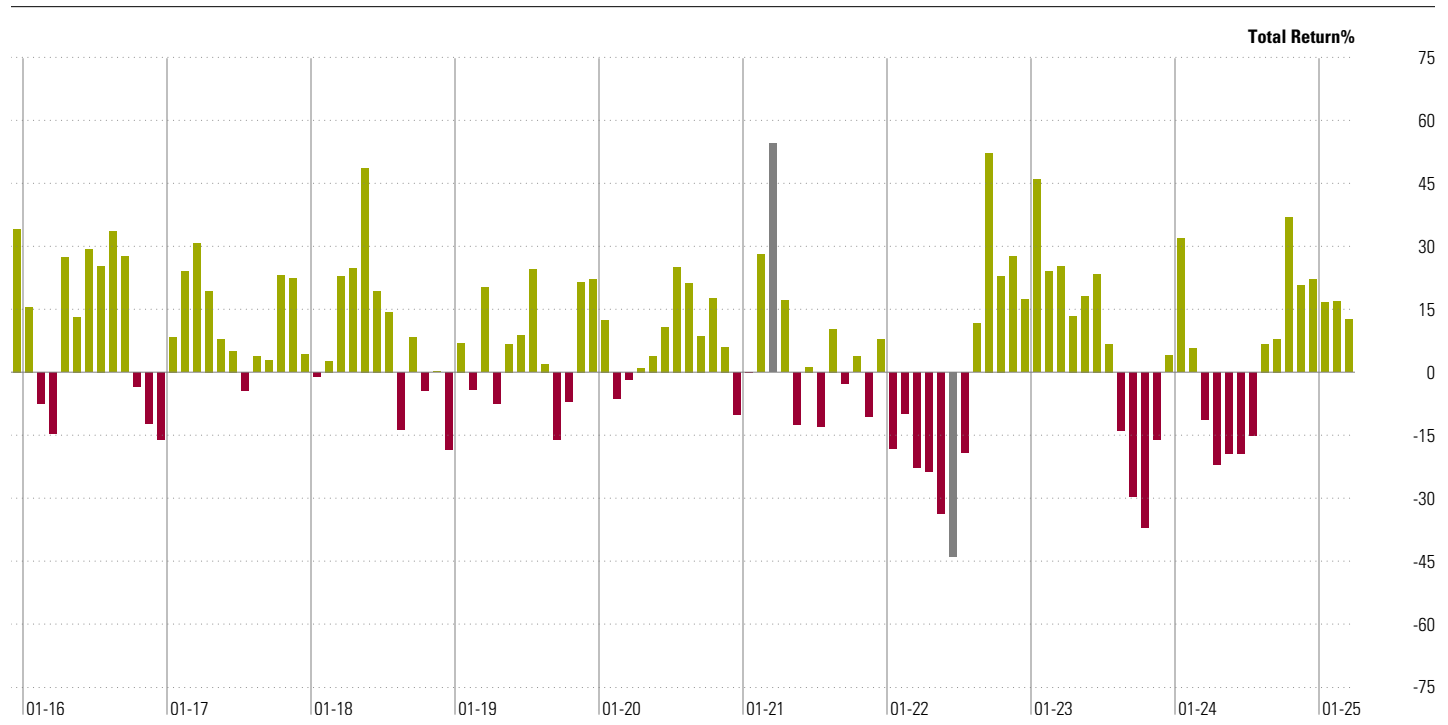
| Security                               | Annual Fee % | Frequency    |
|----------------------------------------|--------------|--------------|
| Neurocrine Biosciences Inc (USD, NBIX) | 0.2500       | Once a Month |

# Penumbra Inc (USD, PEN)

## 3 Month Rolling Returns : 09-30-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                           | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|---------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Penumbra Inc (USD, PEN)   | 09-30-2015 to 03-31-2025 | 551.19                                | 21.80                                 |
| Highest Historical Return | 12-31-2020 to 03-31-2021 | 54.52                                 | —                                     |
| Lowest Historical Return  | 03-31-2022 to 06-30-2022 | -43.98                                | —                                     |

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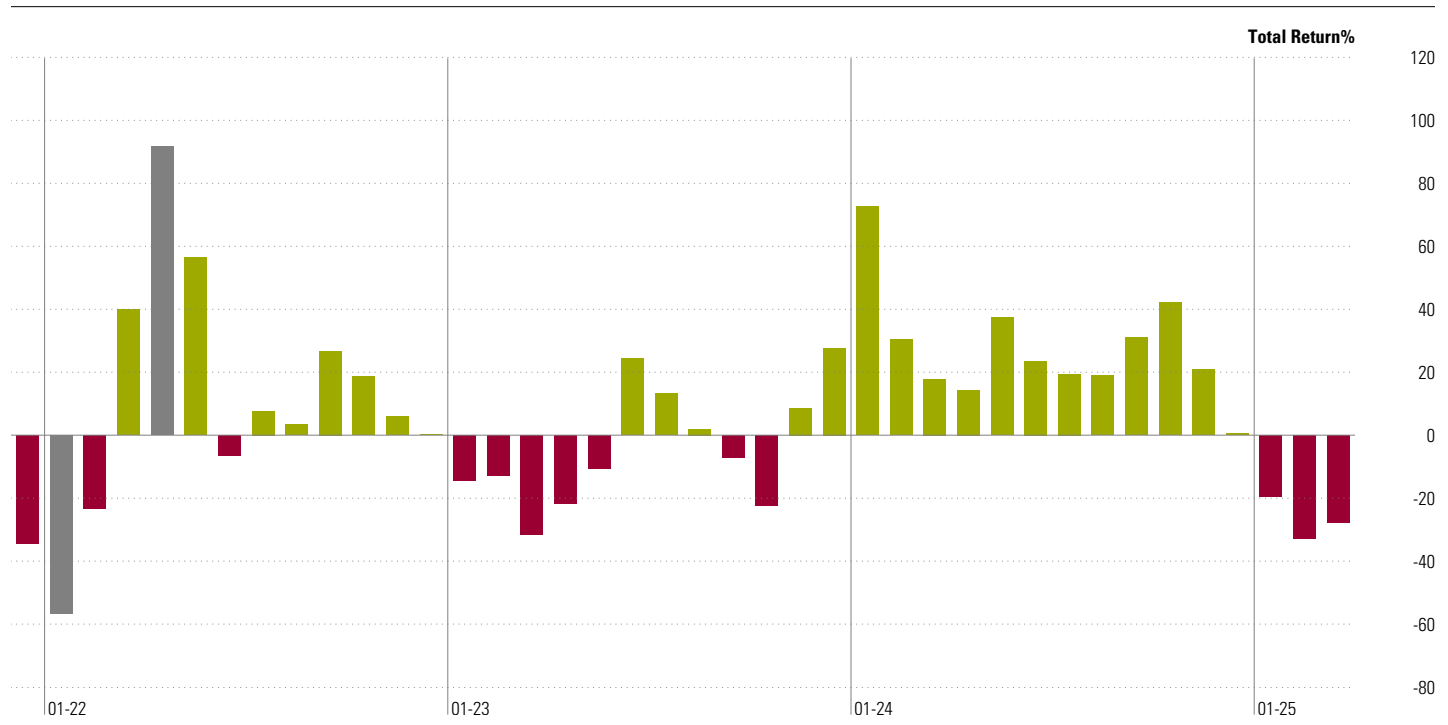
| Security                | Annual Fee % | Frequency    |
|-------------------------|--------------|--------------|
| Penumbra Inc (USD, PEN) | 0.2500       | Once a Month |

# PROCEPT BioRobotics Corp (USD, PRCT)

## 3 Month Rolling Returns : 09-30-2021 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                      | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|--------------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| PROCEPT BioRobotics Corp (USD, PRCT) | 09-30-2021 to 03-31-2025 | 51.38                                 | 12.58                                 |
| Highest Historical Return            | 01-31-2022 to 04-30-2022 | 91.68                                 | —                                     |
| Lowest Historical Return             | 10-31-2021 to 01-31-2022 | -56.64                                | —                                     |

### Performance Disclosure

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

### Asset-Based Fees

The returns and/or return statistics in this report reflect the deduction of the asset-based fees listed in the table below. The annual fee percentage and frequency were provided by

your financial professional. This type of fee is in addition to the normal operating expenses of the securities within the portfolio.

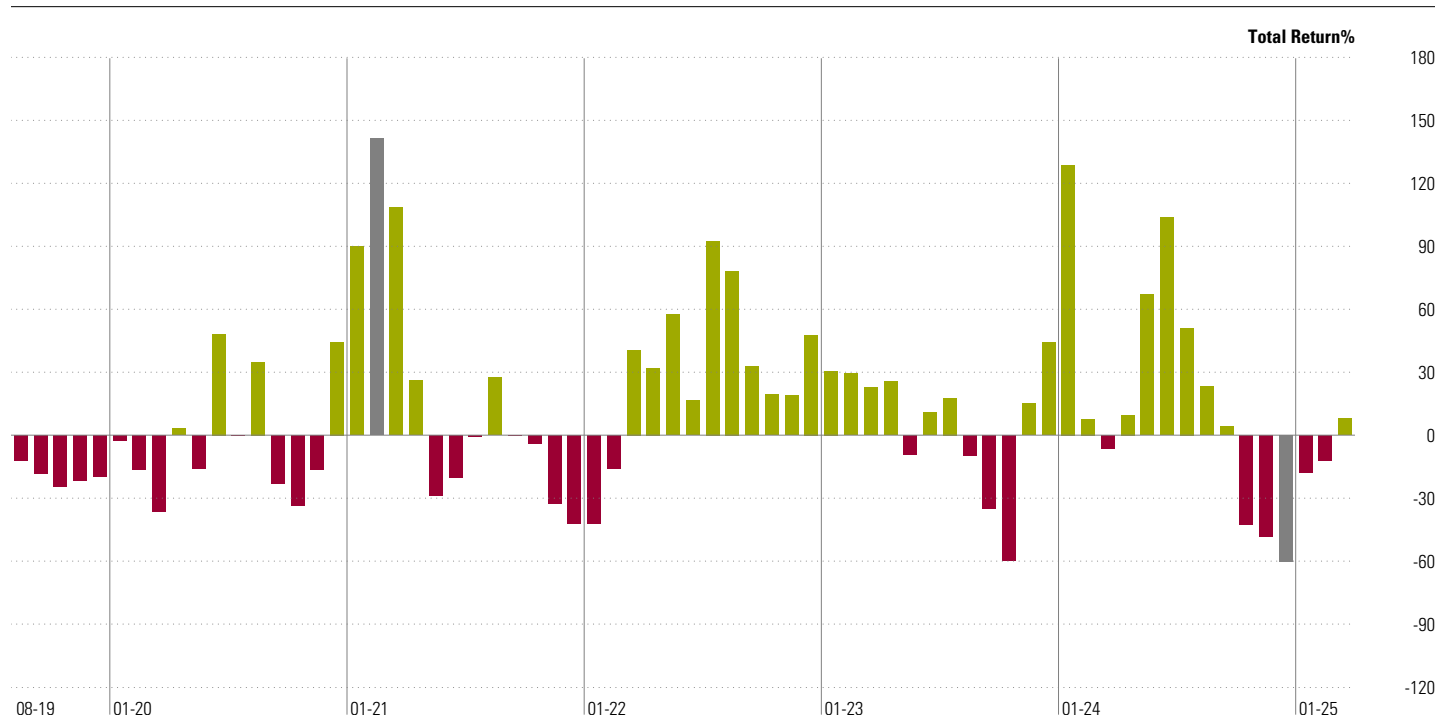
| Security                             | Annual Fee % | Frequency    |
|--------------------------------------|--------------|--------------|
| PROCEPT BioRobotics Corp (USD, PRCT) | 0.2500       | Once a Month |

# TransMedics Group Inc (USD, TMDX)

## 3 Month Rolling Returns : 05-31-2019 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                   | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|-----------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| TransMedics Group Inc (USD, TMDX) | 05-31-2019 to 03-31-2025 | 143.86                                | 16.51                                 |
| Highest Historical Return         | 11-30-2020 to 02-28-2021 | 141.21                                | —                                     |
| Lowest Historical Return          | 09-30-2024 to 12-31-2024 | -60.31                                | —                                     |

### Performance Disclosure

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

### Asset-Based Fees

The returns and/or return statistics in this report reflect the deduction of the asset-based fees listed in the table below. The annual fee percentage and frequency were provided by

your financial professional. This type of fee is in addition to the normal operating expenses of the securities within the portfolio.

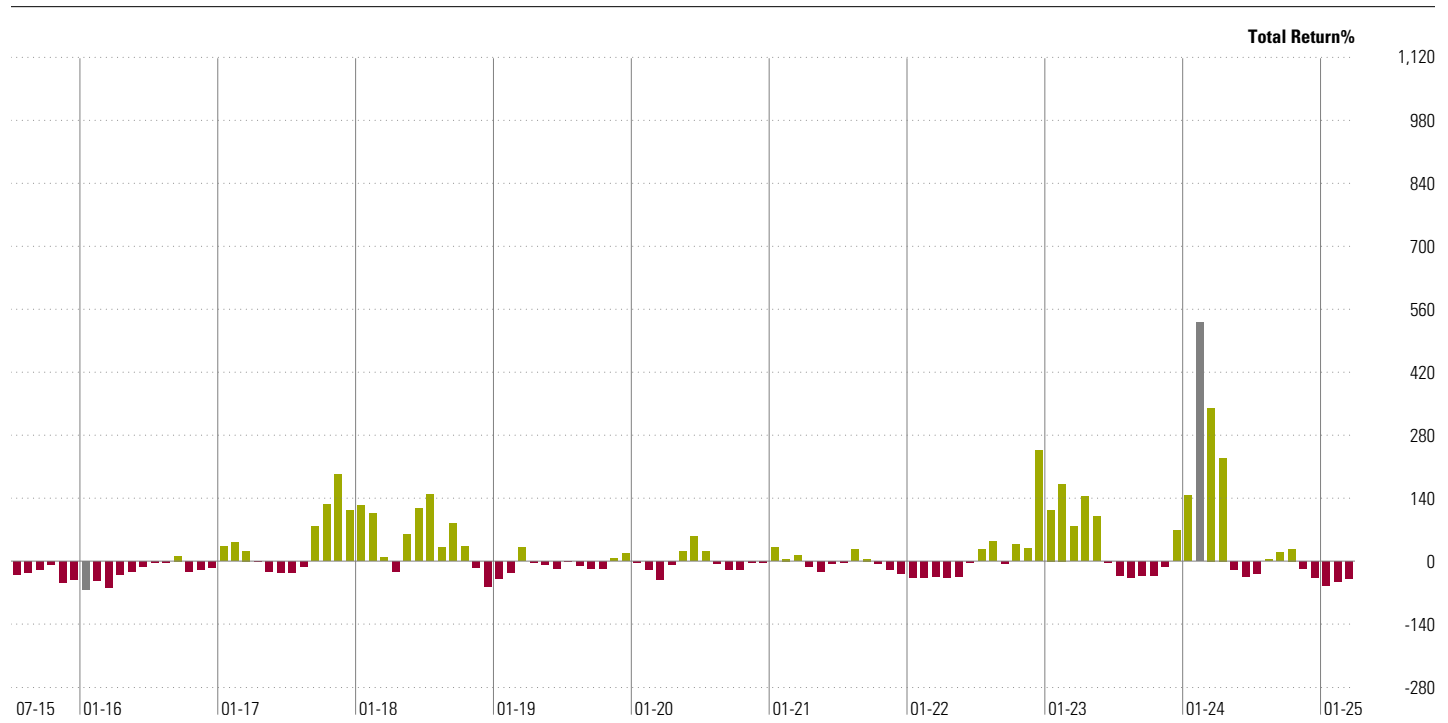
| Security                          | Annual Fee % | Frequency    |
|-----------------------------------|--------------|--------------|
| TransMedics Group Inc (USD, TMDX) | 0.2500       | Once a Month |

# Viking Therapeutics Inc (USD, VKTX)

## 3 Month Rolling Returns : 04-30-2015 to 03-31-2025

Currency of Security  
USD

Report Currency  
USD



|                                     | Time Period              | Period's Cumulative<br>Total Return % | Period's Annualized<br>Total Return % |
|-------------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Viking Therapeutics Inc (USD, VKTX) | 04-30-2015 to 03-31-2025 | 167.70                                | 10.44                                 |
| Highest Historical Return           | 11-30-2023 to 02-29-2024 | 530.13                                | —                                     |
| Lowest Historical Return            | 10-31-2015 to 01-31-2016 | -63.14                                | —                                     |

### Performance Disclosure

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

### Asset-Based Fees

The returns and/or return statistics in this report reflect the deduction of the asset-based fees listed in the table below. The annual fee percentage and frequency were provided by

your financial professional. This type of fee is in addition to the normal operating expenses of the securities within the portfolio.

| Security                            | Annual Fee % | Frequency    |
|-------------------------------------|--------------|--------------|
| Viking Therapeutics Inc (USD, VKTX) | 0.2500       | Once a Month |

## General Disclosures

All data presented in this report is based on the most recent information available to Morningstar as of the release date of the report and may or may not be an accurate reflection of current data for the portfolio and its underlying holdings. There is no assurance that the data will remain the same.

These disclosures provide you (the investor) and your financial professional with important information regarding the key terms, criteria, methodology, assumptions, risks and limitations presented in this report.

There are many resources available to assist you and your financial professional with evaluating a particular investment or investment strategy. This report, alone, should not be used to make an investment decision. Investing involves numerous risks, and there is always the potential of losing money. You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

Your financial professional may provide you with investment advisory services, brokerage services or both. Those services and fees differ; therefore, it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC's investor education website, [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker/dealers, and investing. You should carefully read the information provided by your financial professional that more fully describes the services, fees, costs, and conflicts of interest specific to your financial professional and situation.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by you or your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

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.

Your financial professional is responsible for complying with various regulations and Morningstar's terms of use when using this report and other information or data provided by Morningstar.

This report is supplemental sales literature and therefore must be preceded or accompanied by the investment's current prospectus or equivalent disclosure documents. Please read this information carefully. In all cases, this disclosure statement should accompany this report.

While your financial professional may use this report to provide information on, or as a solicitation for, a security, investment or investment-related service, Morningstar, Inc. is not itself a FINRA-member firm or a registered investment adviser in any jurisdiction. Nothing in this report should be considered a solicitation by Morningstar, Inc. to buy or sell a security, investment or investment-related service to any person in any jurisdiction.

You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

## Investment Performance Disclosures - Brokerage

It is important that you understand the risks and limitations of using investment performance returns in making investment decisions. The performance data given represents past performance and should not be considered indicative of future results. Furthermore, fees, expenses, and other costs, including any applicable trading commissions, short-term fees, or taxes, negatively impact investment performance return. In the Standardized and Tax Adjusted Returns section, returns include such fees and expenses to illustrate the effect they have on investment returns for the time periods shown. In other sections, returns may or may not include such fees and expenses. For additional information, please refer to the related Calculation Methodologies disclosures contained in this report.

