

PORTFOLIO SELECTION WORKSHEET



ASSESSMENT

In order to choose the best portfolio, you need to evaluate the factors that will affect how much risk is appropriate for you. First, become acquainted with your investment personality and understand how you feel about risk (your Risk Tolerance). Your Investment Time Horizon (how long you have to invest your savings) is another important factor, as is your potential cash flow needs.

This worksheet will help you determine what type of investor you are. Answer the following questions and total your score for each section (time horizon, risk tolerance and personal finances). Then, add up the scores for each section for a total score. Use the scale to convert your score into one of five investment strategies.

If you're planning to retire in five years or less, your personal situation may require more detailed planning and analysis. Please consult your personal financial advisor.

TIME HORIZON

The number of years until you retire or need to use the money you've saved.

TIME HORIZON

1. How many more years do you plan to work before you start using your retirement savings?

- 30 to 40 years (10 points)
- 20 to 30 years (8 points)
- 10 to 20 years (6 points)
- 5 to 10 years (4 points)
- Less than 5 years (2 points)

2. How long do you expect to draw upon your retirement savings?

- 25 to 30 years (10 points)
- 20 to 25 years (8 points)
- 15 to 20 years (6 points)
- 10 to 15 years (4 points)
- Less than 10 years (2 points)

Total your Time Horizon points: _____

RISK TOLERANCE

The risk you are willing to take in exchange for the possibility of a greater return.

RISK TOLERANCE

3. Which statement best describes your investment objective for your retirement plan?

- I am looking for stability of my account balance and want to avoid any losses. (1 point)
- I am looking for stability of my account, but I can accept a low to moderate amount of fluctuation in my account if I can have more growth potential. (2 points)
- I am focused on growth. I am not concerned about moderate fluctuations each year. (3 points)
- I am focused on growth, and I am willing to accept a higher level of risk for higher returns. (4 points)
- I am seeking the most growth possible, and I am not concerned about fluctuations in the value of my account. (5 points)
- I am not sure what my investment objective should be for my retirement plan account. (2 points)

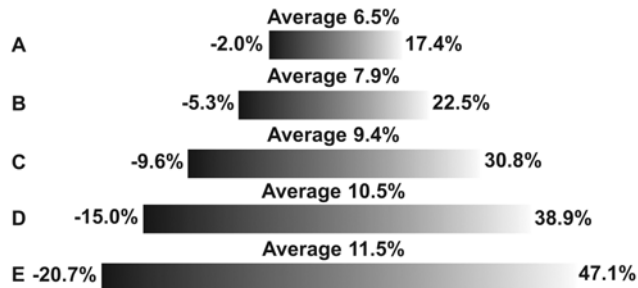
4. Which statement best describes your approach as an investor?

- I am very cautious about taking risks, and I want to avoid losses in my account. (1 point)
- I am somewhat cautious about taking risks, and I can handle relatively small losses in my account occasionally. (2 points)
- I am mixed between taking risks that are generally associated with greater account growth potential and the desire to minimize short-term losses in my account. (3 points)
- I am open to taking some risks for growth potential. I am less concerned about short-term (less than one year) losses or gains; I am looking more for long-term growth in my investments. (4 points)
- I am a risk taker and want to maximize the growth of my account over the next decade or longer. I am not concerned about short-term losses. (5 points)
- I am not sure what type of investor I am. (2 points)

5. Generally, I'm very impatient during unfavorable market conditions, and will usually change my mind often.

- I strongly agree. (1 point)
- I agree. (2 points)
- I somewhat agree. (3 points)
- I disagree. (4 points)
- I strongly disagree. (5 points)
- I'm not sure. (2 points)

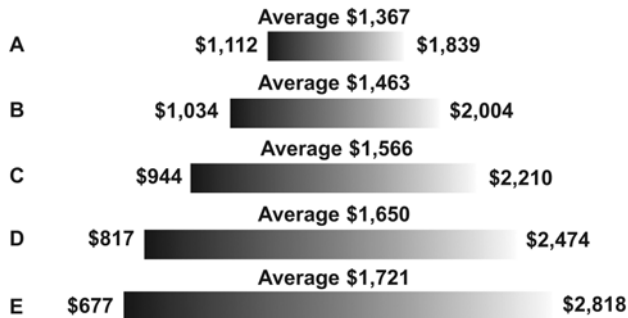
6. Consider the following ranges of possible returns over a one-year period. Which set of possibilities are you most comfortable with as it relates to your retirement investments?



The ranges in the table above are based on historical returns over the last 75 years. The table reflects the range of returns you could have experienced in any one year.

- A (1 point)
- B (2 points)
- C (3 points)
- D (4 points)
- E (5 points)

7. The chart below shows possible growth of \$1,000 over a five-year period for a series of different investment strategies. Which of the five scenarios are you most comfortable with as an investor?



The ranges in the table above are based on historical returns over the last 75 years. The dollar amounts illustrate what could happen after five years if you had an initial investment of \$1,000.

