

Portfolio Descriptions

Conservative Portfolio:

Objective: Stability of principal and inflation protection

The Conservative portfolio is designed to provide stability and protection from loss to investors who either have a short time horizon and/or a primary goal of avoiding potential loss. The stability of this portfolio comes at the expense of achieving higher long-term returns.

Moderate - Conservative Portfolio:

Objective: Safety of principal and moderate growth

The Moderate - Conservative portfolio primarily attempts to avoid short-term loss, but still seeks somewhat higher returns over the long-term. To achieve higher potential returns some fluctuations in investment value are to be expected.

Moderate Portfolio:

Objective: Moderate growth

The Moderate portfolio is designed for those who are equally concerned with risk and return. This portfolio is intended to provide returns that are expected to outpace inflation over the long-term. Those investing in this portfolio should be comfortable with fluctuations in the portfolio's value and occasional short-term loss.

Moderate - Aggressive Portfolio:

Objective: Long-term growth

The Moderate - Aggressive portfolio is designed to provide considerable wealth accumulation to investors with intermediate to long time horizons. Those investing in this portfolio must be comfortable with more than average volatility and potential short-term losses to achieve the desired higher returns.

Aggressive Portfolio:

Objective: Maximum long-term growth

The Aggressive portfolio seeks substantial wealth accumulation and its primary goal is intended for investors who have a long time horizon. Those who invest in this portfolio must be comfortable with experiencing frequent short-term loss and extreme volatility in portfolio value to achieve high returns over the long-term.

Ibbotson Associates (Ibbotson) has designed five asset allocation models for Vantage Selector using the Security Benefit AdvanceDesigns™ Variable Annuity product. In formulating diversified portfolios, Ibbotson employed a statistical technique known as optimization. These models were created to accommodate a variety of financial goals and attitudes about risk, ranging from conservative to aggressive. By completing the Ibbotson risk tolerance questionnaire, each investor will be mapped into an asset allocation model that is most appropriate for their time horizon, risk tolerance and financial goals. Ibbotson reviews these portfolios on an annual basis and adjusts them as necessary to maintain an optimal asset allocation mix.

Completing the risk tolerance questionnaire and determining which asset allocation model that is most appropriate to the investor is just the first step. Ibbotson also created five fund-specific portfolios to help the investor implement different fund options to fulfill each asset class category. The fund-specific portfolios are the result of Ibbotson's fund analysis using returns-based style analysis, fund manager interviews and regression analysis. Fund analysis determines the underlying portfolio of asset classes that best explain the return behavior of a fund. Once the asset class exposures are known, Ibbotson determines how each investment can be used to implement the asset class level portfolios. Ibbotson combines several funds in a portfolio such that the underlying styles of all the funds match the asset class level target portfolios.