**You should speak with your financial professional to understand the impact that fees and expenses have on performance returns before making investment decisions.**

### Performance Return Time Periods

Performance for periods longer than one year is annualized based on the number of years. Performance for periods less than one year is cumulative, based on the number of days between the start and end dates.

### Types of Performance Returns

The following further describes the criteria, methodology, assumptions, risk and limitations used in calculating various types of investment performance returns that may be presented in this report. It may be inappropriate to compare the different types of investment performance returns and you should consult with your financial professional to discuss these differences.

**Benchmark Returns:** Returns for user-created custom benchmarks are calculated by applying weightings supplied by your financial professional to each benchmark's returns every month. Custom benchmarks are rebalanced monthly. Returns for custom benchmarks created by the Auto Benchmark feature uses the portfolio's characteristics to assign a benchmark or blend of benchmarks and appropriate weights for each based on Asset Allocation or Category. Auto Benchmark created benchmarks are rebalanced monthly.

**Alternative Investment Returns:** For alternative investments whose return data is not current to the most recent month end, performance for that portfolio is calculated to the date of the investment with the least current data. If alternative investment returns are reported quarterly to Morningstar, Morningstar converts the returns of each holding in the portfolio to quarterly returns before calculating portfolio-level returns.

**Financial Professional-Created Model Returns:** Performance data for these models are not reported to Morningstar's databases. Instead, performance for the model is calculated based on the allocation and investment holdings input by your financial professional, which does not reflect actual trading. Financial professional-created model performance does not reflect the impact that material economic and market factors may have had on your financial professional's decision-making process were actually managing client assets in this financial professional-created model.

The performance and risk information shown for a financial professional-created

model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Investors should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of their financial professional, and fee schedules of their account custodian or similar entity for specific information regarding fees and expenses.

**Morningstar's Model Database Returns:** Model managers can report performance calculated based on the model's underlying holdings over time to Morningstar's Model database. Morningstar's model database consists of model portfolio data submitted by model providers regarding the model portfolio's assets under advisement, asset allocation targets and ranges, and rebalancing frequency. The model provider may also provide, or Morningstar may calculate, analytics, ratings, rankings, and/or hypothetical performance metrics to help financial professionals and investors assess whether a model portfolio is right for them or their clients. Model performance does not reflect actual trading and may not reflect the impact that material economic and market factors may have had on the model manager's decision-making process if the model manager was actually managing client assets. The method for calculating model returns can vary and Morningstar does not review or verify any reported performance or other information submitted for a model.

The performance and risk information shown for a model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Since different model managers may use different methods in constructing or computing performance figures, performance of the model may or may not reflect the reinvestment of dividends and capital gains. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Model managers have the option to report performance to Morningstar's Model database on a monthly basis and portfolio data at least quarterly. The investor should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

#### Pre-Inception Returns:

#### **Multi-Share Extended Performance**

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the inception of the share class of the fund shown in this report ("Report Share Class"). If pre-inception returns are shown, a performance stream consisting of the Report Share Class and older share class(es) is created. Morningstar adjusts pre-inception returns downward to reflect higher expenses in the Report Share Class, we do not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

**When pre-inception data is presented in the report for a Report Share Class, 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 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. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

#### **Predecessor/Successor Extended Performance**

The analysis in this report may be based, in part, on unadjusted historical returns for funds apart of predecessor/successor corporate actions. In these situations, the fund changes its legal structure or domicile for business reasons. In this case, the original portfolio ceases to exist, and all shareholders are transferred into the new structure. An example of this is an open-end to exchange-traded fund conversion. If pre-inception returns are shown for predecessor/successor situations, the unadjusted performance of the predecessor vehicle is prepended to the successor. For example, if a mutual fund converts into an ETF, the actual NAV total-return of the mutual fund is used to extend the performance of the ETF. Morningstar only grants extended performance for predecessor/successor situations between regulated investments that share the same management and strategy. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

There is no visual adjustment of pre-inception performance in predecessor/successor situations. In these cases, the shareholders of the original portfolio structure were transferred into the new structure when the original structure was discontinued. Therefore, the unadjusted performance of the original portfolio best describes what those investors experienced.

## **Portfolio Snapshot Report Disclosure Statement – Brokerage**

### **Use of this Report**

Unless otherwise specified, the definition of funds used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities. Please refer to the Comparison of Investment Types disclosures for more information.

Prior to 2016, Morningstar's methodology evaluated open-end mutual funds and exchange-traded funds as separate groups. Each group contained a subset of the current investments included in our current comparative analysis. In this report, historical data presented on a calendar-year basis and trailing periods ending at the most-recent month-end reflect the updated methodology.

Most Morningstar rankings do not include any adjustment for one-time sales charges, or loads. Morningstar does publish load-adjusted returns and ranks such returns within a Morningstar Category in certain reports. The total returns for ETFs and fund share classes without one-time loads are equal to Morningstar's calculation of load-adjusted returns. Share classes that are subject to one-time loads relating to advice or sales commissions have their returns adjusted as part of the load-adjusted return calculation to reflect those loads.

## Calculation Methodologies

### Performance

Performance in Investment Activity Graph, Trailing Returns and Best/Worst Time Periods is calculated using Morningstar Time-Weighted Return.

**Morningstar Time-Weighted Return:** Measures the performance (as a percent) of capital at work during each interval between contributions and withdrawals and then linking that performance together to produce a return for a stated period. The Morningstar Time-Weighted Return calculation is designed to eliminate the effect of cash and/or securities being added to or taken out of a portfolio (that influences the internal rate of return calculation, for example). The more contributions and withdrawals that occur and the longer the time frame, the more complex the time-weighted return calculation can become.

When the Morningstar Time-Weighted Return calculation is used, the current allocations for the portfolio's holdings were used to generate historical performance assuming monthly rebalancing. Taxes, loads, and sales charges and any applicable trading commissions or short-term trading fees are not taken into account. If they were, the returns stated would be reduced. Ongoing fund expenses are taken into account. Fund ongoing fund expenses include management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. VA/VL subaccount level fund expenses include M&E expenses, administration fees, and actual ongoing fund-level expenses.

Monthly or quarterly total returns for portfolios calculated using the Morningstar Time-Weighted Return method are calculated by applying the ending period holding allocations supplied by you or your financial professional to an individual holding's monthly or quarterly returns. When monthly or quarterly 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 for individual securities are listed in the Standardized and Tax Adjusted Returns section of this report.) Trailing returns are calculated by geometrically linking these weighted-average monthly or quarterly returns. Returns for individual holdings are simple time-weighted trailing returns. The returns stated assume the reinvestment of dividends and capital gains.

### Risk Analysis

Risk measures (such as alpha, beta, R-squared, standard deviation, mean, or Sharpe ratio) are calculated for securities or portfolios that have at least a three-year history. When a portfolio's returns are calculated using the Morningstar Time-Weighted Return method, the monthly or quarterly returns used to calculate alpha, beta, R-squared, standard deviation, Sharpe ratio and best/worst time-period data also use this method.

### Non-Load Adjusted Return

**Non-Load Adjusted Return:** Expressed in percentage terms, Morningstar's calculation of non-load adjusted return is determined by taking the change in a security's net asset value (NAV), assuming the reinvestment of all income (in the form of dividends or interest payments) and capital gains distributions (on the actual reinvestment date used by the fund) during the period, and dividing by the initial NAV. Returns are not adjusted for sales charges (such as front-end or deferred loads) or redemption fees. Total returns do account for the expense ratio, which includes management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. Non-load adjusted returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns). If adjusted for sales charges, redemption fees, and the effects of taxation, the performance quoted would be reduced.

## Data Definitions

### 12 Month Yield %

12 Month Yield % is derived by summing the trailing 12-months' income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

### 30-Day SEC Yield

The 30-day SEC Yield is a calculation based on a 30-day period ending on the last day of the previous month. It is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The figure listed lags by one month. When a dash appears, the yield available is more than 30 days old. This information is taken from fund surveys.

### 30-Day Unsubsidized Yield

The 30-day Unsubsidized Yield is computed under a SEC standardized formula based on net income earned over the past 30 days. It excludes contractual expense reimbursements, resulting in a lower yield.

### Alpha

Alpha is a measure of the difference between a security or portfolio 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.

### Asset Allocation

Asset Allocation reflects asset class weightings of the portfolio. The Other category includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks, or cannot be classified by Morningstar as a result of missing data. Morningstar may display asset allocation data in several ways, including tables or pie charts. In addition, Morningstar may compare the asset class breakdown of the portfolio against its three-year average, category average, and/or index proxy.

Asset allocations shown in tables may include a breakdown among the long, short, and net (long positions net of short) positions. These statistics summarize what the portfolio 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 portfolio exposure and risk. Long positions involve buying the security outright and selling it later, with the hope the security price rises over time. Short positions are taken with the hope of benefitting from anticipated price declines. 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 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 a loss buying it at a higher price than the sale price.

Most portfolios hold fairly conventional securities, such as long positions in equities and bonds. Morningstar may generate a colored pie chart for these portfolios. Other portfolios use other investment strategies or securities, such as short positions or derivatives, in an attempt 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. Portfolios that incorporate investment strategies resulting in short positions or portfolio with relatively exotic derivative positions often report data to Morningstar that does not meet the parameters of the calculation underlying a pie chart generation. Because of the nature of how these securities are reported to Morningstar, we may not always get complete portfolio information to report asset allocation. Morningstar, at its discretion, may determine if unidentified characteristics of portfolio holdings are material.

Asset allocation and other breakdowns may be rescaled accordingly so that percentages total to 100 percent. (Morningstar used discretion to determine if unidentified characteristics of portfolio holdings are material, pie charts and other breakdowns may rescale identified characteristics to 100% for more intuitive presentation.)

Note that all other portfolio statistics presented in this report are based on the long (or long rescaled) holdings of the portfolio only.

### Average Capitalization

Average Capitalization is a measure of the size of the companies in which a portfolio invests.

### Average Effective Duration

Average Effective Duration is a weighted average of the effective durations of fixed income and certain derivative holdings. The portfolio average is computed by weighting each holding effective duration by the market value of the holding (notional value for derivatives) and then averaging by the sum of holding values. Effective duration is a measure of price elasticity relative to change in yield which accounts for the impact of redemption options on return of principal. It is expressed as a factor which represents the percentage change in value that is expected for a specific unit change in yield.

### Average Effective Maturity

Average Effective Maturity is a weighted average of the length of time, measured in years, until return of principal can be reasonably expected for debt securities, and is computed by weighting each holding effective maturity term by the market value of the holding and then averaging by the sum of holding values. The effective maturity may be the nominal maturity date, the next put date, the average life of a sinking fund, the weighted average life of an amortizing prepayment, or a proxy maturity date for perpetual securities. NOTE: Effective Maturity is measured only for holdings which have a principal value or reference a security with a principal value and exclude many derivatives.

### Average Gross Expense Ratio

A weighted-average of the gross Expense Ratio of the underlying funds within a portfolio.

### Average Net Expense Ratio

A weighted-average of the net Expense Ratio of the underlying funds within a portfolio.

### Average Weighted Coupon

Average weighted Coupon is the weighted average of the rates of interest paid of the fixed income and certain derivative securities in a portfolio. The average is computed by weighting each holding price by the market value of the holding and then averaging by the sum of holding values. For securities which pay no periodic interest but accrete in value at an assigned interest rate, (e.g. zero coupons), the value of the coupon is 0%. For non-periodic instruments which pay interest at maturity, (e.g. short-term bills/notes), the interest rate at issuance is assigned as the coupon rate.

### Best Time Period

The Best Time Period is the highest net return of the portfolio for the period shown since its inception or for as long as Morningstar has data available.

### Beta

Beta is a measure of a security or portfolio sensitivity to market movements (proxied using an index.) A beta of greater than 1 indicates more volatility than the market, and a beta of less than 1 indicates less volatility than the market.

### Credit Quality Breakdown

Displays the weighted distribution of holdings by credit rating symbol categories. The percentage for each rating category is computed by weighting each holding's credit rating by the market value of the holding and then averaging by the sum of holding values. For holdings that have more than one credit rating the ratings will be combined and an average rating for the holding will be computed. The distribution is based upon available credit ratings from recognized credit rating agencies such as a Nationally Recognized Statistical Rating Organization (NRSRO) in the U.S. (For a list of all NRSROs, please visit <https://www.sec.gov/ocr/ocr-current-nrsros.html>.) The categories are based on the rating scale produced by Morningstar Credit Ratings, LLC and range from AAA, indicating the highest level of credit quality, to D, indicating a security which has defaulted on its payment obligations. Holdings for which no credit rating is available are assigned to a "Not Rated", or "NR" category. Morningstar calculates Long, Short, and Net values.

### Debt/Capital

The debt-to-capital ratio for a managed investment's underlying stock holdings is calculated by dividing each security's long-term debt by its total capitalization (the sum of common equity plus preferred equity and long-term debt) and is a measure of the company's financial leverage.

All else being equal, stocks with high D/C ratios are generally riskier than those with low D/C ratios. Note that debt-to-capital figures can be misleading owing to accounting conventions.

Because balance sheets are based on historic cost accounting, they may bear little resemblance to current market values. Morningstar aggregates debt-to-capital figures for managed investments using a median methodology, whereby domestic stocks are ordered from highest to lowest based on their D/C ratios. One adds up the asset weighting of each holding until the total is equal to or greater than half of the total weighting of all domestic stocks in the managed investment. The debt/total cap for that stock is then used to represent the debt/total cap of the total portfolio.

### Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, does not reflect any fee waivers in effect during the time period.

### Investment Activity Graph

The Investment Activity Graph for portfolios calculated using the Morningstar Time-Weighted Return calculation takes the portfolio's ending market value, portfolio holdings, and fees and calculates net returns working backward in time to determine the starting market value of the portfolio for the historical time period shown. Once determined, the starting market value is then used to calculate the portfolio's gross and benchmark returns.

### Market Maturity

These numbers show the percentage of a portfolio's common stocks that are domiciled in developed or emerging markets. Developed markets are countries with mature economies and stock markets that benefit from a high degree of investor recourse, corporate governance and legal infrastructure. Countries are designated as "developed" based on certain criteria for gross national income per capita, market float, offshore portfolio restrictions, operational efficiencies and maturity, regulatory environment, shareholders' rights, and accounting standards. Emerging markets are countries with fairly young economies and

stock markets that offer higher growth potential and higher risk. Countries are designated as "emerging" based on certain criteria for gross national income per capita, market float, offshore portfolio restrictions, operational efficiencies and maturity, regulatory environment, shareholders' rights, and accounting standards. Emerging markets normally carry greater political and economic risk than developed countries, and stocks located in them are normally less liquid and more volatile. When Morningstar cannot determine the country in which a stock issuer is domiciled, it is categorized as "Not Available" for any portfolio that holds it.

### Mean

Mean is the annualized geometric return for the period shown.

### Morningstar Style Box

The Morningstar Style Box reveals a portfolio investment strategy as of the date noted on this report.

For equity portfolios, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened square in the style box indicates the weighted average style of the portfolio.

For portfolios holding fixed-income investments, a Fixed Income Style Box is calculated. The vertical axis shows the credit quality based on credit ratings and the horizontal axis shows interest-rate sensitivity as measured by effective duration. There are three credit categories - "High", "Medium", and "Low" - and there are three interest rate sensitivity categories - "Limited", "Moderate", and "Extensive" - resulting in nine possible combinations. As in the equity Style Box the combination of credit and interest rate sensitivity for a portfolio is represented by a darkened cell in the matrix.

Morningstar uses credit rating information from credit rating agencies (CRA's) that have been designated Nationally Recognized Statistical Rating Organizations (NRSRO's) by the Securities and Exchange Commission (SEC) in the United States. For a list of all NRSROs, please visit <https://www.sec.gov/ocr/ocr-learn-nrsros.html>. Additionally, Morningstar will use credit ratings from CRA's which have been recognized by foreign regulatory institutions that are deemed the equivalent of the NRSRO designation.

To determine the rating applicable to a holding and the subsequent holding weighted value of a portfolio two methods may be employed. First is a common methodology approach where if a case exists such that two rating organizations/ agencies have rated a holding, the lower rating of the two should be applied; if three or more CRA's have rated a holding, the median rating should be applied, and in cases where there are more than two ratings and a median rating cannot be determined, the lower of the two middle ratings should be applied. Alternatively, if there is more than one rating available an average can be calculated from all and applied. Please Note: Morningstar, Inc. is not an NRSRO nor does it issue a credit rating on the fund. Credit ratings for any security held in a portfolio may change over time.

Morningstar uses the credit rating information to calculate a weighted-average credit quality value for the portfolio. This value is based only upon those holdings which are considered to be classified as "fixed income", such as government, corporate, or securitized issues. Other types of holdings such as equities and many, though not all, types of derivatives are excluded. The weighted-average credit quality value is represented by a rating symbol which corresponds to the long-term rating symbol schemas employed by most CRA's. Note that this value is not explicitly published but instead serves as an input in the Morningstar Style Box calculation. This symbol is then used to map to a Style Box credit quality category of "low," "medium," or "high". Funds with a "low" credit quality category are those whose weighted-average credit quality is

determined to be equivalent to the commonly used High Yield classification, meaning a rating below "BBB", portfolios assigned to the "high" credit category have either a "AAA" or "AA+" average credit quality value, while "medium" are those with an average rating of "AA" inclusive to "BBB-". It is expected and intended that the majority of portfolios will be assigned a credit category of "medium".

For assignment to an interest-rate sensitivity category Morningstar uses the average effective duration of the portfolio. From this value there are three distinct methodologies employed to determine assignment to category. Portfolios which are assigned to Morningstar municipal-bond categories employ static breakpoints between categories. These breakpoints are: (i) "Limited" equal to 4.5 years or less; (ii) "Moderate" equal to 4.5 years to less than 7 years, and (iii) "Extensive" equal to more than 7 years. For portfolios assigned to Morningstar categories other than U.S. Taxable, including all domiciled outside the United States, static duration breakpoints are also used. The values differ from the municipal category values: (i) "Limited" equals less than or equal to 3.5 years, (ii) "Moderate" equals greater than 3.5 years but less than or equal to 6 years, (iii) "Extensive" is assigned to portfolios with effective durations of more than 6 years. Note: Interest-rate sensitivity for non-U.S. domiciled portfolios (excluding those in Morningstar convertible categories) may be assigned using average modified duration when average effective duration is not available.

For portfolios Morningstar classifies as U.S Taxable Fixed-Income, interest-rate sensitivity category assignment is based on the effective duration of the Morningstar Core Bond Index (MCBI). The classification assignment is dynamically determined relative to the benchmark index value. A "Limited" category will be assigned to portfolios whose average effective duration is between 25% to 75% of MCBI average effective duration, where the average effective duration is between 75% to 125% of the MCBI the portfolio will be classified as "Moderate", and those portfolios with an average effective duration value 125% or greater of the average effective duration of the MCBI will be classified as "Extensive".