- A (1 point)
- B (2 points)
- C (3 points)
- D (4 points)
- E (5 points)

8. What would you do if you heard on the news or read in the paper that the U.S. stock market suddenly dropped by 10 percent?

- I would change my strategy to something with less volatility. This kind of market volatility makes me very nervous – I don't want to be exposed to this type of risk again. (1 point)
- I would move most of my account into something a bit less risky. This kind of market volatility makes me nervous, but I would consider getting back into stock funds when it has quieted down. (2 points)
- I would probably move half of my stock portfolio balance into something with less market volatility, such as cash or bonds. This kind of market volatility makes me a little nervous, so I would rather reduce some of my stock exposure until the market has quieted down. (3 points)
- I would stick with my investments, but I would probably worry about meeting my retirement goals and watch my account balance very closely. (4 points)
- I would stick with my investment selections and would not make any changes. I have enough time and patience to ride it out. (5 points)
- I don't know what I would do. (2 points)

Total your Risk Tolerance points: _____

PERSONAL FINANCES

Finally, a third factor is how you will use your retirement savings to provide you with income during retirement. Industry experts generally discourage participants from using their retirement savings plan assets for shorter-term goals – for goals other than retirement income. Generally, taking a loan or making a withdrawal from the plan (if allowed by your plan) may jeopardize your retirement income security.

PERSONAL FINANCES

9. How likely is it that you will take a loan or withdrawal (if available in your plan) within the next five years?

- Very likely (1 point)
- Likely (2 points)
- Somewhat likely (3 points)
- Not very likely (4 points)
- Definitely not likely (5 points)

10. Do you have an emergency fund set aside to meet unexpected cash flow demands?

- No, I do not have money set aside for emergencies. (1 point)
- I have about one month's worth. (2 points)
- I have two to three months' worth. (3 points)
- I have four to six months' worth. (4 points)
- I have more than six months' worth. (5 points)

Total your Personal Finance points: _____

SCORING

Add your Time Horizon, Risk Tolerance and Personal Finance scores to derive your Total Score. Match your Total Score with the scale to the right for an Asset Allocation portfolio that corresponds to your score.

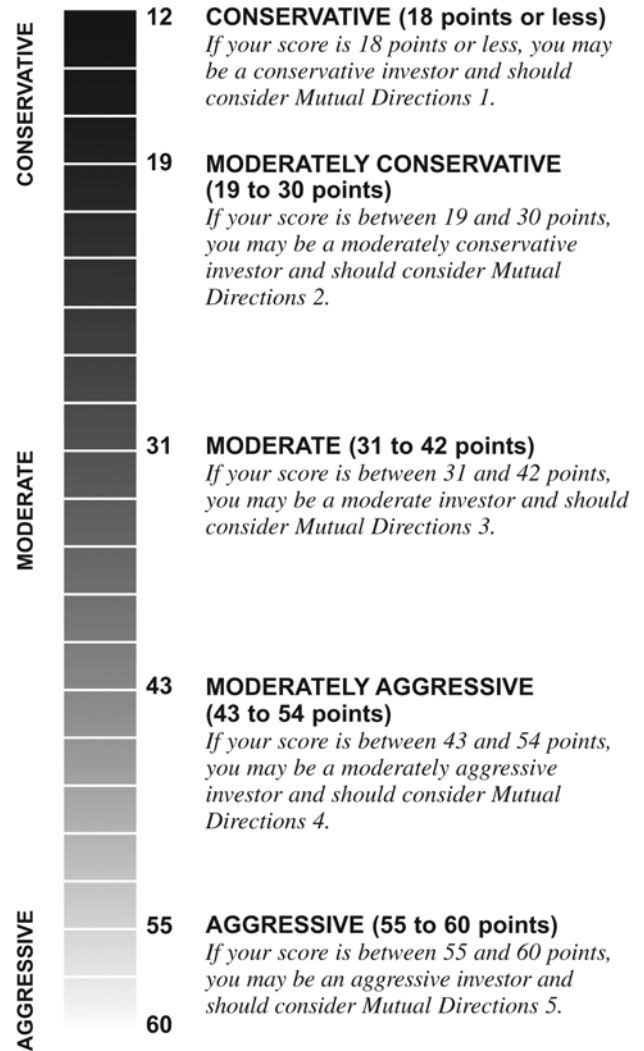
Time Horizon Points: _____

Risk Tolerance Points: _____

Personal Finance Points: _____

TOTAL SCORE: _____

YOUR TOTAL SCORE



How Should I Invest My Money?

SELECT A PROFESSIONAL INVESTMENT PORTFOLIO USING MUTUAL DIRECTIONS®.

These models make investing simple, yet are designed for all types of investors. The Mutual Directions models are the result of a disciplined investment manager selection and review process, and intense research. Factors such as historical performance of asset classes are used to select an efficient mix that seeks to maximize returns for a given level of risk. Of course, choosing a model does not guarantee returns or insure against losses.