### Net Margin

Also known as net profit margin. This figure is a measure of profitability. It is equal to annual net income divided by revenues from the same period. The resulting figure is then multiplied by 100.

### Portfolio Holdings

This section indicates the underlying holdings in the portfolio. It identifies the percentage of assets that each holding represents in the portfolio, the security type, and the market value.

### Potential Capital Gains Exposure

Capital gains exposure is an estimate of the percent of a holding's assets that represent capital appreciation. It measures how much the holding's assets have appreciated, and it can be an indicator of possible future capital gains distributions. A positive potential capital gains exposure value means that a holding has generally increased in value while a negative value means that a holding has reported losses on its book.

### Price/Book Ratio

The Price/Book Ratio (or P/B Ratio) is the weighted average of the P/B Ratio of the stocks in the portfolio. Book value is the total assets of a company, less total liabilities. The P/B ratio of a company is calculated by dividing the market price of its outstanding stock by the company book value, and then adjusting for the number of shares outstanding. Stocks with negative book values are excluded from this calculation. It shows approximately how much an investor is paying for a company's assets based on historical valuations.

### Price/Cash Flow Ratio

The Price/Cash Flow Ratio (or P/C Ratio) is the weighted average of the P/C Ratio of the stocks in the portfolio. The P/C Ratio of a stock represents the amount an investor is willing to pay for a dollar generated from a company's operations. It shows the ability of a company to generate cash and acts as a gauge of liquidity and solvency.

### Price/Earnings Ratio

The Price/Earnings Ratio (or P/E Ratio) is the weighted average of the P/E Ratios of the stocks in the portfolio. The P/E Ratio of a stock is the stock current price divided by the company trailing 12-month earnings per share. A high P/E Ratio usually indicates the market will pay more to obtain the company earnings because it believes in the company's abilities to increase their earnings. A low P/E Ratio indicates the market has less confidence that the company's earnings will increase, however value investors may believe such stocks have an overlooked or undervalued potential for appreciation.

### Price/Sales Ratio

The Price/Sales Ratio (or P/S Ratio) is the weighted average of the price/sales ratios of the stocks in its portfolio. Price/sales represents the amount an investor is willing to pay for a dollar of revenue generated from a particular company's operations.

### Quarterly Returns

Quarterly Return is calculated applying the same methodology as Total Return except it represents return through each quarter-end.

### R-Squared

R-squared is the percentage of a security or portfolio return movements that are explained by movements in its benchmark index, showing the degree of correlation between the security or portfolio and the benchmark. This figure is helpful in assessing how likely it is that beta and alpha are statistically significant. A value of 1 indicates perfect correlation between the security or portfolio and its benchmark. The lower the R-squared value, the lower the correlation.

### Relative Return

Relative Return represents the difference between the Portfolio Return – Net and the Benchmark Return.

### Return on Equity

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.

### Risk vs Return Scatterplot

The risk vs return scatterplot graph plots the return and risk (measured by standard deviation) for the portfolio, its underlying holdings, and the portfolio's benchmark for the trailing period identified in the report.

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

### Return on Assets

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.

### Sector Weightings %

Super Sectors represent Morningstar's broadest classification of equity sectors by assigning the 11 equity sectors into three classifications. The Cyclical Super

Sector includes industries significantly impacted by economic shifts, and the stocks included in these sectors generally have betas greater than 1. The Defensive Super Sector generally includes industries that are relatively immune to economic cycles, and the stocks in these industries generally have betas less than 1. The Sensitive Super Sector includes industries that ebb and flow with the overall economy, but not severely so. Stocks in the Sensitive Super Sector generally have betas that are close to 1.

Fixed-income Super Sectors represent Morningstar's broadest classification of fixed-income sectors. Securities held in domestic taxable-bond portfolios are mapped into one of 14 fixed-income sectors, which in turn, roll up to five super sectors. The Government Super Sector includes all conventional debt issued by governments, bonds issued by a Central Bank or Treasury, and bonds issued by local governments, cantons, regions, and provinces. The Municipal Super Sector includes taxable and tax-exempt debt obligations issued under the auspices of states, cities, counties, provinces, and other non-federal government entities. The Corporate Super Sector includes bank loans, convertible bonds, conventional debt securities issued by corporations, and preferred stock. The Securitized Super Sector includes all types of mortgage-based securities, covered bonds, and asset-backed securities. The Cash & Equivalents Super Sector includes cash in the bank, certificates of deposit, currency, and money market holdings. Cash can also be any fixed-income securities that mature in certain short time frames, commercial paper, and repurchase agreements. The Derivatives Super Sector includes the common types of fixed-income derivative contracts: futures and forwards, options, and swaps. This sector may be displayed as "Other" in certain reports.

### Security Types

The following security types may be represented herein: bond (BDN), closed-end fund (CE), collective investment trust (CIT), exchange-traded fund (ETF), index (IDX), model (MO), money market mutual fund (MM), open-end mutual fund (MF), separate account (SA), stock (ST), unit investment trust (UIT), and variable annuity/life (VA/L).

### Sharpe Ratio

Sharpe Ratio uses standard deviation and excess return (a measure of a security or portfolio's return in excess of the U.S. Treasury three-month Treasury Bill) to determine the reward per unit of risk.

### Standard Deviation

Standard deviation is a statistical measure of the volatility of the security or portfolio's returns. The larger the standard deviation, the greater the volatility of return.

### Stock (Equity) Type

Morningstar places stocks into eight type designations that each defines a broad category of investment characteristics. Stocks are assigned to a type based on objective financial criteria and Morningstar's proprietary algorithm, so stocks of the same type have similar economic fundamentals. Every stock has individual idiosyncrasies, but in general, when evaluating investments, many of the same concerns and evaluation methods will apply across the stocks in one type. Stocks that don't meet the criteria to fit into any Stock Type category are giving a "N/A" (Not Applicable) designation.

**Distressed:** These companies are having serious operating problems. This could mean declining cash flow, negative earnings, high debt, or some combination of these.

**Hard Asset:** These companies main businesses revolve around the ownership or exploitation of hard assets like real estate, metals, timber, etc. Such companies typically sport a low correlation with the overall stock market.

**Cyclical:** Cyclical companies core businesses can generally be expected to fluctuate in line with the overall economy.

**Speculative Growth:** Speculative growth companies may show inconsistent performance with spotty (at best) profits. At worst, they lose money. Many companies never make it beyond speculative growth, going instead to bankruptcy court.

**Aggressive Growth:** Aggressive growth companies show a bit more maturity than their speculative growth counterparts: They have the potential to post rapid growth in profits, not just in sales.

**Classic Growth:** These firms are mature companies. A classic grower is expected to provide steady growth, high returns on capital, positive free cash flows, and rising dividends. However, their growth is below that of the aggressive-growth group.

**Slow Growth and High Yield:** Having run out of attractive investment opportunities, most slow growth and high yield companies pay out the bulk of their earnings in dividends – investors expect high payout ratios from these companies rather than for them to reinvest any profits back into their businesses.

### World Regions

World regions is a display of the portfolio's equity assets invested in the regions shown on the report.

### Worst Time Period

The Worst Time Period is the lowest return of the portfolio for the period shown since its inception or for as long as Morningstar has data available.

## Risk/Reward Graph Disclosure Statement

All data presented in this report is based on the most recent information available to Morningstar as of the release date of the report and may or may not be an accurate reflection of current data for the portfolio and its underlying holdings. There is no assurance that the data will remain the same.

Unless otherwise specified, the definition of funds used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities.

Prior to 2016, Morningstar's methodology evaluated open-end mutual funds and exchange-traded funds as separate groups. Each group contained a subset of the current investments included in our current comparative analysis. In this report, historical data presented on a calendar-year basis and trailing periods ending at the most-recent month-end reflect the updated methodology.

Most Morningstar rankings do not include any adjustment for one-time sales charges, or loads. Morningstar does publish load-adjusted returns and ranks such returns within a Morningstar Category in certain reports. The total returns for ETFs and fund share classes without one-time loads are equal to Morningstar's calculation of load-adjusted returns. Share classes that are subject to one-time loads relating to advice or sales commissions have their returns adjusted as part of the load-adjusted return calculation to reflect those loads.

### General Disclosures

These disclosures provide you (the investor) and your financial professional with important information regarding the key terms, criteria, methodology, assumptions, risks and limitations presented in this report.

There are many resources available to assist you and your financial professional with evaluating a particular investment or investment strategy. This report, alone, should not be used to make an investment decision. Investing involves numerous risks, and there is always the potential of losing money. You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

Your financial professional may provide you with investment advisory services, brokerage services or both. Those services and fees differ; therefore, it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC's investor education website, [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker/dealers, and investing. You should carefully read the information provided by your financial professional that more fully describes the services, fees, costs, and conflicts of interest specific to your financial professional and situation.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by you or your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

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.

### Use of this Report

Your financial professional is responsible for complying with various regulations and Morningstar's terms of use when using this report and other information or data provided by Morningstar.

The content shown and calculations used for this report will vary depending on the Morningstar product used to generate the report, the role of your financial professional, how the product was used, how data was input, and other variables. For example:

- In some cases, Morningstar's Scenario Builder tool uses different calculation methodologies than Morningstar's Quick Portfolio tool,
- Investment adviser representatives typically include an annual advisory fee (which may be referred to as an "Annual Fee", "Annual Asset-Based Advisory Fee", or "Advisory Fee" in this report and its disclosures) in net performance calculations, but such fees are generally not applicable to broker/dealer representatives who charge fees based on specific trades;
- Certain Morningstar tools can be used as an "interactive analysis tool" or "investment analysis tool" where you, alone or with the support of your financial professional, use the tool to produce simulations and statistical analyses that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken;

- The performance shown in this report could be calculated based on portfolio holdings and allocations entered by you or your financial professional or could be input from Morningstar's Separate Account or Model database, and may take into account various fees and expenses, portfolio changes over time, and other assumptions such as rebalances or subsequent investments/withdrawals; and/or
- The performance shown could be the actual performance of a portfolio or composite of portfolios, or hypothetical performance.

Your financial professional can explain how this report was created and which disclosures apply to this report.

This report is supplemental sales literature and therefore must be preceded or accompanied by the investment's current prospectus or equivalent disclosure documents. Please read this information carefully. In all cases, this disclosure statement should accompany this report.

While your financial professional may use this report to provide information on, or as a solicitation for, a security, investment or investment-related service, Morningstar, Inc. is not itself a FINRA-member firm or a registered investment adviser in any jurisdiction. Nothing in this report should be considered a solicitation by Morningstar, Inc. to buy or sell a security, investment or investment-related service to any person in any jurisdiction.

You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

### Investment Performance Disclosures

It is important that you understand the risks and limitations of using investment performance returns in making investment decisions. The performance data given represents past performance and should not be considered indicative of future results. Furthermore, fees, expenses, and other costs, including any applicable trading commissions, short-term fees, or taxes, negatively impact investment performance return. The purpose of including such fees and expenses is to illustrate the effect they have on investment returns for the time periods shown. For additional information, please refer to the Fee Schedule (if applicable) and related disclosures contained in this report and those provided by your financial professional.

### Gross and Net Performance Returns and Fee Types

Gross performance is calculated before the deduction of all fees and expenses an investor paid in connection with advisory fees, brokerage commissions or other expenses. If included, these fees would reduce the gross performance shown. A "net" return is calculated over the same time period, using the same type of return and calculation methodology as the "gross" return. If your financial professional is an investment adviser representative, the impact of fees and expenses paid in connection with your portfolio's advisory services will be reflected in the "net" return calculation. For other financial professionals, or when no associated advisory fees are input, the "gross" and "net" returns will be the same or they may differ only due to the application of sales loads and other security-level fees and expenses. The purpose of showing net performance is to demonstrate the impact of fees and expenses on performance returns.

For example, if the one-year investment performance return before any fees (referred to as true gross return) was 10% and the portfolio was assessed an annual advisory fee of 1.50% that was deducted quarterly, the fee would reduce the portfolio's one-year performance to approximately 8.36%. Any taxes, expenses, costs and/or other fees not included would decrease the performance further. You should speak with your financial professional to understand the impact that fees and expenses have on performance returns, including those shown in this report, before making investment decisions. Additional information on the types of fees, time periods, types of returns, and calculation

methodologies that may be used in this report is further provided below.

If this report includes performance from the Morningstar Separate Account or Model databases, the net performance included for the Separate Account or Model could reflect the:

- Net performance data reported by the separate account or model manager to Morningstar's Separate Account or Model database,
- Net performance calculated from the application of the separate account or model manager's reported fee data to their reported gross performance data, or
- Net performance calculated from the application of the advisory fee input in this report by your financial professional or their advisory firm to the separate account or model manager's reported gross performance data.

If this report includes performance from a Financial Professional-Created Model, the net performance is calculated by applying the advisory fee to the historical returns of the investment holdings and allocations, which are input by your financial professional.

Your financial professional can provide you with further information about how net performance was calculated for this report.

You should speak with your financial professional to understand the impact that fees and expenses have on performance returns, including those shown in this report, before making investment decisions.

You should refer to the disclosure document of the separate account manager, model manager, and/or your financial professional, as applicable, for specific information regarding fees and expenses and discuss with your financial professional the methodologies used to calculate the performance returns reflected in this report.

### Performance Return Time Periods

Portfolio-level performance returns are presented for, at least, the one-, five, and ten-year periods, unless the life (or inception) of the portfolio is shorter, then the life (or inception) period is substituted for the relevant time period or the portfolio-level performance returns are hypothetical. For additional information on hypothetical performance returns, see disclosures below.

Performance for periods longer than one year is annualized based on the number of years. Performance for periods less than one year is cumulative, based on the number of days between the start and end dates.

### Types of Performance Returns

The following further describes the criteria, methodology, assumptions, risk and limitations used in calculating various types of investment performance returns that may be presented in this report. It may be inappropriate to compare the different types of investment performance returns and you should consult with your financial professional to discuss these differences.

**After-Tax Returns:** In the Standardized and Tax-Adjusted Returns section, Morningstar calculates after-tax returns for individual securities using the highest applicable federal marginal income tax rate plus the investment income tax and Medicare surcharge. As of 2018, this rate is 37% plus 3.8% investment income plus 0.9% Medicare surcharge, or 41.7%. This rate changes periodically in accordance with changes in federal law.

**Benchmark Returns:** Returns for user-created custom benchmarks are calculated by applying weightings supplied by your financial professional to each benchmark's returns every month. Custom benchmarks are rebalanced monthly. Returns for custom benchmarks created by the Auto Benchmark feature

uses the portfolio's characteristics to assign a benchmark or blend of benchmarks and appropriate weights for each based on Asset Allocation or Category. Auto Benchmark created benchmarks are rebalanced monthly.

**Extracted Performance:** Extracted performance means the performance results of a subset of investments extracted from a portfolio, this includes performance attribution. The performance results of the total portfolio from which the performance was extracted may be obtained by contacting your financial professional.

**Financial Professional-Created Model Returns:** Performance data for these models are not reported to Morningstar's databases. Instead, hypothetical performance for the model is calculated based on the allocation and investment holdings input by your financial professional, which does not reflect actual trading. Financial professional-created model performance does not reflect the impact that material economic and market factors may have had on your financial professional's decision-making process were actually managing client assets in this financial professional-created model.

The performance and risk information shown for a financial professional-created model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Performance of the financial professional-created model may or may not reflect the reinvestment of dividends and capital gains, based on the criteria input by your financial professional. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Investors should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of their financial professional, and fee schedules of their account custodian or similar entity for specific information regarding fees and expenses.

**Hypothetical Performance Returns:** Hypothetical performance is investment performance returns not actually achieved by any portfolio of the financial professional. Hypothetical performance may include, but is not limited to, model performance returns, back-tested performance returns, targeted or projected performance returns, and/or pre-inception returns. Additional information on these types of hypothetical performance is further provided in these disclosures.

Hypothetical performance returns are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. Hypothetical performance returns are based on historic economic and market assumptions and the investment and planning assumptions selected by you or your financial professional. Actual performance returns will vary. If required under applicable regulation, your financial professional has determined that you have the resources and financial expertise to understand the risks and limitations of using such hypothetical performance returns in making investment decisions.

Hypothetical performance returns do not reflect actual trading and may not reflect the impact that material economic and market factors had on the decision-making process for this portfolio. For example, the ability to withstand losses or adhere to a particular investment strategy in spite of losses are material points which can also adversely affect markets in general or the implementation of any specific investment or investment strategy.

**Morningstar's Model Database Returns:** Model managers can report hypothetical performance calculated based on the model's underlying holdings over time to Morningstar's Model database. Model performance does not

reflect actual trading and may not reflect the impact that material economic and market factors may have had on the model manager's decision-making process if the model manager was actually managing client assets. Morningstar has informed model managers that back-tested performance, which is created with the benefit of hindsight and does not reflect the impact material economic and market factors may have had on the model manager decision-making process, should not be submitted to the Model database. The method for calculating model returns can vary and Morningstar does not review or verify any reported performance or other information submitted for a model.

The performance and risk information shown for a model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Since different model managers may use different methods in constructing or computing performance figures, performance of the model may or may not reflect the reinvestment of dividends and capital gains. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Model managers have the option to report gross and net performance to Morningstar's Model database on a monthly basis and portfolio data at least quarterly. The investor should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

**Morningstar's Separate Account Database Returns:** Separate account managers can report performance data as a composite of similarly managed accounts to Morningstar's Separate Account database. Composite performance may differ from the returns realized by a specific account in the composite over the same period for a number of reasons. Likewise, performance and risk information of certain separate account managers may include only composites of larger accounts, which may or may not have more holdings, different diversification, different trading patterns and different performance than smaller accounts with the same strategy. Different managers may use different methods in constructing or computing performance figures and may or may not reflect the reinvestment of dividends and capital gains. Thus, the performance and risk figures for different separate account managers may not be fully comparable to each other. Morningstar does not review or verify any reported performance or other information submitted for a separate account.

When reporting performance data to Morningstar's Separate Account database, the separate account manager has the option to report both gross and net performance. The investor should refer to the investment prospectus (or equivalent document) for the separate account's underlying securities, applicable disclosure documents of the separate account manager and the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

**Non-Load Adjusted Return:** Expressed in percentage terms, Morningstar's calculation of non-load adjusted return is determined by taking the change in a security's net asset value (NAV), assuming the reinvestment of all income (in the form of dividends or interest payments) and capital gains distributions (on the actual reinvestment date used by the fund) during the period, and dividing by the initial NAV. Returns are not adjusted for sales charges (such as front-end or deferred loads) or redemption fees. Total returns do account for the expense ratio, which includes management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. Non-load adjusted returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns). If adjusted for sales

charges, redemption fees, and the effects of taxation, the performance quoted would be reduced. When included in this report, the Asset-Based Fee/Annual Fee/Annual Asset-Based Advisory Fee and Account-Level Fee are also applied to the returns shown.

For funds, non-load adjusted return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. For variable annuity and variable life 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 M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and/or the effects of taxation, the returns would be reduced. 529 Portfolio return data is either provided to Morningstar by the 529 plan or Morningstar calculates it based on the underlying holdings of the 529 portfolio. If Morningstar does not have data for a 529 portfolio holding type, then the return will be calculated using a weighted average of the holdings for which we have data. All other underlying holdings will be classified as "other" and will not factor into the return calculation.

**Predecessor Performance:** Predecessor performance means investment performance achieved by a group of investments consisting of an account (or a private fund) that was not advised at all times during the period by the investment adviser reporting the performance. Additional information may be obtained by contacting your financial professional.

**Pre-Inception Returns:** Pre-inception returns are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the inception of the share class of the fund shown in this report ("Report Share Class"). If pre-inception returns are shown, a performance stream consisting of the Report Share Class and older share class(es) is created. Morningstar adjusts pre-inception returns downward to reflect higher expenses in the Report Share Class, and does not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

**When pre-inception data is 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 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. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

**Standardized Returns:** Standardized Return applies the methodology described in the Standardized Returns page of this report. Standardized Return is calculated through the most recent calendar-quarter end for one-year, five-year, 10-year, and/or since inception periods, and it demonstrates the impact of sales charges (if applicable) and ongoing fund expenses. Standardized Return reflects the return an investor may have experience if the security was purchased at the beginning of the period and sold at the end, incurring transaction charges.

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

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 variable annuity 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.

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.

**Related Performance:** Related performance means performance results of one or more related portfolios, either on a portfolio-by-portfolio basis or as a composite aggregation of all portfolios falling within stated criteria. All or some related portfolios, those with substantially similar investment policies, objectives, and strategies, may be excluded from the related performance, so long as in doing so the related performance is not materially higher than if all related portfolios had been included in the reported performance returns. For additional information, contact your financial professional.

**Variable Life Returns:** 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 personalized illustration that reflects the costs of insurance protection.

### Calculation Methodologies

Portfolio-level performance returns can be calculated using a Time Weighted Rate of Return or Internal Rate of Return. The Time Weighted and Internal Rate of Return calculations differ. You should speak to your financial professional with any questions regarding this report and the different performance calculation methodologies.

**Morningstar Internal Rate of Return:** The discount rate at which the present value of the cost of the investment equals the present value of the return of the investment. It helps estimate or evaluate investor-related return as it takes into account the timing and size of initial investment/beginning balance, dividends/capital paid out, subsequent investments/withdrawals, investment ending value, etc. Performance is affected by large additions or withdrawals into the portfolio. In other words, Internal Rate of Return is highly affected by cash flows and is a complex calculation that typically requires the use of computers and calculators, using a trial-and-error technique by applying a base estimation method and an iterative process.

When the Morningstar Internal Rate of Return calculation is used, you or your financial professional input the portfolio's holdings and allocations, plus assumptions about time periods, initial investments, subsequent

investments/withdrawals, the reinvestment or payment of distributions, rebalancing activities, transfers, tax rates, fees, and other factors that would have affected portfolio performance. This information is used to calculate final market values and returns. Fees, tax rates, dividends, and capital gains distributions are taken into account as specified by you or your financial professional. If applicable, dividends and capital gains are reinvested on the excluding date in which they are made at the reinvestment date price. This can cause discrepancies between calculated returns and actual investor experience. Portfolios whose returns are calculated using this method were previously known as "Scheduled Portfolios".

The trailing returns for portfolios calculated using the Morningstar Internal Rate of Return calculation commence at the end of the day on the investment start date. All front-load fees are deducted at the start of the day, therefore these fees will not be incorporated within the trailing return time period that matches the whole investment time period. For example, an investor pays \$10,000 for security A with a 5% front-load and generates a 5-year Hypothetical Illustration that shows an end value of \$12,000. Assuming no cash inflows or outflows aside from the initial investment and end value, the whole investment time period return will be 4.56% ( $((\$12,500 / \$10,000)^{(1/5)} - 1)$ ) while the 5-year trailing return will be 5.65% ( $((\$12,500 / \$9,500)^{(1/5)} - 1)$ ).

**Morningstar Time-Weighted Return:** Measures the performance (as a percent) of capital at work during each interval between contributions and withdrawals and then linking that performance together to produce a return for a stated period. The Morningstar Time-Weighted Return calculation is designed to eliminate the effect of cash and/or securities being added to or taken out of a portfolio (that influences the internal rate of return calculation, for example). The more contributions and withdrawals that occur and the longer the time frame, the more complex the time-weighted return calculation can become.

When the Morningstar Time-Weighted Return calculation is used, the current allocations for the portfolio's holdings were used to generate historical performance assuming monthly rebalancing. Taxes, loads, and sales charges and any applicable trading commissions or short-term trading fees are not taken into account. Portfolios whose returns are calculated using this method were previously known as "Unscheduled Portfolios".

Monthly total returns for portfolios calculated using the Morningstar Time-Weighted Return method are calculated by applying the ending period holding allocations supplied by you or your financial professional 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 for individual securities are listed in the Standardized and Tax Adjusted Returns section of this report.) Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Returns for individual holdings are simple time-weighted trailing returns. Portfolio and holding returns are adjusted for advisory fees, but not for other fees or taxes. If they were, the returns stated would be reduced. The returns stated assume the reinvestment of dividends and capital gains. 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.

### Risk and Return Statistics

Risk measures (such as alpha, beta, R-squared, standard deviation, mean, or Sharpe ratio) are calculated for securities or portfolios that have at least a three-year history.

When a portfolio's returns are calculated using the Morningstar Internal Rate of Return method, the monthly returns used to calculate alpha, beta, R-squared,

standard deviation, Sharpe ratio and best/worst time-period data also use this method.

When a portfolio's returns are calculated using the Morningstar Time-Weighted Return method, the monthly returns used to calculate alpha, beta, R-squared, standard deviation, Sharpe ratio and best/worst time-period data also use this method.

### Interactive Analysis Tool Disclosures

The purpose of this interactive analysis tool is to establish a clear understanding between an investor and a financial professional as to the investment goals and policies applicable to the investor's investment portfolio. This report was prepared in direct consultation between you (the investor) and your financial professional to establish reasonable objectives and guidelines in the investment of the investor's assets, set forth a target portfolio indicative of the risk levels, allocations and return targets that the investor's assets will typically be invested to achieve. The customized investment strategy and target portfolio allocation illustrated for you are approximate based on individual cash requirements, re-balancing tolerance, economic and market conditions. This has been developed from an evaluation of many key factors which impact the investor's specific situation, risk tolerance and investment objectives. This is only a summary of the investment philosophy that the financial professional may seek to pursue on your behalf.

**Use of an Interactive Analysis Tool:** This report includes simulated analyses including certain limitations and assumptions, that present the likelihood of various outcomes of an investment in the offered strategy. Interactive analysis tools alone cannot determine which securities to buy or sell, or which investment strategy to invest in. **IMPORTANT: The projections or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.** All such analyses, projections and estimates in this presentation were prepared solely by your financial professional and not by any other person. Please note that results may vary with each use of the tool and over time, reflecting any changed circumstances, assumptions or variables upon which the analysis is based.

Also note that the analysis provided by the tool relates only to the investments and investment strategy(ies) presented in this report or shown in the interactive analysis tool, other investments and strategies not considered may have characteristics similar or superior to those being analyzed. Please contact your financial professional if you would like to request alternative analyses using the tool, based on different assumptions and inputs than those described in this report.

### Data Definitions

#### 7-day Yield

The 7-day yield is a measure of performance in the interest rates of money market funds.

#### Back Load %

The back-end sales charge or deferred load is imposed when an investor redeems shares of a fund. The percentage of the load charged generally declines the longer the fund shares are held by the investor. This charge, coupled with 12b-1 fees, commonly serves as an alternative to a traditional front-end load.

#### Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees,

or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, does not reflect any fee waivers in effect during the time period.

### Front-end Load %

The initial sales charge or front-end load is a deduction made from each investment in the fund and is generally based on the amount of the investment.

### Maximum Redemption Fee %

The Maximum Redemption Fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund's purchase (for example, 30, 180, or 365 days).

### Mean

Mean is the annualized geometric return for the period shown.

### Risk vs Return Scatterplot

The risk vs return scatterplot graph plots the return and risk (measured by standard deviation) for the portfolio, its underlying holdings, and the portfolio's benchmark for the trailing period identified in the report.

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

### Standard Deviation

Standard deviation is a statistical measure of the volatility of the security or portfolio returns. The larger the standard deviation, the greater the volatility of return.

### Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publicly offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

**Closed-End Funds:** 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. 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. A closed-end mutual fund's expense ratio is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject to income tax, if held in a taxable account.

**Exchange-Traded Funds:** An 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, an ETF can be traded on a secondary market and thus have a market price 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. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

**Money Market Funds:** 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.

**Open-End Funds:** An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open-end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

**Unit Investment Trusts:** 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. A one-time initial sales charge is deducted from an investment made into the trust. UIT investors may also pay creation and development fees, organization costs, and/or trustee and operation expenses. UIT units may be redeemed by the sponsor at their net asset value minus a deferred sales charge and sold to other investors. UITs have set termination dates, at which point the underlying securities are sold and the sales proceeds are paid to the investor. Typically, a UIT investment is rolled over into successive trusts as part of a long-term strategy. A rollover fee may be charged for the exercise of rollover purchases. There are tax consequences associated with rolling over an investment from one trust to the next.

### Comparison of Other Investment Types

**Variable Annuities:** 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. The insurance company offering a variable annuity will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable annuity contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable annuity investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable annuity subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Variable Life Insurance:** 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. The insurance company offering a variable life contract will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable life contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable life investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable life subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Fixed Annuities:** Fixed annuities have a predetermined rate of return an investor earns and a fixed income payout that is guaranteed by the issuing investment company and may be immediate or deferred. Payouts may last for a specific period or for the life of the investor. Investments in a deferred fixed annuity grow tax-deferred with income tax incurred upon withdrawal, and do not depend on the stock market. However, the insurance company's guaranteed rate of return and payments depends on the claims-paying ability of the insurance company. Fixed annuities typically do not have cost-of-living payment adjustments. Fixed annuities often have surrender charges if the event you need to withdraw your investment early. Fixed annuities are regulated by state insurance commissioners.

**Fixed Indexed Annuities:** Fixed indexed annuities, also called equity index annuities, are a combination of the characteristics of both fixed and variable annuities. Fixed indexed annuities offer a predetermined rate of return like a fixed annuity, but they also allow for participation in the stock market, like a variable annuity. Fixed indexed annuities are typically riskier and offer the potential for greater return than fixed annuities, but less so than a variable annuity. Investments in a fixed indexed annuity grow tax-deferred with income tax incurred upon withdrawal. The insurance company's guaranteed rate of return and ability to make payments depends on the claims-paying ability of the

insurance company. While fixed indexed annuities may limit an investor's gains in an up market, they are also designed to help limit losses in a down market. Fixed indexed annuities can be complicated and an investor in a fixed indexed annuity should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Fixed indexed annuities often have surrender charges in the event you need to withdraw your investment early and are regulated by state insurance commissioners.

**Stock (Equity):** A stock is an ownership interest in a company. When an investor purchases a stock, they become a business owner, and the value of their ownership stake will rise and fall according to the underlying business. Stockholders are entitled to the profits, if any, generated by the company after everyone else – employees, vendors, lenders – get paid. Companies usually pay out their profits to investors in the form of dividends, or they reinvest the money back into the business. Stocks trade on exchanges throughout the day, through a brokerage firm who will charge a commission for the purchase or sale of shares. Income distributions and capital gains of the stock are subject to income tax upon their sale, if held in a taxable account.

**Bond (Debt, Fixed Income):** A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the life of the bond and repay the face value of the bond when it matures. U.S. Treasuries can be purchased directly from the Treasury or through a brokerage firm. Most other newly issued bonds are offered through an underwriter. Older bonds are traded throughout the day on the secondary market and can be purchased through a brokerage firm, who will charge transaction fees and commission for the purchase or sale. Price evaluations are provided by Interactive Data Corporation (IDC).

**Preferred Stock:** Preferred stock usually offers a fixed dividend payment, which is paid out before variable dividends that may be paid to investors in a company's common stock. Therefore, preferred stock is typically less risky in terms of principal loss, but there is also less potential for return when compared to a company's common stock. If a company fails, their obligations to preferred stockholders must be met before those of the company's common stockholders, but after bondholders are reimbursed.

**Separate Accounts:** A separate account is a portfolio of securities (such as stocks, bonds, and cash) that follows a specified investment strategy and is managed by an investment professional (typically referred to as a separate account manager). Separate accounts are unregistered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have. The securities in a separate account portfolio are directly owned by the separate account's owner. 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.

**Models:** A model, as defined by Morningstar, is a portfolio of securities such as mutual funds, ETFs, and cash created by your financial professional (a "Financial Professional-Created Model) or an investment manager such as a broker-dealer, investment adviser, or asset manager (collectively referred to as a model manager) that is distributed through centralized platforms to various types of investors or financial professionals. Models created by model managers do not take into account the investment objectives, financial situation, or particular needs of any specific investor. A model is intended to provide information to assist investors in making their own investment decisions; investors must exercise their own independent judgment as to the suitability of a model and its holdings in light of their own investment objectives, experience, taxation status, and financial position.

The performance of a model or its underlying holdings, or that a model's objective will be achieved, are not guaranteed. An investor using a model can incur a loss. Unless the model manager and an investor enter in an agreement stating otherwise, the model manager is not responsible for an investor's decision to invest in accordance with a model, the suitability of the model for a specific investor, or trading decisions, and does not manage or have access to the investor account. Instead, the investor or their financial professional chooses whether and how to implement the model and is ultimately responsible for related investment decisions. If an investor chooses to invest in accordance with a model, the securities in the account are directly owned by the investor. Models are not registered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have.

Before using a model as an investment template, investors should obtain the disclosure documents and other relevant information about the model manager and the model, including any material conditions, objectives, or strategies used to obtain the performance provided or whether the performance provided does not relate to all potential investors and how this impacts the performance shown. Investors should inquire whether the objective or strategy of the model changed materially during the time period shown in this report, and the effect of those changes. If the model manager offers this same strategy in other forms such as a separate account, a fund, or as a discretionary investment manager, investors should compare the performance shown here to that obtained by the manager's clients.

**Collective Investment Trusts:** A collective investment trust (CIT) may also be called a commingled or collective fund. CITs are tax-exempt, pooled investment vehicles maintained by a bank or trust company exclusively for qualified plans, including 401(k)s, and certain types of government plans. CITs are unregistered investment vehicles subject to banking regulations of the Office of the Comptroller of the Currency (OCC), which means they are typically less expensive than other investment options due to lower marketing, overhead, and compliance-related costs. CITs are not available to the general public but are managed only for specific retirement plans.

**529 Portfolios:** A 529 Portfolio is a specific portfolio of securities created from a 529 plan's available investments. In general, the data presented for a 529 Portfolio uses a weighted average of the underlying holdings in the portfolio. Most 529 plans are invested in open-end mutual funds; however, other investment types are possible such as stable value funds, certificates of deposit, and separate accounts.

Before investing, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 qualified tuition program.

**Offshore Funds:** Offshore funds are funds domiciled in a country outside the one the investor resides in. Many banks have offshore subsidiaries that are under the standards and regulations of the particular country, which can vary considerably. Companies may establish headquarters offshore because of lower tax rates. Offshore funds are not regulated by the SEC and may have tax implications.

**Hedge Funds:** Hedge funds are aggressively managed portfolios which make extensive use of unconventional investment tools such as derivatives as well as long and short positions. Managers of hedge-funds typically focus on specific areas of the market and/or trading strategies. Strategies may include the use of arbitrage, derivatives, leverage, and short selling, and may hold concentrated positions or private securities, which can make them riskier than other investment types.

Hedge funds are typically pooled investment vehicles available to sophisticated investors that meet high investing minimums. Many hedge funds are unregistered and are not subject to the same regulations as registered investment vehicles, such as mutual funds. Funds of hedge funds are pooled investment vehicles that invest in multiple unregistered hedge funds and may be registered with the SEC. Registered funds of hedge funds typically have lower investment minimums than hedge funds, but they are usually not registered on an exchange and can be illiquid. Fund of hedge fund fees are generally higher than those of other pooled investments (like mutual funds) and may have tax consequences.

**Cash:** Cash is a short-term, highly liquid investment. Cash typically doesn't earn as much as other investments, such as stocks or bonds, but is less risky.

**Benchmark or Indexes:** Benchmarks or indexes are unmanaged and not available for direct investment. Indexes are created to measure a specified area of the stock market using a representative portfolio of securities. If a security is not available in Morningstar's database, your financial professional may choose to show a representative index. Please note that indexes vary widely, and it is important to choose an index that has similar characteristics to the security it is being used to represent. In no way should the performance of an index be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for an index and may include an individual client incurring a loss. Past performance is no guarantee of future results. For additional information, see the Benchmark Disclosure in this report.

**Morningstar Category:** Morningstar assigns each security in its database to a Morningstar Category using the underlying securities in the security's portfolio. If a security is not available in Morningstar's database, your financial professional may choose to show the security's category. Please note that a category will not be an exact match to your securities. In no way should the performance of a category be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for a category and may include an individual client incurring a loss. Past performance is no guarantee of future results.

**Structured Products:** Structured products are unsecured debt securities of an issuer that are linked to the performance of an underlying asset, such as a security, basket of securities, index, commodity, interest rate, yield, exchange rate, debt issuance, or a foreign currency or a combination of these assets. Structured products are typically the combination of a note (or other corporate bond) and a derivative (such as an option). Structured products include range accruals, trigger notes, dual directionals, barriers, buffers, and income notes.

Structured products are generally designed to be held until maturity and are not intended for short-term trading. Structured products may not be appropriate for investors seeking current income, as they may not pay interest or the interest they pay may vary in amount or timing. It may be possible to lose the entire amount of principal invested in a structured product. Some structured products result in the investor owning the underlying asset at maturity.

Each structured product may differ greatly from another structured product. Some offer full principal protection while others offer limited or no protection. The note portion of the structured product may pay regular interest payments, interest payments that vary according to certain conditions, or may not pay interest at all. Investors should be aware of any attributes related to limits on

the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the structured product or its underlying asset. Before investing in a structured product, investors should carefully read its offering documents and make sure they fully understand the specific terms and conditions for that product.

Investors should fully understand the underlying assets upon which a structured product is based on and how events that affect the underlying assets, like mergers or rebalances, may affect the structured product. The return on a structured product may not align with its underlying asset. The structured product may not provide a return, and/or the return may be significantly less than what an investor could have received by investing directly in the underlying asset or other security. Underlying assets are subject to market and other risks that may impact the structured product. Structured products are complex and may use advanced trading techniques such as leverage, options, futures, swaps, and other derivatives which lead to additional risks. Investing in a structured product should not be compared to investing in the underlying asset, as the features and risks may differ significantly.