WHAT THE MUTUAL DIRECTIONS MODELS CAN DO FOR YOU:

ASSET ALLOCATION – Spread your money across different asset categories to help you achieve the highest potential return while minimizing risk.

DIVERSIFICATION – Mutual Directions are portfolios of funds based on sound investment principles and processes. You'll be hard-pressed to find an investment plan with this level of professional diversification and ease of use.

REBALANCING – The quarterly process of adjusting back to the targeted allocation percentages.

Record your Total Score from the previous page: _____

If your score is:	Consider using:
18 points or less	Mutual Directions 1
Between 19 & 30 points	Mutual Directions 2
Between 31 & 42 points	Mutual Directions 3
Between 43 & 54 points	Mutual Directions 4
Between 55 & 60 points	Mutual Directions 5

When determining the appropriate Mutual Directions model, you should consider other assets, income and investments that may be available to you at retirement, in addition to your retirement plan.

Please review your Investment Information for detailed information about the Mutual Directions portfolios and other investments in your plan.

NEXT STEP:

If you are enrolling for the first time, select the appropriate Mutual Directions portfolio on your enrollment form.

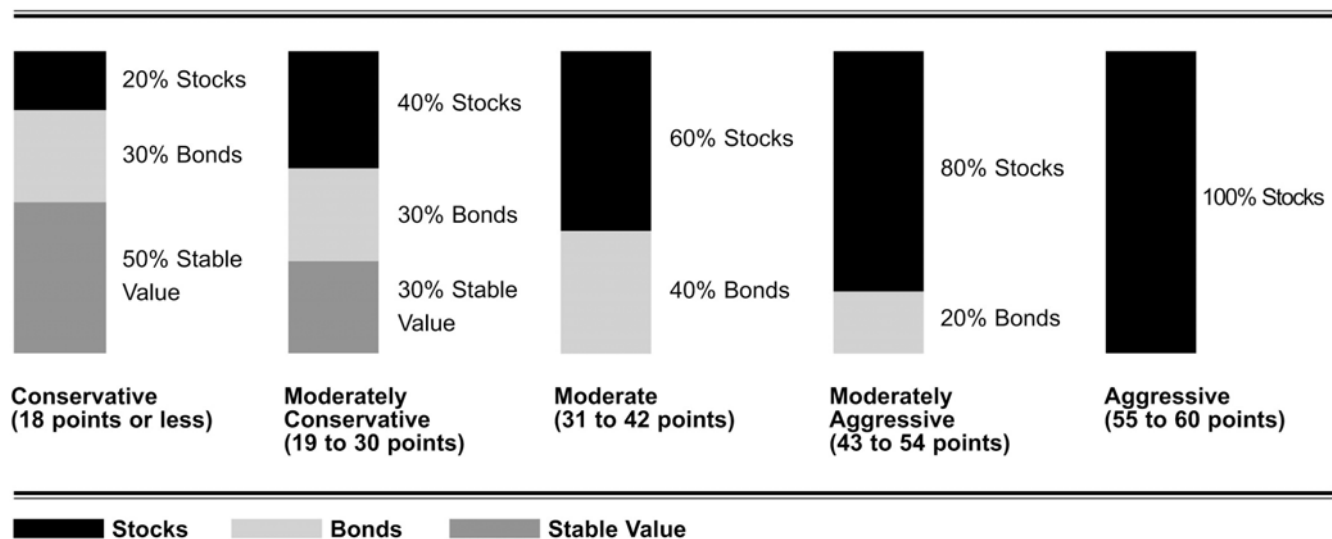
Build Your Own Portfolio

Below are five model investment strategies, each with their potential returns and associated levels of risk. Use your score from the Portfolio Selection Worksheet to help you choose a strategy that suits your needs or modify it. Use these models as a guide for building your own investment mix from the options offered in your plan.

If there is a mix similar to one of the Mutual Directions portfolios, you may want to consider using the Mutual Directions portfolio, and take advantage of such benefits as a structured portfolio, strategic asset allocation, built-in diversification and automatic rebalancing.

The five Mutual Directions models fit the needs of many investors. For those participants who want to be more involved in determining their retirement portfolio, several individual investment options are available. You can create your own portfolio by including any percent of any fund – totaling 100 percent, of course. You are responsible for allocating the assets, diversifying and rebalancing.

Your Total Score from the Portfolio Selection Worksheet: _____



Once you have selected the investment strategy most appropriate for your needs, please refer to your Investment Information for details on additional investment options available in your plan.

NEXT STEP:

If you are enrolling for the first time, select the appropriate fund options on your enrollment form.

Investment options are offered through a group variable annuity contract (Form 900-GAQC-07(NY)) underwritten by Companion Life Insurance Company in Hauppauge, NY, which accepts full responsibility for all of Companion Life Insurance Company's contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account as provided under the contract. Neither Companion Life Insurance Company nor its representatives or affiliates offers investment advice in connection with the contract.