As unsecured debt securities, structured products are not backed by collateral and they are subject to the creditworthiness of the issuer to make interest payments and repay principal. If the issuer of a structured product were to default or go into bankruptcy, an investor may lose some or all of their invested principal. An investor should carefully consider the credit rating, financial condition, and stability of the issuer before investing in a structured product, however, the credit rating of the issuer is not a reflection of the risk of the structured product or its underlying asset.

Structured products may not be listed on a national securities exchange and those that are may be thinly traded. A structured product's issuer may maintain a secondary market but is not required to do so. Even if a secondary market is maintained, an investor may not be able to sell the structured product prior to maturity and is unlikely to receive the full amount invested. An investor should be prepared to hold a structured product until maturity.

As structured products are typically not traded on a national securities exchange and they are linked to an underlying asset, it is difficult to value a structured product.

Structured products may use barriers, caps, participation rates, or other limits that impact their return potential. Certain structured products may not offer any return if a barrier is crossed or certain thresholds are reached. Caps impose maximum return limits, regardless of the return reached by the underlying asset. Participation rates limit the amount of return an investor can realize.

The costs and fees of a structured product are typically included within the product and will vary.

Structured products have an uncertain tax treatment due to limited guidance. The Internal Revenue Service may change how structured products are treated at any time. Investors should consult with a tax financial professional prior to investing in a structured product.

**Important Note:** In this report, if a structured product is included, it is reflected as a 100% allocation to bonds. No return information, fees or risk, return, or portfolio statistics for a structured product are included in the data shown in this report.

## Correlation Graph

## Disclosure Statement

All data presented in this report is based on the most recent information available to Morningstar as of the release date of the report and may or may not be an accurate reflection of the current data for the portfolio or its underlying holdings included in the portfolio. There is no assurance that the data will remain the same.

Unless otherwise specified, the definition of "funds" used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities.

### General Disclosures

These disclosures provide you (the investor) and your financial professional with important information regarding the key terms, criteria, methodology, assumptions, risks and limitations presented in this report.

There are many resources available to assist you and your financial professional with evaluating a particular investment or investment strategy. This report, alone, should not be used to make an investment decision. Investing involves numerous risks, and there is always the potential of losing money. You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

Your financial professional may provide you with investment advisory services, brokerage services or both. Those services and fees differ; therefore, it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC's investor education website, [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker/dealers, and investing. You should carefully read the information provided by your financial professional that more fully describes the services, fees, costs, and conflicts of interest specific to your financial professional and situation.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by you or your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

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.

### Use of this Report

Your financial professional is responsible for complying with various regulations and Morningstar's terms of use when using this report and other information or data provided by Morningstar.

The content shown and calculations used for this report will vary depending on the Morningstar product used to generate the report, the role of your financial

professional, how the product was used, how data was input, and other variables. For example:

- Investment adviser representatives typically include an annual advisory fee (which may be referred to as an “Annual Fee”, “Annual Asset-Based Advisory Fee”, or “Advisory Fee” in this report and its disclosures) in net performance calculations, but such fees are generally not applicable to broker/dealer representatives who charge fees based on specific trades;
- Certain Morningstar tools can be used as an “interactive analysis tool” or “investment analysis tool” where you, alone or with the support of your financial professional, use the tool to produce simulations and statistical analyses that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken; and/or
- The data shown in this report could be calculated based on portfolio holdings and allocations entered by you or your financial professional or could be input from Morningstar’s Separate Account or Model database, and may take into account various fees and expenses and other assumptions.

Your financial professional can explain how this report was created and which disclosures apply to this report.

This report is supplemental sales literature and therefore must be preceded or accompanied by the investment’s current prospectus or equivalent disclosure documents. Please read this information carefully. In all cases, this disclosure statement should accompany this report.

While your financial professional may use this report to provide information on, or as a solicitation for, a security, investment or investment-related service, Morningstar, Inc. is not itself a FINRA-member firm or a registered investment adviser in any jurisdiction. Nothing in this report should be considered a solicitation by Morningstar, Inc. to buy or sell a security, investment or investment-related service to any person in any jurisdiction.

You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

### Investment Performance Disclosures

It is important that you understand the risks and limitations of using investment performance returns in making investment decisions. Performance data represents past performance and should not be considered indicative of future results. Furthermore, fees, expenses, and other costs, including any applicable trading commissions, short-term fees, or taxes, negatively impact investment performance return. The purpose of including such fees and expenses is to illustrate the effect they have on investment returns for the time periods shown. For additional information, please refer to the Fee Schedule (if applicable) and related disclosures contained in this report and those provided by your financial professional.

### Gross and Net Performance Returns and Fee Types

Gross performance is calculated before the deduction of all fees and expenses an investor paid in connection with advisory fees, brokerage commissions or other expenses. If included, these fees would reduce the gross performance shown. A “net” return is calculated over the same time period, using the same type of return and calculation methodology as the “gross” return. If your financial professional is an investment adviser representative, the impact of fees and expenses paid in connection with your portfolio’s advisory services will be reflected in the return calculation used in determining correlation.

You should speak with your financial professional to understand the impact that fees and expenses have on performance returns before making investment decisions. Additional information on the types of fees, time periods, types of returns, and calculation methodologies that may be used in this report is further

provided below.

If this report uses performance from the Morningstar Separate Account or Model databases, the net performance for the Separate Account or Model could reflect the:

- Net performance data reported by the separate account or model manager to Morningstar’s Separate Account or Model database,
- Net performance calculated from the application of the separate account or model manager’s reported fee data to their reported gross performance data, or
- Net performance calculated from the application of the advisory fee input in this report by your financial professional or their advisory firm to the separate account or model manager’s reported gross performance data.

If this report uses performance from a Financial Professional-Created Model, the net performance is calculated by applying the advisory fee to the historical returns of the investment holdings and allocations, which are input by your financial professional.

Your financial professional can provide you with further information about the performance used for this report.

You should refer to the disclosure document of the separate account manager, model manager, and/or your financial professional, as applicable, for specific information regarding fees and expenses and discuss with your financial professional the methodologies used to calculate the data reflected in this report.

### Types of Performance Returns

The following further describes the criteria, methodology, assumptions, risk and limitations used in calculating various types of investment performance returns that may be used in this report. It may be inappropriate to compare the different types of investment performance returns and you should consult with your financial professional to discuss these differences.

After-Tax Returns: In the Standardized and Tax-Adjusted Returns section, Morningstar calculates after-tax returns for individual securities using the highest applicable federal marginal income tax rate plus the investment income tax and Medicare surcharge. As of 2018, this rate is 37% plus 3.8% investment income plus 0.9% Medicare surcharge, or 41.7%. This rate changes periodically in accordance with changes in federal law.

Benchmark Returns: Returns for user-created custom benchmarks are calculated by applying weightings supplied by your financial professional to each benchmark’s returns every month. Custom benchmarks are rebalanced monthly. Returns for custom benchmarks created by the Auto Benchmark feature uses the portfolio’s characteristics to assign a benchmark or blend of benchmarks and appropriate weights for each based on Asset Allocation or Category. Auto Benchmark created benchmarks are rebalanced monthly.

Extracted Performance: Extracted performance means the performance results of a subset of investments extracted from a portfolio, this includes performance attribution. The performance results of the total portfolio from which the performance was extracted may be obtained by contacting your financial professional.

Financial Professional-Created Model Returns: Performance data for these models are not reported to Morningstar’s databases. Instead, hypothetical performance for the model is calculated based on the allocation and investment holdings input by your financial professional, which does not reflect actual trading. Financial professional-created model performance does not reflect the

impact that material economic and market factors may have had on your financial professional's decision-making process were actually managing client assets in this financial professional-created model.

The performance and risk information shown for a financial professional-created model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Performance of the financial professional-created model may or may not reflect the reinvestment of dividends and capital gains, based on the criteria input by your financial professional. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Investors should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of their financial professional, and fee schedules of their account custodian or similar entity for specific information regarding fees and expenses.

**Hypothetical Performance Returns:** Hypothetical performance is investment performance returns not actually achieved by any portfolio of the financial professional. Hypothetical performance may include, but is not limited to, model performance returns, back-tested performance returns, targeted or projected performance returns, and/or pre-inception returns. Additional information on these types of hypothetical performance is further provided in these disclosures.

Hypothetical performance returns are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. Hypothetical performance returns are based on historic economic and market assumptions and the investment and planning assumptions selected by you or your financial professional. Actual performance returns will vary. If required under applicable regulation, your financial professional has determined that you have the resources and financial expertise to understand the risks and limitations of using such hypothetical performance returns in making investment decisions.

Hypothetical performance returns do not reflect actual trading and may not reflect the impact that material economic and market factors had on the decision-making process for this portfolio. For example, the ability to withstand losses or adhere to a particular investment strategy in spite of losses are material points which can also adversely affect markets in general or the implementation of any specific investment or investment strategy.

**Morningstar's Model Database Returns:** Model managers can report hypothetical performance calculated based on the model's underlying holdings over time to Morningstar's Model database. Model performance does not reflect actual trading and may not reflect the impact that material economic and market factors may have had on the model manager's decision-making process if the model manager was actually managing client assets. Morningstar has informed model managers that back-tested performance, which is created with the benefit of hindsight and does not reflect the impact material economic and market factors may have had on the model manager decision-making process, should not be submitted to the Model database. The method for calculating model returns can vary and Morningstar does not review or verify any reported performance or other information submitted for a model.

The performance and risk information shown for a model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax

considerations and security preferences. Since different model managers may use different methods in constructing or computing performance figures, performance of the model may or may not reflect the reinvestment of dividends and capital gains. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Model managers have the option to report gross and net performance to Morningstar's Model database on a monthly basis and portfolio data at least quarterly. The investor should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

**Morningstar's Separate Account Database Returns:** Separate account managers can report performance data as a composite of similarly managed accounts to Morningstar's Separate Account database. Composite performance may differ from the returns realized by a specific account in the composite over the same period for a number of reasons. Likewise, performance and risk information of certain separate account managers may include only composites of larger accounts, which may or may not have more holdings, different diversification, different trading patterns and different performance than smaller accounts with the same strategy. Different managers may use different methods in constructing or computing performance figures and may or may not reflect the reinvestment of dividends and capital gains. Thus, the performance and risk figures for different separate account managers may not be fully comparable to each other. Morningstar does not review or verify any reported performance or other information submitted for a separate account.

When reporting performance data to Morningstar's Separate Account database, the separate account manager has the option to report both gross and net performance. The investor should refer to the investment prospectus (or equivalent document) for the separate account's underlying securities, applicable disclosure documents of the separate account manager and the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

**Total Return:** Expressed in percentage terms, Morningstar's calculation of total return is determined by taking the change in a security's net asset value (NAV), assuming the reinvestment of all income (in the form of dividends or interest payments) and capital gains distributions (on the actual reinvestment date used by the fund) during the period, and dividing by the initial NAV. For variable annuity and variable life 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 M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. Unless otherwise noted, returns are not adjusted for sales charges (such as front-end or deferred loads) or redemption fees. Total returns do account for the expense ratio, which includes management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns). If adjusted for sales charges, redemption fees, and the effects of taxation, the performance quoted would be reduced. If applicable, the advisory fee input by your financial professional is also applied to the returns..

**Predecessor Performance:** Predecessor performance means investment performance achieved by a group of investments consisting of an account (or a private fund) that was not advised at all times during the period by the investment adviser reporting the performance. Additional information may be obtained by contacting your financial professional.

**Pre-Inception Returns:** Pre-inception returns are theoretical, for illustrative

purposes only, and are not reflective of an investor's actual experience. The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the inception of the share class of the fund shown in this report ("Report Share Class"). If pre-inception returns are shown, a performance stream consisting of the Report Share Class and older share class(es) is created. Morningstar adjusts pre-inception returns downward to reflect higher expenses in the Report Share Class, and does not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

When pre-inception data is 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 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. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

**Related Performance:** Related performance means performance results of one or more related portfolios, either on a portfolio-by-portfolio basis or as a composite aggregation of all portfolios falling within stated criteria. All or some related portfolios, those with substantially similar investment policies, objectives, and strategies, may be excluded from the related performance, so long as in doing so the related performance is not materially higher than if all related portfolios had been included in the reported performance returns. For additional information, contact your financial professional.

**Standardized Returns:** Standardized Return applies the methodology described in the Standardized Returns page of this report. Standardized Return is calculated through the most recent calendar-quarter end for one-year, five-year, 10-year, and/or since inception periods, and it demonstrates the impact of sales charges (if applicable) and ongoing fund expenses. Standardized Return reflects the return an investor may have experience if the security was purchased at the beginning of the period and sold at the end, incurring transaction charges. If applicable, the advisory fee input by your financial professional is not applied to standardized returns.

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

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 Variable Annuity 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.

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.

## Calculation Methodologies

Portfolio-level performance returns are calculated using a Time Weighted Rate of Return.

**Morningstar Time-Weighted Return:** Measures the performance (as a percent) of capital at work during each interval between contributions and withdrawals and then linking that performance together to produce a return for a stated period. The Morningstar Time-Weighted Return calculation is designed to eliminate the effect of cash and/or securities being added to or taken out of a portfolio (that influences the internal rate of return calculation, for example). The more contributions and withdrawals that occur and the longer the time frame, the more complex the time-weighted return calculation can become.

When the Morningstar Time-Weighted Return calculation is used, the current allocations for the portfolio's holdings were used to generate historical performance assuming monthly rebalancing. Taxes, loads, and sales charges and any applicable trading commissions or short-term trading fees are not taken into account. Portfolios whose returns are calculated using this method were previously known as "Unscheduled Portfolios."

Monthly total returns for portfolios calculated using the Morningstar Time-Weighted Return method are calculated by applying the ending period holding allocations supplied by you or your financial professional 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 for individual securities are listed in the Standardized and Tax Adjusted Returns section of this report.) Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Returns for individual holdings are simple time-weighted trailing returns. Portfolio and holding returns are adjusted for advisory fees, but not for other fees or taxes. If they were, the returns stated would be reduced. The returns stated assume the reinvestment of dividends and capital gains. 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.

## Interactive Analysis Tool/Investment Analysis Tool Disclosures

The purpose of an interactive analysis tool/investment analysis tool ("IA Tool") is to establish a clear understanding between an investor and a financial professional as to the investment goals and policies applicable to the investor's investment portfolio. If this report was generated from the use of an IA Tool, it was prepared by you (the investor) or in direct consultation between you and your financial professional to establish reasonable objectives and guidelines in the investment of the investor's assets, set forth a target portfolio indicative of the risk levels, allocations and return targets that the investor's assets will typically be invested to achieve. The customized investment strategy and target portfolio allocation illustrated for you are approximate based on individual cash requirements, re-balancing tolerance, economic and market conditions. This has been developed from an evaluation of many key factors which impact the investor's specific situation, risk tolerance and investment objectives. This is

only a summary of the investment philosophy that the financial professional may seek to pursue on your behalf.

**Use of an IA Tool:** If this report was generated from the use of an IA Tool, this report includes simulated analyses including certain limitations and assumptions, that present the likelihood of various outcomes of an investment in the offered strategy. IA Tools alone cannot determine which securities to buy or sell, or which investment strategy to invest in. **IMPORTANT: The projections or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.** All such analyses, projections and estimates in this presentation were prepared solely by you and/or your financial professional and not by any other person. Please note that results may vary with each use of the tool and over time, reflecting any changed circumstances, assumptions or variables upon which the analysis is based.

Also note that the analysis provided by the IA Tool relates only to the investments and investment strategy(ies) presented in this report or shown in the IA Tool, other investments and strategies not considered may have characteristics similar or superior to those being analyzed. Please contact your financial professional if you would like to request alternative analyses using the IA Tool, based on different assumptions and inputs than those described in this report.

### Correlation Matrix Graph

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

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

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

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

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

securities have a correlation above 0.

Note that return patterns between securities may change over time. The correlation coefficient between two investments over one period may differ from that of another period. Further, note that while combining securities with correlation coefficients less than 1.0 in a portfolio can reduce risk, risk cannot be completely eliminated with diversification. There is no guarantee that any particular mix of securities will eliminate risk, reduce your current exposure to risk, or manage your exposure to risk in a way that is tolerable for you.

Individual bond price evaluations are provided by Interactive Data Corporation.

### Data Definitions

#### 7-day Yield

The 7-day yield is a measure of performance in the interest rates of money market funds.

#### Back Load %

The back-end sales charge or deferred load is imposed when an investor redeems shares of a fund. The percentage of the load charged generally declines the longer the fund's shares are held by the investor. This charge, coupled with 12b-1 fees, commonly serves as an alternative to a traditional front-end load.

#### Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, does not reflect any fee waivers in effect during the time period.

#### Front-end Load %

The initial sales charge or front-end load is a deduction made from each investment in the fund and is generally based on the amount of the investment.

#### Maximum Redemption Fee %

The Maximum Redemption Fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund's purchase (for example, 30, 180, or 365 days).

### Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publicly offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

**Closed-End Funds:** 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. 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. A closed-end mutual fund's expense ratio is an

annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject to income tax, if held in a taxable account.

**Exchange-Traded Funds:** An 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, an ETF can be traded on a secondary market and thus have a market price 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. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

**Money Market Funds:** 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.

**Open-End Funds:** An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open-end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

**Unit Investment Trusts:** 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. A one-time initial sales charge is deducted from an investment made into the trust. UIT investors may also pay creation and development fees, organization costs, and/or trustee and operation expenses. UIT units may be redeemed by the sponsor at their net asset value minus a deferred sales charge and sold to other investors. UITs have set termination dates, at which point the underlying securities are sold and the sales proceeds are paid to the investor. Typically, a UIT investment is rolled over into successive trusts as part of a long-term

strategy. A rollover fee may be charged for the exercise of rollover purchases. There are tax consequences associated with rolling over an investment from one trust to the next.

## Comparison of Other Investment Types

**Variable Annuities:** 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. The insurance company offering a variable annuity will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable annuity contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable annuity investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable annuity subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Variable Life Insurance:** 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. The insurance company offering a variable life contract will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable life contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable life investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable life subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Fixed Annuities:** Fixed annuities have a predetermined rate of return an investor earns and a fixed income payout that is guaranteed by the issuing investment company and may be immediate or deferred. Payouts may last for a specific period or for the life of the investor. Investments in a deferred fixed annuity grow tax-deferred with income tax incurred upon withdrawal, and do not depend on the stock market. However, the insurance company's guaranteed rate of return and payments depends on the claims-paying ability of the insurance company. Fixed annuities typically do not have cost-of-living payment adjustments. Fixed annuities often have surrender charges if the event you need to withdraw your investment early. Fixed annuities are regulated by state

insurance commissioners.

**Fixed Indexed Annuities:** Fixed indexed annuities, also called equity index annuities, are a combination of the characteristics of both fixed and variable annuities. Fixed indexed annuities offer a predetermined rate of return like a fixed annuity, but they also allow for participation in the stock market, like a variable annuity. Fixed indexed annuities are typically riskier and offer the potential for greater return than fixed annuities, but less so than a variable annuity. Investments in a fixed indexed annuity grow tax-deferred with income tax incurred upon withdrawal. The insurance company's guaranteed rate of return and ability to make payments depends on the claims-paying ability of the insurance company. While fixed indexed annuities may limit an investor's gains in an up market, they are also designed to help limit losses in a down market. Fixed indexed annuities can be complicated and an investor in a fixed indexed annuity should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Fixed indexed annuities often have surrender charges in the event you need to withdraw your investment early and are regulated by state insurance commissioners.

**Stock (Equity):** A stock is an ownership interest in a company. When an investor purchases a stock, they become a business owner, and the value of their ownership stake will rise and fall according to the underlying business. Stockholders are entitled to the profits, if any, generated by the company after everyone else – employees, vendors, lenders – get paid. Companies usually pay out their profits to investors in the form of dividends, or they reinvest the money back into the business. Stocks trade on exchanges throughout the day, through a brokerage firm who will charge a commission for the purchase or sale of shares. Income distributions and capital gains of the stock are subject to income tax upon their sale, if held in a taxable account.

**Bond (Debt, Fixed Income):** A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the life of the bond and repay the face value of the bond when it matures. U.S. Treasuries can be purchased directly from the Treasury or through a brokerage firm. Most other newly issued bonds are offered through an underwriter. Older bonds are traded throughout the day on the secondary market and can be purchased through a brokerage firm, who will charge transaction fees and commission for the purchase or sale. Price evaluations are provided by Interactive Data Corporation (IDC).

**Preferred Stock:** Preferred stock usually offers a fixed dividend payment, which is paid out before variable dividends that may be paid to investors in a company's common stock. Therefore, preferred stock is typically less risky in terms of principal loss, but there is also less potential for return when compared to a company's common stock. If a company fails, their obligations to preferred stockholders must be met before those of the company's common stockholders, but after bondholders are reimbursed.

**Separate Accounts:** A separate account is a portfolio of securities (such as stocks, bonds, and cash) that follows a specified investment strategy and is managed by an investment professional (typically referred to as a separate account manager). Separate accounts are unregistered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have. The securities in a separate account portfolio are directly owned by the separate account's owner. 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.

**Models:** A model, as defined by Morningstar, is a portfolio of securities such as mutual funds, ETFs, and cash created by your financial professional (a "Financial

Professional-Created Model) or an investment manager such as a broker-dealer, investment adviser, or asset manager (collectively referred to as a model manager) that is distributed through centralized platforms to various types of investors or financial professionals. Models created by model managers do not take into account the investment objectives, financial situation, or particular needs of any specific investor. A model is intended to provide information to assist investors in making their own investment decisions; investors must exercise their own independent judgment as to the suitability of a model and its holdings in light of their own investment objectives, experience, taxation status, and financial position.

The performance of a model or its underlying holdings, or that a model's objective will be achieved, are not guaranteed. An investor using a model can incur a loss. Unless the model manager and an investor enter in an agreement stating otherwise, the model manager is not responsible for an investor's decision to invest in accordance with a model, the suitability of the model for a specific investor, or trading decisions, and does not manage or have access to the investor account. Instead, the investor or their financial professional chooses whether and how to implement the model and is ultimately responsible for related investment decisions. If an investor chooses to invest in accordance with a model, the securities in the account are directly owned by the investor. Models are not registered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have.

Before using a model as an investment template, investors should obtain the disclosure documents and other relevant information about the model manager and the model, including any material conditions, objectives, or strategies used to obtain the performance provided or whether the performance provided does not relate to all potential investors and how this impacts the performance shown. Investors should inquire whether the objective or strategy of the model changed materially during the time period shown in this report, and the effect of those changes. If the model manager offers this same strategy in other forms such as a separate account, a fund, or as a discretionary investment manager, investors should compare the performance shown here to that obtained by the manager's clients.

**Collective Investment Trusts:** A collective investment trust (CIT) may also be called a commingled or collective fund. CITs are tax-exempt, pooled investment vehicles maintained by a bank or trust company exclusively for qualified plans, including 401(k)s, and certain types of government plans. CITs are unregistered investment vehicles subject to banking regulations of the Office of the Comptroller of the Currency (OCC), which means they are typically less expensive than other investment options due to lower marketing, overhead, and compliance-related costs. CITs are not available to the general public but are managed only for specific retirement plans.

**529 Portfolios:** A 529 Portfolio is a specific portfolio of securities created from a 529 plan's available investments. In general, the data presented for a 529 Portfolio uses a weighted average of the underlying holdings in the portfolio. Most 529 plans are invested in open-end mutual funds; however, other investment types are possible such as stable value funds, certificates of deposit, and separate accounts.

Before investing, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 qualified tuition program.

**Offshore Funds:** Offshore funds are funds domiciled in a country outside the one the investor resides in. Many banks have offshore subsidiaries that are under the standards and regulations of the particular country, which can vary

considerably. Companies may establish headquarters offshore because of lower tax rates. Offshore funds are not regulated by the SEC and may have tax implications.

**Hedge Funds:** Hedge funds are aggressively managed portfolios which make extensive use of unconventional investment tools such as derivatives as well as long and short positions. Managers of hedge-funds typically focus on specific areas of the market and/or trading strategies. Strategies may include the use of arbitrage, derivatives, leverage, and short selling, and may hold concentrated positions or private securities, which can make them riskier than other investment types.

Hedge funds are typically pooled investment vehicles available to sophisticated investors that meet high investing minimums. Many hedge funds are unregistered and are not subject to the same regulations as registered investment vehicles, such as mutual funds. Funds of hedge funds are pooled investment vehicles that invest in multiple unregistered hedge funds and may be registered with the SEC. Registered funds of hedge funds typically have lower investment minimums than hedge funds, but they are usually not registered on an exchange and can be illiquid. Fund of hedge fund fees are generally higher than those of other pooled investments (like mutual funds) and may have tax consequences.

**Cash:** Cash is a short-term, highly liquid investment. Cash typically doesn't earn as much as other investments, such as stocks or bonds, but is less risky.

**Benchmark or Indexes:** Benchmarks or indexes are unmanaged and not available for direct investment. Indexes are created to measure a specified area of the stock market using a representative portfolio of securities. If a security is not available in Morningstar's database, your financial professional may choose to show a representative index. Please note that indexes vary widely, and it is important to choose an index that has similar characteristics to the security it is being used to represent. In no way should the performance of an index be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for an index and may include an individual client incurring a loss. Past performance is no guarantee of future results. For additional information, see the Benchmark Disclosure in this report.

**Morningstar Category:** Morningstar assigns each security in its database to a Morningstar Category using the underlying securities in the security's portfolio. If a security is not available in Morningstar's database, your financial professional may choose to show the security's category. Please note that a category will not be an exact match to your securities. In no way should the performance of a category be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for a category and may include an individual client incurring a loss. Past performance is no guarantee of future results.

**Structured Products:** Structured products are unsecured debt securities of an issuer that are linked to the performance of an underlying asset, such as a security, basket of securities, index, commodity, interest rate, yield, exchange rate, debt issuance, or a foreign currency or a combination of these assets. Structured products are typically the combination of a note (or other corporate bond) and a derivative (such as an option). Structured products include range accruals, trigger notes, dual directionals, barriers, buffers, and income notes.

Structured products are generally designed to be held until maturity and are not intended for short-term trading. Structured products may not be appropriate for investors seeking current income, as they may not pay interest or the interest they pay may vary in amount or timing. It may be possible to lose the entire amount of principal invested in a structured product. Some structured products result in the investor owning the underlying asset at maturity.

Each structured product may differ greatly from another structured product. Some offer full principal protection while others offer limited or no protection. The note portion of the structured product may pay regular interest payments, interest payments that vary according to certain conditions, or may not pay interest at all. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the structured product or its underlying asset. Before investing in a structured product, investors should carefully read its offering documents and make sure they fully understand the specific terms and conditions for that product.

Investors should fully understand the underlying assets upon which a structured product is based on and how events that affect the underlying assets, like mergers or rebalances, may affect the structured product. The return on a structured product may not align with its underlying asset. The structured product may not provide a return, and/or the return may be significantly less than what an investor could have received by investing directly in the underlying asset or other security. Underlying assets are subject to market and other risks that may impact the structured product. Structured products are complex and may use advanced trading techniques such as leverage, options, futures, swaps, and other derivatives which lead to additional risks. Investing in a structured product should not be compared to investing in the underlying asset, as the features and risks may differ significantly.

As unsecured debt securities, structured products are not backed by collateral and they are subject to the creditworthiness of the issuer to make interest payments and repay principal. If the issuer of a structured product were to default or go into bankruptcy, an investor may lose some or all of their invested principal. An investor should carefully consider the credit rating, financial condition, and stability of the issuer before investing in a structured product, however, the credit rating of the issuer is not a reflection of the risk of the structured product or its underlying asset.

Structured products may not be listed on a national securities exchange and those that are may be thinly traded. A structured product's issuer may maintain a secondary market but is not required to do so. Even if a secondary market is maintained, an investor may not be able to sell the structured product prior to maturity and is unlikely to receive the full amount invested. An investor should be prepared to hold a structured product until maturity.

As structured products are typically not traded on a national securities exchange and they are linked to an underlying asset, it is difficult to value a structured product.

Structured products may use barriers, caps, participation rates, or other limits that impact their return potential. Certain structured products may not offer any return if a barrier is crossed or certain thresholds are reached. Caps impose maximum return limits, regardless of the return reached by the underlying asset. Participation rates limit the amount of return an investor can realize.

The costs and fees of a structured product are typically included within the product and will vary.

Structured products have an uncertain tax treatment due to limited guidance.

The Internal Revenue Service may change how structured products are treated at any time. Investors should consult with a tax financial professional prior to investing in a structured product.

**Important Note:** In this report, if a structured product is included, it is reflected as a 100% allocation to bonds. No return information, fees or risk, return, or portfolio statistics for a structured product are included in the data shown in this report.

## Portfolio Rolling Return Report Disclosure Statement

**Financial Professionals: This report may not meet all applicable presentation and/or disclosure standards to which you are subject to by a regulator and may need to be supplemented with another report or additional data and/or disclosures. Review carefully before sharing this report and contact your Compliance team with any questions.**

All data presented in this report is based on the most recent information available to Morningstar as of the release date of the report and may or may not be an accurate reflection of the current data for the portfolio or its underlying holdings. There is no assurance that the data will remain the same.

Unless otherwise specified, the definition of “funds” used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities.

Financial professionals creating this report can choose to include the effects of applicable sales loads, taxes, cash flows, and specific investment dates. An investment’s history is used to calculate market values and returns. The investment returns are internal rate-of-return calculations that reflect the timing and dollar size of all purchases and sales.

### General Disclosures

These disclosures provide you (the investor) and your financial professional with important information regarding the key terms, criteria, methodology, assumptions, risks and limitations presented in this report.

There are many resources available to assist you and your financial professional with evaluating a particular investment or investment strategy. This report, alone, should not be used to make an investment decision. Investing involves numerous risks, and there is always the potential of losing money. You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

Your financial professional may provide you with investment advisory services, brokerage services or both. Those services and fees differ; therefore, it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC’s investor education website, [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker/dealers, and investing. You should carefully read the information provided by your financial professional that more fully describes the services, fees, costs, and conflicts of interest specific to your financial professional and situation.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be

derived from, account information provided by you or your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by you or your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

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.

### Use of this Report

Your financial professional is responsible for complying with various regulations and Morningstar’s terms of use when using this report and other information or data provided by Morningstar.

The content shown and calculations used for this report will vary depending on the Morningstar product used to generate the report, the role of your financial professional, how the product was used, how data was input, and other variables. For example:

- In some cases, Morningstar’s Scenario Builder tool uses different calculation methodologies than Morningstar’s Quick Portfolio tool,
- Investment adviser representatives typically include an annual advisory fee (which may be referred to as an “Annual Fee”, “Annual Asset-Based Advisory Fee”, or “Advisory Fee” in this report and its disclosures) in net performance calculations, but such fees are generally not applicable to broker/dealer representatives who charge fees based on specific trades;
- Certain Morningstar tools can be used as an “interactive analysis tool” or “investment analysis tool” where you, alone or with the support of your financial professional, use the tool to produce simulations and statistical analyses that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken; and/or
- The performance shown in this report could be calculated based on portfolio holdings and allocations entered by you and/or your financial professional or could be input from Morningstar’s Separate Account or Model database, and may take into account various fees and expenses, portfolio changes over time, and other assumptions such as rebalances or subsequent contributions/withdrawals.

Your financial professional can explain how this report was created and which disclosures apply to this report.

This report is supplemental sales literature and therefore must be preceded or accompanied by the investment’s current prospectus or equivalent disclosure documents. Please read this information carefully. In all cases, this disclosure statement should accompany this report.

While your financial professional may use this report to provide information on, or as a solicitation for, a security, investment or investment-related service, Morningstar, Inc. is not itself a FINRA-member firm or a registered investment adviser in any jurisdiction. Nothing in this report should be considered a solicitation by Morningstar, Inc. to buy or sell a security, investment or investment-related service to any person in any jurisdiction.

You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

### Investment Performance Disclosures

It is important that you understand the risks and limitations of using investment performance returns in making investment decisions. The performance data given represents past performance and should not be considered indicative of future results. Furthermore, fees, expenses, and other costs, including any applicable trading commissions, short-term fees, or taxes, negatively impact investment performance return. The purpose of including such fees and expenses is to illustrate the effect they have on investment returns for the time periods shown. For additional information, please refer to the Fee Schedule (if applicable) and related disclosures contained in this report and those provided by your financial professional.

### Gross and Net Performance Returns and Fee Types

Gross performance is calculated before the deduction of all fees and expenses an investor paid in connection with advisory fees, brokerage commissions or other expenses. If included, these fees would reduce the gross performance shown. A "net" return is calculated over the same time period, using the same type of return and calculation methodology as the "gross" return. If your financial professional is an investment adviser representative, the impact of fees and expenses paid in connection with your portfolio's advisory services will be reflected in the "net" return calculation. For other financial professionals, or when no associated advisory fees are input, the "gross" and "net" returns will be the same or they may differ only due to the application of sales loads and other security-level fees and expenses. The purpose of showing net performance is to demonstrate the impact of fees and expenses on performance returns.

For example, if the one-year investment performance return before any fees (referred to as true gross return) was 10% and the portfolio was assessed an annual advisory fee of 1.50% that was deducted quarterly, the fee would reduce the portfolio's one-year performance to approximately 8.36%. Any taxes, expenses, costs and/or other fees not included would decrease the performance further. You should speak with your financial professional to understand the impact that fees and expenses have on performance returns, including those shown in this report, before making investment decisions. Additional information on the types of fees, time periods, types of returns, and calculation methodologies that may be used in this report is further provided below.

If this report includes performance from the Morningstar Separate Account or Model databases, the net performance included for the Separate Account or Model could reflect the:

- Net performance data reported by the separate account or model manager to Morningstar's Separate Account or Model database,
- Net performance calculated from the application of the separate account or model manager's reported fee data to their reported gross performance data, or
- Net performance calculated from the application of the advisory fee input in this report by your financial professional or their advisory firm to the separate account or model manager's reported gross performance data.

If this report includes performance from a Financial Professional-Created Model, the net performance is calculated by applying the advisory fee to the historical

returns of the investment holdings and allocations, which are input by your financial professional.

Your financial professional can provide you with further information about how net performance was calculated for this report.

**You should speak with your financial professional to understand the impact that fees and expenses have on performance returns, including those shown in this report, before making investment decisions.**

**You should refer to the disclosure document of the separate account manager, model manager, and/or your financial professional, as applicable, for specific information regarding fees and expenses and discuss with your financial professional the methodologies used to calculate the performance returns reflected in this report.**

### Performance Return Time Periods

Performance for periods longer than one year is annualized based on the number of years. Performance for periods less than one year is cumulative, based on the number of days between the start and end dates.

### Types of Performance Returns

The following further describes the criteria, methodology, assumptions, risk and limitations used in calculating various types of investment performance returns that may be presented in this report. It may be inappropriate to compare the different types of investment performance returns and you should consult with your financial professional to discuss these differences.

After-Tax Returns: In the Standardized and Tax-Adjusted Returns section, Morningstar calculates after-tax returns for individual securities using the highest applicable federal marginal income tax rate plus the investment income tax and Medicare surcharge. As of 2018, this rate is 37% plus 3.8% investment income plus 0.9% Medicare surcharge, or 41.7%. This rate changes periodically in accordance with changes in federal law.

Benchmark Returns: Benchmark returns assume a similar pattern of contributions/withdrawals as that of the portfolio or investment, but do not apply any taxes or transaction costs. The benchmark can be an index or a custom benchmark. Custom benchmarks are rebalanced monthly. Your financial professional may create a custom benchmark by allocating to various indexes to create a blended benchmark. Custom benchmarks may also be created by the Auto Benchmark feature, which uses the portfolio's characteristics to assign a benchmark or blend of benchmarks and appropriate weights for each based on Asset Allocation or Category.

Extracted Performance: Extracted performance means the performance results of a subset of investments extracted from a portfolio, this includes performance attribution. The performance results of the total portfolio from which the performance was extracted may be obtained by contacting your financial professional.

Financial Professional-Created Model Returns: Performance data for these models are not reported to Morningstar's databases. Instead, hypothetical performance for the model is calculated based on the allocation and investment holdings input by your financial professional, which does not reflect actual trading. Financial professional-created model performance does not reflect the impact that material economic and market factors may have had on your financial professional's decision-making process were actually managing client assets in this financial professional-created model.

The performance and risk information shown for a financial professional-created model will differ from that of an investor account during the same period for a

number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. The performance of the financial professional-created model may or may not reflect the reinvestment of dividends and capital gains, based on the criteria input by your financial professional. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Investors should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of their financial professional, and fee schedules of their account custodian or similar entity for specific information regarding fees and expenses.

**Hypothetical Performance Returns:** Hypothetical performance is investment performance returns not actually achieved by any portfolio of the financial professional. Hypothetical performance may include, but is not limited to, model performance returns, back-tested performance returns, targeted or projected performance returns, and/or pre-inception returns. Additional information on these types of hypothetical performance is further provided in these disclosures.

Hypothetical performance returns are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. Hypothetical performance returns are based on historic economic and market assumptions and the investment and planning assumptions selected by you or your financial professional. Actual performance returns will vary. If required under applicable regulation, your financial professional has determined that you have the resources and financial expertise to understand the risks and limitations of using such hypothetical performance returns in making investment decisions.

Hypothetical performance returns do not reflect actual trading and may not reflect the impact that material economic and market factors had on the decision-making process for this portfolio. For example, the ability to withstand losses or adhere to a particular investment strategy in spite of losses are material points which can also adversely affect markets in general or the implementation of any specific investment or investment strategy.

**Morningstar's Model Database Returns:** Model managers can report hypothetical performance calculated based on the model's underlying holdings over time to Morningstar's Model database. Model performance does not reflect actual trading and may not reflect the impact that material economic and market factors may have had on the model manager's decision-making process if the model manager was actually managing client assets. Morningstar has informed model managers that back-tested performance, which is created with the benefit of hindsight and does not reflect the impact material economic and market factors may have had on the model manager decision-making process, should not be submitted to the Model database. The method for calculating model returns can vary and Morningstar does not review or verify any reported performance or other information submitted for a model.

The performance and risk information shown for a model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Since different model managers may use different methods in constructing or computing performance figures, the performance of the model may or may not reflect the reinvestment of dividends and capital gains. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Model managers have the option to report gross and net performance to Morningstar's Model database on a monthly basis and portfolio data at least quarterly. The investor should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

**Morningstar's Separate Account Database Returns:** Separate account managers can report performance data as a composite of similarly managed accounts to Morningstar's Separate Account database. Composite performance may differ from the returns realized by a specific account in the composite over the same period for a number of reasons. Likewise, performance and risk information of certain separate account managers may include only composites of larger accounts, which may or may not have more holdings, different diversification, different trading patterns and different performance than smaller accounts with the same strategy. Different managers may use different methods in constructing or computing performance figures and may or may not reflect the reinvestment of dividends and capital gains. Thus, the performance and risk figures for different separate account managers may not be fully comparable to each other. Morningstar does not review or verify any reported performance or other information submitted for a separate account.

When reporting performance data to Morningstar's Separate Account database, the separate account manager has the option to report both gross and net performance. The investor should refer to the investment prospectus (or equivalent document) for the separate account's underlying securities, applicable disclosure documents of the separate account manager and the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

**Predecessor Performance:** Predecessor performance means investment performance achieved by a group of investments consisting of an account (or a private fund) that was not advised at all times during the period by the investment adviser reporting the performance. Additional information may be obtained by contacting your financial professional.

**Pre-Inception Returns:** Pre-inception returns are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the inception of the share class of the fund shown in this report ("Report Share Class"). If pre-inception returns are shown, a performance stream consisting of the Report Share Class and older share class(es) is created. Morningstar adjusts pre-inception returns downward to reflect higher expenses in the Report Share Class, we and does not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

**When pre-inception data is 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 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. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the

fund itself.

**Related Performance:** Related performance means performance results of one or more related portfolios, either on a portfolio-by-portfolio basis or as a composite aggregation of all portfolios falling within stated criteria. All or some related portfolios, those with substantially similar investment policies, objectives, and strategies, may be excluded from the related performance, so long as in doing so the related performance is not materially higher than if all related portfolios had been included in the reported performance returns. For additional information, contact your financial professional.

**Rolling Returns:** Rolling returns display performance returns in overlapping cycles with the goal of showing the frequency and magnitude of an investment's good and bad performance periods. For example, three-month rolling returns would show performance for the period from January 1 – April 1, February 1 – May 1, March 1–June 1, and so on.

**Standardized Returns:** Related performance means performance results of one or more related portfolios, either on a portfolio-by-portfolio basis or as a composite aggregation of all portfolios falling within stated criteria. All or some related portfolios, those with substantially similar investment policies, objectives, and strategies, may be excluded from the related performance, so long as in doing so the related performance is not materially higher than if all related portfolios had been included in the reported performance returns. For additional information, contact your financial professional.

For mutual funds, standardized return is the total return adjusted for sales charges, and reflects all ongoing fund expenses. Standardized returns for each portfolio holding are shown in this report.

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

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

For Variable Annuity 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.

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.

**Total Return:** Expressed in percentage terms, Morningstar's calculation of total return is determined by taking the change in a security's net asset value (NAV), assuming the reinvestment of all income (in the form of dividends or interest payments) and capital gains distributions (on the actual reinvestment date used

by the fund) during the period, and dividing by the initial NAV. For variable annuity and variable life 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 M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. Unless otherwise noted, returns are not adjusted for sales charges (such as front-end or deferred loads) or redemption fees. Total returns do account for the expense ratio, which includes management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns). If adjusted for sales charges, redemption fees, and the effects of taxation, the performance quoted would be reduced. If applicable, the advisory fee input by your financial professional is also applied to the returns.

### Calculation Methodology

Portfolio-level performance returns can be calculated using a Time Weighted Rate of Return or Internal Rate of Return. The Time Weighted and Internal Rate of Return calculations differ. You should speak to your financial professional with any questions regarding this report and the different performance calculation methodologies.

**Morningstar Internal Rate of Return:** The discount rate at which the present value of the cost of the investment equals the present value of the return of the investment. It helps estimate or evaluate investor-related return as it takes into account the timing and size of initial investment/beginning balance, dividends/capital paid out, subsequent investments/withdrawals, investment ending value, etc. Performance is affected by large additions or withdrawals into the portfolio. In other words, Internal Rate of Return is highly affected by cash flows and is a complex calculation that typically requires the use of computers and calculators, using a trial-and-error technique by applying a base estimation method and an iterative process.

When the Morningstar Internal Rate of Return calculation is used, you or your financial professional input the portfolio's holdings and allocations, plus assumptions about time periods, initial investments, subsequent investments/withdrawals, the reinvestment or payment of distributions, rebalancing activities, transfers, tax rates, fees, and other factors that would have affected portfolio performance. This information is used to calculate final market values and returns. Fees, tax rates, dividends, and capital gains distributions are taken into account as specified by you or your financial professional. If applicable, dividends and capital gains are reinvested on the excluding date in which they are made at the reinvestment date price. This can cause discrepancies between calculated returns and actual investor experience. Portfolios whose returns are calculated using this method were previously known as "Scheduled Portfolios".

The trailing returns for portfolios calculated using the Morningstar Internal Rate of Return calculation commence at the end of the day on the investment start date. All front-load fees are deducted at the start of the day, therefore these fees will not be incorporated within the trailing return time period that matches the whole investment time period. For example, an investor pays \$10,000 for security A with a 5% front-load and generates a 5-year Hypothetical Illustration that shows an end value of \$12,000. Assuming no cash inflows or outflows aside from the initial investment and end value, the whole investment time period return will be 4.56%  $((\$12,500 / \$10,000)^{(1/5)} - 1)$  while the 5-year trailing return will be 5.65%  $((\$12,500 / \$9,500)^{(1/5)} - 1)$ .

**Morningstar Time-Weighted Return:** Measures the performance (as a percent) of capital at work during each interval between contributions and withdrawals and then linking that performance together to produce a return for a stated period. The Morningstar Time-Weighted Return calculation is designed to eliminate the

effect of cash and/ or securities being added to or taken out of a portfolio (that influences the internal rate of return calculation, for example). The more contributions and withdrawals that occur and the longer the time frame, the more complex the time-weighted return calculation can become.

When the Morningstar Time-Weighted Return calculation is used, the current allocations for the portfolio's holdings were used to generate historical performance assuming monthly rebalancing. Taxes, loads, and sales charges and any applicable trading commissions or short-term trading fees are not taken into account. Portfolios whose returns are calculated using this method were previously known as "Unscheduled Portfolios."

Monthly total returns for portfolios calculated using the Morningstar Time-Weighted Return method are calculated by applying the ending period holding allocations supplied by you or your financial professional 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 for individual securities are listed in the Standardized and Tax Adjusted Returns section of this report.) Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Returns for individual holdings are simple time-weighted trailing returns. Portfolio and holding returns are adjusted for advisory fees, but not for other fees or taxes. If they were, the returns stated would be reduced. The returns stated assume the reinvestment of dividends and capital gains. 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.

### Interactive Analysis Tool/Investment Analysis Tool Disclosures

The purpose of an interactive analysis tool/investment analysis tool ("IA Tool") is to establish a clear understanding between an investor and a financial professional as to the investment goals and policies applicable to the investor's investment portfolio. If this report was generated from the use of an IA Tool, it was prepared by you (the investor) or in direct consultation between you and your financial professional to establish reasonable objectives and guidelines in the investment of the investor's assets, set forth a target portfolio indicative of the risk levels, allocations and return targets that the investor's assets will typically be invested to achieve. The customized investment strategy and target portfolio allocation illustrated for you are approximate based on individual cash requirements, re-balancing tolerance, economic and market conditions. This has been developed from an evaluation of many key factors which impact the investor's specific situation, risk tolerance and investment objectives. This is only a summary of the investment philosophy that the financial professional may seek to pursue on your behalf.

Use of an IA Tool: If this report was generated from the use of an IA Tool, this report includes simulated analyses including certain limitations and assumptions, that present the likelihood of various outcomes of an investment in the offered strategy. IA Tools alone cannot determine which securities to buy or sell, or which investment strategy to invest in. **IMPORTANT: The projections or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.**

All such analyses, projections and estimates in this presentation were prepared solely by you and/or your financial professional and not by any other person. Please note that results may vary with each use of the tool and over time, reflecting any changed circumstances, assumptions or variables upon which the analysis is based.

Also note that the analysis provided by the IA Tool relates only to the

investments and investment strategy(ies) presented in this report or shown in the IA Tool, other investments and strategies not considered may have characteristics similar or superior to those being analyzed. Please contact your financial professional if you would like to request alternative analyses using the IA Tool, based on different assumptions and inputs than those described in this report.

### General Information on the Portfolio Rolling Return Graph

This graph reflects the net performance rolling returns of a portfolio over a 10-year period. Rolling periods of 3-, 6-, 12-, 36-, 60-, or 120-months can be selected. When included in the portfolio, market returns are used for exchange-traded funds and closed-end funds. Performance returns may be calculated using the Morningstar Internal Rate of Return or the Morningstar Time-Weighted Return. Speak with your financial professional to determine which performance calculation methodology was used in the creation of this report.

### Data Definitions

#### 7-day Yield

The 7-day yield is a measure of performance in the interest rates of money market funds.

#### Back Load %

The back-end sales charge or deferred load is imposed when an investor redeems shares of a fund. The percentage of the load charged generally declines the longer the fund's shares are held by the investor. This charge, coupled with 12b-1 fees, commonly serves as an alternative to a traditional front-end load.

#### Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, does not reflect any fee waivers in effect during the time period.

#### Front-end Load %

The initial sales charge or front-end load is a deduction made from each investment in the fund and is generally based on the amount of the investment.

#### Highest/Lowest Historical Return

Highest and lowest historical return is based on the information shown in the graph (i.e., if the graph shows 3-month rolling returns for a 10-year period, the highest and lowest historical return will reflect the highest and lowest 3-month rolling return in that 10-year period).

#### Maximum Redemption Fee %

The Maximum Redemption Fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund's purchase (for example, 30, 180, or 365 days).

#### Security Types

The following security types may be represented herein: bond (BDN), closed-end fund (CE), collective investment trust (CIT), exchange-traded fund (ETF), index (IDX), model (MO), money market mutual fund (MM), open-end mutual fund (MF), separate account (SA), stock (ST), unit investment trust (UIT), and variable annuity/life (VA/L).

### Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publicly offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

**Closed-End Funds:** 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. 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. A closed-end mutual fund's expense ratio is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject to income tax, if held in a taxable account.

**Exchange-Traded Funds:** An 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, an ETF can be traded on a secondary market and thus have a market price 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. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

**Money Market Funds:** 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.

**Open-End Funds:** An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open-end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The

expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

**Unit Investment Trusts:** 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. A one-time initial sales charge is deducted from an investment made into the trust. UIT investors may also pay creation and development fees, organization costs, and/or trustee and operation expenses. UIT units may be redeemed by the sponsor at their net asset value minus a deferred sales charge and sold to other investors. UITs have set termination dates, at which point the underlying securities are sold and the sales proceeds are paid to the investor. Typically, a UIT investment is rolled over into successive trusts as part of a long-term strategy. A rollover fee may be charged for the exercise of rollover purchases. There are tax consequences associated with rolling over an investment from one trust to the next.

### Comparison of Other Investment Types

**Variable Annuities:** 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. The insurance company offering a variable annuity will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable annuity contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable annuity investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable annuity subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Variable Life Insurance:** Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit. 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. The insurance company offering a variable life contract will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable life contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable life investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable life subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Fixed Annuities:** Fixed annuities have a predetermined rate of return an investor earns and a fixed income payout that is guaranteed by the issuing investment company and may be immediate or deferred. Payouts may last for a specific period or for the life of the investor. Investments in a deferred fixed annuity grow tax-deferred with income tax incurred upon withdrawal, and do not depend on the stock market. However, the insurance company's guaranteed rate of return and payments depends on the claims-paying ability of the insurance company. Fixed annuities typically do not have cost-of-living payment adjustments. Fixed annuities often have surrender charges if the event you need to withdraw your investment early. Fixed annuities are regulated by state insurance commissioners.

**Fixed Indexed Annuities:** Fixed indexed annuities, also called equity index annuities, are a combination of the characteristics of both fixed and variable annuities. Fixed indexed annuities offer a predetermined rate of return like a fixed annuity, but they also allow for participation in the stock market, like a variable annuity. Fixed indexed annuities are typically riskier and offer the potential for greater return than fixed annuities, but less so than a variable annuity. Investments in a fixed indexed annuity grow tax-deferred with income tax incurred upon withdrawal. The insurance company's guaranteed rate of return and ability to make payments depends on the claims-paying ability of the insurance company. While fixed indexed annuities may limit an investor's gains in an up market, they are also designed to help limit losses in a down market. Fixed indexed annuities can be complicated and an investor in a fixed indexed annuity should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Fixed indexed annuities often have surrender charges in the event you need to withdraw your investment early and are regulated by state insurance commissioners.

**Stock (Equity):** A stock is an ownership interest in a company. When an investor purchases a stock, they become a business owner, and the value of their ownership stake will rise and fall according to the underlying business. Stockholders are entitled to the profits, if any, generated by the company after everyone else – employees, vendors, lenders – get paid. Companies usually pay out their profits to investors in the form of dividends, or they reinvest the money back into the business. Stocks trade on exchanges throughout the day, through a brokerage firm who will charge a commission for the purchase or sale of shares. Income distributions and capital gains of the stock are subject to income tax upon their sale, if held in a taxable account.

**Bond (Debt, Fixed Income):** A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the life of the bond and repay the face value of the bond when it matures. U.S Treasuries can be purchased directly from the Treasury or through a brokerage firm. Most other newly issued bonds are offered through an underwriter. Older bonds are traded throughout the day on

the secondary market and can be purchased through a brokerage firm, who will charge transaction fees and commission for the purchase or sale. Price evaluations are provided by Interactive Data Corporation (IDC).

**Preferred Stock:** Preferred stock usually offers a fixed dividend payment, which is paid out before variable dividends that may be paid to investors in a company's common stock. Therefore, preferred stock is typically less risky in terms of principal loss, but there is also less potential for return when compared to a company's common stock. If a company fails, their obligations to preferred stockholders must be met before those of the company's common stockholders, but after bondholders are reimbursed.

**Separate Accounts:** A separate account is a portfolio of securities (such as stocks, bonds, and cash) that follows a specified investment strategy and is managed by an investment professional (typically referred to as a separate account manager). Separate accounts are unregistered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have. The securities in a separate account portfolio are directly owned by the separate account's owner. 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.

**Models:** A model, as defined by Morningstar, is a portfolio of securities such as mutual funds, ETFs, and cash created by your financial professional (a "Financial Professional-Created Model) or an investment manager such as a broker-dealer, investment adviser, or asset manager (collectively referred to as a model manager) that is distributed through centralized platforms to various types of investors or financial professionals. Models created by model managers do not take into account the investment objectives, financial situation, or particular needs of any specific investor. A model is intended to provide information to assist investors in making their own investment decisions; investors must exercise their own independent judgment as to the suitability of a model and its holdings in light of their own investment objectives, experience, taxation status, and financial position.

The performance of a model or its underlying holdings, or that a model's objective will be achieved, are not guaranteed. An investor using a model can incur a loss. Unless the model manager and an investor enter in an agreement stating otherwise, the model manager is not responsible for an investor's decision to invest in accordance with a model, the suitability of the model for a specific investor, or trading decisions, and does not manage or have access to the investor account. Instead, the investor or their financial professional chooses whether and how to implement the model and is ultimately responsible for related investment decisions. If an investor chooses to invest in accordance with a model, the securities in the account are directly owned by the investor. Models are not registered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have.

Before using a model as an investment template, investors should obtain the disclosure documents and other relevant information about the model manager and the model, including any material conditions, objectives, or strategies used to obtain the performance provided or whether the performance provided does not relate to all potential investors and how this impacts the performance shown. Investors should inquire whether the objective or strategy of the model changed materially during the time period shown in this report, and the effect of those changes. If the model manager offers this same strategy in other forms such as a separate account, a fund, or as a discretionary investment manager, investors should compare the performance shown here to that obtained by the manager's clients.

**Collective Investment Trusts:** A collective investment trust (CIT) may also be called a commingled or collective fund. CITs are tax-exempt, pooled investment vehicles maintained by a bank or trust company exclusively for qualified plans, including 401(k)s, and certain types of government plans. CITs are unregistered investment vehicles subject to banking regulations of the Office of the Comptroller of the Currency (OCC), which means they are typically less expensive than other investment options due to lower marketing, overhead, and compliance-related costs. CITs are not available to the general public but are managed only for specific retirement plans.

**529 Portfolios:** A 529 Portfolio is a specific portfolio of securities created from a 529 plan's available investments. In general, the data presented for a 529 Portfolio uses a weighted average of the underlying holdings in the portfolio. Most 529 plans are invested in open-end mutual funds; however, other investment types are possible such as stable value funds, certificates of deposit, and separate accounts.

Before investing, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 qualified tuition program.

**Offshore Funds:** Offshore funds are funds domiciled in a country outside the one the investor resides in. Many banks have offshore subsidiaries that are under the standards and regulations of the particular country, which can vary considerably. Companies may establish headquarters offshore because of lower tax rates. Offshore funds are not regulated by the SEC and may have tax implications.

**Hedge Funds:** Hedge funds are aggressively managed portfolios which make extensive use of unconventional investment tools such as derivatives as well as long and short positions. Managers of hedge-funds typically focus on specific areas of the market and/or trading strategies. Strategies may include the use of arbitrage, derivatives, leverage, and short selling, and may hold concentrated positions or private securities, which can make them riskier than other investment types.

Hedge funds are typically pooled investment vehicles available to sophisticated investors that meet high investing minimums. Many hedge funds are unregistered and are not subject to the same regulations as registered investment vehicles, such as mutual funds. Funds of hedge funds are pooled investment vehicles that invest in multiple unregistered hedge funds and may be registered with the SEC. Registered funds of hedge funds typically have lower investment minimums than hedge funds, but they are usually not registered on an exchange and can be illiquid. Fund of hedge fund fees are generally higher than those of other pooled investments (like mutual funds) and may have tax consequences.

**Cash:** Cash is a short-term, highly liquid investment. Cash typically doesn't earn as much as other investments, such as stocks or bonds, but is less risky.

**Benchmark or Indexes:** Benchmarks or indexes are unmanaged and not available for direct investment. Indexes are created to measure a specified area of the stock market using a representative portfolio of securities. If a security is not available in Morningstar's database, your financial professional may choose to show a representative index. Please note that indexes vary widely, and it is important to choose an index that has similar characteristics to the security it is being used to represent. In no way should the performance of an index be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance

shown for an index and may include an individual client incurring a loss. Past performance is no guarantee of future results. For additional information, see the Benchmark Disclosure in this report.

**Morningstar Category:** Morningstar assigns each security in its database to a Morningstar Category using the underlying securities in the security's portfolio. If a security is not available in Morningstar's database, your financial professional may choose to show the security's category. Please note that a category will not be an exact match to your securities. In no way should the performance of a category be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for a category and may include an individual client incurring a loss. Past performance is no guarantee of future results.

**Structured Products:** Structured products are unsecured debt securities of an issuer that are linked to the performance of an underlying asset, such as a security, basket of securities, index, commodity, interest rate, yield, exchange rate, debt issuance, or a foreign currency or a combination of these assets. Structured products are typically the combination of a note (or other corporate bond) and a derivative (such as an option). Structured products include range accruals, trigger notes, dual directionals, barriers, buffers, and income notes.

Structured products are generally designed to be held until maturity and are not intended for short-term trading. Structured products may not be appropriate for investors seeking current income, as they may not pay interest or the interest they pay may vary in amount or timing. It may be possible to lose the entire amount of principal invested in a structured product. Some structured products result in the investor owning the underlying asset at maturity.

Each structured product may differ greatly from another structured product. Some offer full principal protection while others offer limited or no protection. The note portion of the structured product may pay regular interest payments, interest payments that vary according to certain conditions, or may not pay interest at all. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the structured product or its underlying asset. Before investing in a structured product, investors should carefully read its offering documents and make sure they fully understand the specific terms and conditions for that product.

Investors should fully understand the underlying assets upon which a structured product is based on and how events that affect the underlying assets, like mergers or rebalances, may affect the structured product. The return on a structured product may not align with its underlying asset. The structured product may not provide a return, and/or the return may be significantly less than what an investor could have received by investing directly in the underlying asset or other security. Underlying assets are subject to market and other risks that may impact the structured product. Structured products are complex and may use advanced trading techniques such as leverage, options, futures, swaps, and other derivatives which lead to additional risks. Investing in a structured product should not be compared to investing in the underlying asset, as the features and risks may differ significantly.

As unsecured debt securities, structured products are not backed by collateral and they are subject to the creditworthiness of the issuer to make interest payments and repay principal. If the issuer of a structured product were to default or go into bankruptcy, an investor may lose some or all of their invested principal. An investor should carefully consider the credit rating, financial

condition, and stability of the issuer before investing in a structured product, however, the credit rating of the issuer is not a reflection of the risk of the structured product or its underlying asset.

Structured products may not be listed on a national securities exchange and those that are may be thinly traded. A structured product's issuer may maintain a secondary market but is not required to do so. Even if a secondary market is maintained, an investor may not be able to sell the structured product prior to maturity and is unlikely to receive the full amount invested. An investor should be prepared to hold a structured product until maturity.

As structured products are typically not traded on a national securities exchange and they are linked to an underlying asset, it is difficult to value a structured product.

Structured products may use barriers, caps, participation rates, or other limits that impact their return potential. Certain structured products may not offer any return if a barrier is crossed or certain thresholds are reached. Caps impose maximum return limits, regardless of the return reached by the underlying asset. Participation rates limit the amount of return an investor can realize.

The costs and fees of a structured product are typically included within the product and will vary.

Structured products have an uncertain tax treatment due to limited guidance. The Internal Revenue Service may change how structured products are treated at any time. Investors should consult with a tax financial professional prior to investing in a structured product.

**Important Note:** In this report, if a structured product is included, it is reflected as a 100% allocation to bonds. No return information, fees or risk, return, or portfolio statistics for a structured product are included in the data shown in this report.

## Comparison of Investment Types - Brokerage

### Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publicly offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

**Closed-End Funds:** 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. 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. A closed-end mutual fund's expense ratio is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject to income tax, if held in a taxable account.

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### Comparison of Other Investment Types

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**Variable Life Insurance:** 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. The insurance company offering a variable life contract will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable life contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable life investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable life subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

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**Fixed Indexed Annuities:** Fixed indexed annuities, also called equity index annuities, are a combination of the characteristics of both fixed and variable annuities. Fixed indexed annuities offer a predetermined rate of return like a

fixed annuity, but they also allow for participation in the stock market, like a variable annuity. Fixed indexed annuities are typically riskier and offer the potential for greater return than fixed annuities, but less so than a variable annuity. Investments in a fixed indexed annuity grow tax-deferred with income tax incurred upon withdrawal. The insurance company's guaranteed rate of return and ability to make payments depends on the claims-paying ability of the insurance company. While fixed indexed annuities may limit an investor's gains in an up market, they are also designed to help limit losses in a down market. Fixed indexed annuities can be complicated and an investor in a fixed indexed annuity should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Fixed indexed annuities often have surrender charges in the event you need to withdraw your investment early and are regulated by state insurance commissioners.

**Stock (Equity):** A stock is an ownership interest in a company. When an investor purchases a stock, they become a business owner, and the value of their ownership stake will rise and fall according to the underlying business. Stockholders are entitled to the profits, if any, generated by the company after everyone else – employees, vendors, lenders – get paid. Companies usually pay out their profits to investors in the form of dividends, or they reinvest the money back into the business. Stocks trade on exchanges throughout the day, through a brokerage firm who will charge a commission for the purchase or sale of shares. Income distributions and capital gains of the stock are subject to income tax upon their sale, if held in a taxable account.

**Bond (Debt, Fixed Income):** A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the life of the bond and repay the face value of the bond when it matures. U.S. Treasuries can be purchased directly from the Treasury or through a brokerage firm. Most other newly issued bonds are offered through an underwriter. Older bonds are traded throughout the day on the secondary market and can be purchased through a brokerage firm, who will charge transaction fees and commission for the purchase or sale. Price evaluations are provided by Interactive Data Corporation (IDC).

**Preferred Stock:** Preferred stock usually offers a fixed dividend payment, which is paid out before variable dividends that may be paid to investors in a company's common stock. Therefore, preferred stock is typically less risky in terms of principal loss, but there is also less potential for return when compared to a company's common stock. If a company fails, their obligations to preferred stockholders must be met before those of the company's common stockholders, but after bondholders are reimbursed.

**Separate Accounts:** A separate account is a portfolio of securities (such as stocks, bonds, and cash) that follows a specified investment strategy and is managed by an investment professional (typically referred to as a separate account manager). Separate accounts are unregistered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have. The securities in a separate account portfolio are directly owned by the separate account's owner. 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.

**Models:** A model, as defined by Morningstar, is a portfolio of securities such as mutual funds, ETFs, and cash created by your financial professional (a "Financial Professional-Created Model) or an investment manager such as a broker-dealer, investment adviser, or asset manager (collectively referred to as a model manager) that is distributed through centralized platforms to various types of investors or financial professionals. Models created by model managers do not take into account the investment objectives, financial situation, or particular

needs of any specific investor. A model is intended to provide information to assist investors in making their own investment decisions; investors must exercise their own independent judgment as to the suitability of a model and its holdings in light of their own investment objectives, experience, taxation status, and financial position.

The performance of a model or its underlying holdings, or that a model's objective will be achieved, are not guaranteed. An investor using a model can incur a loss. Unless the model manager and an investor enter in an agreement stating otherwise, the model manager is not responsible for an investor's decision to invest in accordance with a model, the suitability of the model for a specific investor, or trading decisions, and does not manage or have access to the investor account. Instead, the investor or their financial professional chooses whether and how to implement the model and is ultimately responsible for related investment decisions. If an investor chooses to invest in accordance with a model, the securities in the account are directly owned by the investor. Models are not registered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have.

Before using a model as an investment template, investors should obtain the disclosure documents and other relevant information about the model manager and the model, including any material conditions, objectives, or strategies used to obtain the performance provided or whether the performance provided does not relate to all potential investors and how this impacts the performance shown. Investors should inquire whether the objective or strategy of the model changed materially during the time period shown in this report, and the effect of those changes. If the model manager offers this same strategy in other forms such as a separate account, a fund, or as a discretionary investment manager, investors should compare the performance shown here to that obtained by the manager's clients.

**Collective Investment Trusts:** A collective investment trust (CIT) may also be called a commingled or collective fund. CITs are tax-exempt, pooled investment vehicles maintained by a bank or trust company exclusively for qualified plans, including 401(k)s, and certain types of government plans. CITs are unregistered investment vehicles subject to banking regulations of the Office of the Comptroller of the Currency (OCC), which means they are typically less expensive than other investment options due to lower marketing, overhead, and compliance-related costs. CITs are not available to the general public but are managed only for specific retirement plans.

**529 Portfolios:** A 529 Portfolio is a specific portfolio of securities created from a 529 plan's available investments. In general, the data presented for a 529 Portfolio uses a weighted average of the underlying holdings in the portfolio. Most 529 plans are invested in open-end mutual funds; however, other investment types are possible such as stable value funds, certificates of deposit, and separate accounts.

Before investing, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 qualified tuition program.

**Offshore Funds:** Offshore funds are funds domiciled in a country outside the one the investor resides in. Many banks have offshore subsidiaries that are under the standards and regulations of the particular country, which can vary considerably.

Companies may establish headquarters offshore because of lower tax rates. Offshore funds are not regulated by the SEC and may have tax implications.

**Hedge Funds:** Hedge funds are aggressively managed portfolios which make

extensive use of unconventional investment tools such as derivatives as well as long and short positions. Managers of hedge-funds typically focus on specific areas of the market and/or trading strategies. Strategies may include the use of arbitrage, derivatives, leverage, and short selling, and may hold concentrated positions or private securities, which can make them riskier than other investment types.

Hedge funds are typically pooled investment vehicles available to sophisticated investors that meet high investing minimums. Many hedge funds are unregistered and are not subject to the same regulations as registered investment vehicles, such as mutual funds. Funds of hedge funds are pooled investment vehicles that invest in multiple unregistered hedge funds and may be registered with the SEC. Registered funds of hedge funds typically have lower investment minimums than hedge funds, but they are usually not registered on an exchange and can be illiquid. Fund of hedge fund fees are generally higher than those of other pooled investments (like mutual funds) and may have tax consequences.

**Alternative Investments:** Alternative investments that are not traded on a public exchange or market (e.g., certain hedge funds, private equity, private credit, real estate) involve a high degree of investing risk and are suitable only for persons/entities of substantial financial means who can bear the entire loss of their investment. Alternative investments often engage in leveraging or other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, can involve complex tax structures and delays in distributing tax information, are not subject to the same regulations as registered investment vehicles (such as mutual funds), and often charge high fees.

**Cash:** Cash is a short-term, highly liquid investment. Cash typically doesn't earn as much as other investments, such as stocks or bonds, but is less risky.

**Benchmark or Indexes:** Benchmarks or indexes are unmanaged and not available for direct investment. Indexes are created to measure a specified area of the stock market using a representative portfolio of securities. If a security is not available in Morningstar's database, your financial professional may choose to show a representative index. Please note that indexes vary widely, and it is important to choose an index that has similar characteristics to the security it is being used to represent. In no way should the performance of an index be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for an index and may include an individual client incurring a loss. Past performance is no guarantee of future results. For additional information, see the Benchmark Disclosure in this report.

**Morningstar Category:** Morningstar assigns each security in its database to a Morningstar Category using the underlying securities in the security's portfolio. If a security is not available in Morningstar's database, your financial professional may choose to show the security's category. Please note that a category will not be an exact match to your securities. In no way should the performance of a category be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for a category and may include an individual client incurring a loss. Past performance is no guarantee of future results.

**Structured Products:** Structured products are unsecured debt securities of an

issuer that are linked to the performance of an underlying asset, such as a security, basket of securities, index, commodity, interest rate, yield, exchange rate, debt issuance, or a foreign currency or a combination of these assets. Structured products are typically the combination of a note (or other corporate bond) and a derivative (such as an option). Structured products include range accruals, trigger notes, dual directionals, barriers, buffers, and income notes.

Structured products are generally designed to be held until maturity and are not intended for short-term trading. Structured products may not be appropriate for investors seeking current income, as they may not pay interest or the interest they pay may vary in amount or timing. It may be possible to lose the entire amount of principal invested in a structured product. Some structured products result in the investor owning the underlying asset at maturity.

Each structured product may differ greatly from another structured product. Some offer full principal protection while others offer limited or no protection. The note portion of the structured product may pay regular interest payments, interest payments that vary according to certain conditions, or may not pay interest at all. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the structured product or its underlying asset. Before investing in a structured product, investors should carefully read its offering documents and make sure they fully understand the specific terms and conditions for that product.

Investors should fully understand the underlying assets upon which a structured product is based on and how events that affect the underlying assets, like mergers or rebalances, may affect the structured product. The return on a structured product may not align with its underlying asset. The structured product may not provide a return, and/or the return may be significantly less than what an investor could have received by investing directly in the underlying asset or other security. Underlying assets are subject to market and other risks that may impact the structured product. Structured products are complex and may use advanced trading techniques such as leverage, options, futures, swaps, and other derivatives which lead to additional risks. Investing in a structured product should not be compared to investing in the underlying asset, as the features and risks may differ significantly.

As unsecured debt securities, structured products are not backed by collateral and they are subject to the creditworthiness of the issuer to make interest payments and repay principal. If the issuer of a structured product were to default or go into bankruptcy, an investor may lose some or all of their invested principal. An investor should carefully consider the credit rating, financial condition, and stability of the issuer before investing in a structured product, however, the credit rating of the issuer is not a reflection of the risk of the structured product or its underlying asset.

Structured products may not be listed on a national securities exchange and those that are may be thinly traded. A structured product's issuer may maintain a secondary market but is not required to do so. Even if a secondary market is maintained, an investor may not be able to sell the structured product prior to maturity and is unlikely to receive the full amount invested. An investor should be prepared to hold a structured product until maturity.

As structured products are typically not traded on a national securities exchange and they are linked to an underlying asset, it is difficult to value a structured product.

Structured products may use barriers, caps, participation rates, or other limits that impact their return potential. Certain structured products may not offer any return if a barrier is crossed or certain thresholds are reached. Caps impose

maximum return limits, regardless of the return reached by the underlying asset. Participation rates limit the amount of return an investor can realize.

The costs and fees of a structured product are typically included within the product and will vary.

Structured products have an uncertain tax treatment due to limited guidance. The Internal Revenue Service may change how structured products are treated at any time. Investors should consult with a tax financial professional prior to investing in a structured product.

**Important Note:** In this report, if a structured product is included, it is reflected as a 100% allocation to bonds. No return information, fees or risk, return, or portfolio statistics for a structured product are included in the data shown in this report.

## Investment Risk Disclosures

Morningstar makes no representation concerning the appropriateness of any investment or investment strategy. Other types of investments or investment strategies may be more appropriate depending upon an investor's specific situation, including the investor's investment objectives, financial status, tax situation, and risk tolerance. These disclosures cannot and do not list every conceivable factor that may affect the results of any investment or investment strategy. Additional risks will arise, and an investor must be willing and able to accept those risks. You should speak with your financial professional to understand the risks and limitations on investing in any particular investment or investment strategy, including those that are shown in this report, before making investment decisions.

Principal value and investment return will fluctuate, so that an investor's shares/units, when sold or redeemed, may be worth more or less than the original investment. Portfolio statistics change over time. Securities are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

The risks associated with investing are numerous and include, but are not limited to, those listed below:

**International/Emerging Market Equities:** Investing in international securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Sector Strategies:** Portfolios that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

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

**Small Cap Equities:** Portfolios that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Mid Cap Equities:** Portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies

may be more volatile and less liquid than the securities of larger companies.

**High-Yield Bonds:** Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

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

**Bonds:** Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio declines. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

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

**Bank Loan/Senior Debt:** Bank loans and senior loans are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. They are often non-investment grade; therefore, the risk of default is high. These securities are also relatively illiquid. Managed products that invest in bank loans/senior debt are often highly leveraged, producing a high risk of return volatility.

**Exchange Traded Notes (ETNs):** ETNs are unsecured debt obligations. Any repayment of notes is subject to the issuer's ability to repay its obligations. ETNs do not typically pay interest.

**Leveraged ETFs:** Leveraged investments are designed to meet multiples of the return performance of the index they track and seek to meet their fund objectives on a daily basis (or other time period stated within the prospectus objective). Leveraged ETFs pursue daily leveraged investment objectives which means they are riskier than alternatives which do not use leverage. They seek daily goals and should not be expected to track the underlying index over periods longer than one day. The leverage/gearing ratio is the amount of excess return that a leveraged investment is designed to achieve in comparison to its index performance (i.e. 200%, 300%, -200%, or -300% or 2X, 3X, -2X, -3X). Compounding has the ability to affect the performance of the fund to be either greater or less than the index performance multiplied by the multiple stated within the funds objective over a stated time period. Leveraged ETFs are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk and who actively manage their investments.

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

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

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

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

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

**Target-Date Funds:** Target-date funds typically invest in other mutual funds and are designed for investors who are planning to retire during the target date year. The fund's target date is the approximate date when investors expect to begin withdrawing their money. A target-date fund's investment objective/strategy typically becomes more conservative over time, primarily by reducing its allocation to equity mutual funds and increasing its allocations in fixed-income mutual funds. An investor's principal value in a target-date fund is not guaranteed at any time, including at the fund's target date.

**High double- and triple-digit returns:** High double- and triple-digit returns were the result of extremely favorable market conditions, which may not continue to be the case. High returns for short time periods must not be a major factor when making investment decisions.

## Benchmark Disclosure

Benchmarks or indexes are shown for illustrative purposes only. Such benchmarks and indexes are not available for direct investment and the performance does not reflect costs, fees or expenses associated with investing in the instruments that comprise the benchmark or index. Benchmarks and indexes provide historical market data that serves as point of reference to compare the performance of a particular investment and/or investment strategy. No representation is made by Morningstar that any benchmark or index selected by you or your financial professional and/or displayed in this report is an appropriate measure for comparison.

A list of commonly used benchmarks and indexes is provided below; however, this list does not represent all available benchmarks and indexes or may not represent the indexes used in this report. Additional information may be obtained by contacting your financial professional.

### Morningstar US Core Bd TR USD

The index measures the performance of fixed-rate, investment-grade USD-denominated securities with maturities greater than one year. It is market-capitalization weighted. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

### 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.

This disclosure applies to all MSCI indices: Certain information included herein is derived by Morningstar in part from MSCI's Index Constituents (the "Index Data"). However, MSCI has not reviewed any information contained herein and does not endorse or express any opinion such information or analysis. MSCI does not make any express or implied warranties, representations or guarantees

concerning the Index Data or any information or data derived therefrom, and in no event will MSCI have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. The constituents displayed for this index are from the following proxy: Schwab International Index Fund®.

### **S&P 500 TR USD**

A market capitalization-weighted index composed of the 500 most widely held stocks whose assets and/or revenues are based in the US; it's often used as a proxy for the U.S. stock market. TR (Total Return) indexes include daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: SPDR® S&P 500® ETF Trust.

### **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.