Diversification. Diversification is a way to reduce investment risk by dividing your money among a variety of investments. A diversified portfolio typically has a mix of stocks, bonds, and cash. You can also diversify within each of these types of investments (see definitions listed under Asset Categories on the back page for more information). For example, you may not want to invest entirely in small company stocks, which can be more volatile, nor 100% in long-term bonds, which can be hurt when interest rates rise. Asset allocation puts the principle of diversification to work so that when some asset classes are experiencing a downturn, others may be experiencing stronger performance.

Balancing Risk and Reward. If your only goal is to eliminate risk, you can put your money in a fixed interest or money market account. But, if you're investing to increase the value of your assets to achieve future goals, you will often need to take on additional risks. Asset allocation helps manage risk while attempting to maximize future returns.

Long-Term Investing. One of the biggest mistakes investors make is focusing on the short term—worrying about day-to-day fluctuations or chasing hot performers. Asset allocation helps you plan for your important long-term goals by helping you establish an effectively diversified investment plan that will help you take advantage of the long-term potential of the investment markets.

The Morningstar Asset Allocator. The Morningstar Asset Allocator is a portfolio-planning tool designed to help you build a mix of investments to match your personal goals and risk tolerance. Grounded in sound statistical research and seasoned judgment, it recommends the balance of investment categories that will provide you with the highest expected return given the amount of risk you're willing to accept.

The innovative Morningstar Asset Allocator Questionnaire is brief but incisive. The seven questions are designed to elicit an accurate profile of your risk tolerance. These questions take three approaches to assess your attitudes toward risk: time horizon, long-term goals and expectations, and short-term risk attitudes.
Investor Questionnaire. Circle the most appropriate response to each question below. Next, add the points for each answer to arrive at your total score. Finally, match your score with the asset allocation strategy inside. These questions are designed to help you determine your asset allocation for one variable product. If you have more than one product with different goals, repeat this questionnaire.

TIME HORIZON
The first two questions concern your time horizon for this investment.

1. My current age is:
   • Under 45 (5 points)
   • 46-55 (4 points)
   • 56-65 (3 points)
   • 66-75 (2 points)
   • Over 75 (1 point)

2. I expect to start drawing income from this investment:
   • Not for at least 20 years (5 points)
   • In 10 to 20 years (4 points)
   • In 5 to 10 years (3 points)
   • Not now, but within 5 years (2 points)
   • Immediately (1 point)

LONG-TERM GOALS AND EXPECTATIONS
The next three questions ask about your long-term goals and expectations for this investment. Please think through your true feelings before you answer.

3. For this investment, my goal is:
   • To grow aggressively (5 points)
   • To grow with caution (3 points)
   • To avoid losing money (1 point)

4. Assuming normal market conditions, what would you expect from this investment over time?
   • To generally keep pace with the stock market (5 points)
   • To trail the stock market but make a decent profit (3 points)
   • To have a high degree of stability but only modest profits (1 point)

5. Suppose the stock market performs unusually poorly over the next decade. Then what would you expect from this investment?
   • To make nothing or even lose a little (5 points)
   • To seek out a small gain (3 points)
   • To be little affected by what happens in the stock market (1 point)

SHORT-TERM RISK ATTITUDES
The last two questions concern your thoughts about shorter-term results.

6. Which of these statements would best describe your attitude about the next three years’ performance of this investment?
   • I can live if I lose money (5 points)
   • I want to at least break even (3 points)
   • I want to end up with at least a little more profit than I started with (1 point)

7. Which of these statements would best describe your attitude about the next three months’ performance of this investment?
   • Who cares? One calendar quarter means nothing (5 points)
   • If I suffered a loss of greater than 10%, I’d get concerned (3 points)
   • I can tolerate only small short-term losses (1 point)

DISCOVER Your Investment Style

Second Total Points
PLAN Your Portfolio

Using your Total Points from the Morningstar Asset Allocator Questionnaire, you can now determine the asset allocation portfolio for your variable product. A brief description of the portfolio’s characteristics, a typical target investor and the recommended allocations for each model portfolio follows. Please note: Asset category definitions can be found on the back page.

**Total Points: 32-35**  
**AGGRESSIVE**

100% stocks

For the fearless investor who has a truly long-term time frame (at least 20 years). Expect frequent stomach-churning dips.

**Total Points: 25-31**  
**CAPITAL GROWTH**

85% stocks  
15% bonds

For the bold investor who can tolerate some volatility. Expect frequent dips, but not as extreme as the aggressive portfolio. A medium to long time frame is advised.

**Total Points: 18-24**  
**BALANCED**

65% stocks  
35% bonds

For the investor who likes to sleep at night while still getting healthy growth from his or her portfolio. A relatively smooth ride, though occasional potholes may be encountered.
SUMMARY OF ASSET ALLOCATION PORTFOLIOS

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Large Growth</th>
<th>Large Blend</th>
<th>Large Value</th>
<th>International Equity</th>
<th>Small/Mid Growth</th>
<th>Small/Mid Blend</th>
<th>Small/Mid Value</th>
<th>High Quality Bond</th>
<th>Specialty Bond</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGGRESSIVE</td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>CAPITAL GROWTH</td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>BALANCED</td>
<td>18.25%</td>
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<tr>
<td>MODERATE</td>
<td>11-17 pts.</td>
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<tr>
<td>CONSERVATIVE</td>
<td>7-10 pts.</td>
<td>7-10 pts.</td>
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<td>7-10 pts.</td>
</tr>
</tbody>
</table>

For the investor who can’t bear the thought of losing money or who will need access to it fairly soon. Appropriate for those entering retirement or planning a big purchase. Keep in mind, losses are certainly still possible.

Total Points: 55% stocks
55% bonds
10% cash

For the investor who can’t bear the thought of losing money or who will need access to it fairly soon. Appropriate for those entering retirement or planning a big purchase. Keep in mind, losses are certainly still possible.

Total Points: 7-10
35% stocks
50% bonds
15% cash

Our least volatile portfolio. Intended primarily for those who need to live off the income from their portfolios and cannot risk losing any capital. However, losses are certainly still possible.

Now that you’ve determined your asset allocation strategy, choose the investment options that are right for you. To complete the final step of the asset allocation process, use the accompanying “Implement Your Investment Options” worksheet to determine the percentage to allocate to each investment option.
ANNUAL REVIEW
It's a good idea to review the Investor Questionnaire and your asset mix once a year to make sure it still reflects your goals. It also makes sense to review your strategy if your financial situation changes. Retirement, a new child, or other events can have a substantial impact on asset allocation.

WHO IS MORNINGSTAR?*
Morningstar is a leading provider of variable insurance, mutual fund, and stock investment information. Its research and analysis have become the standard measure of quality and effectiveness within the investment industry. When you see the Morningstar name, you can count on reliable, unbiased data and candid editorial analysis.

ASSET CATEGORIES
Market value boundaries may fluctuate.
- Large Growth funds invest in companies with market values greater than $10 billion that are projected to grow faster than the market.
- Large Blend funds focus on big companies that are fairly representative of the overall stock market in both size and price. These funds often track closely with the S&P 500 index.
- Large Value funds focus on companies with market values greater than $10 billion with stocks less expensive than the market as a whole. They often come from utilities, energy, or financial sectors.
- International Equity funds invest their assets all over the world. Some funds include significant U.S. holdings but all invest a significant amount in other developed economies.
- Small/Mid Growth. Small Growth funds focus on companies with market values less than $1.5 billion. Most Small Growth funds focus directly on companies with market values between $1.5 and $10 billion. Others invest in stocks of all sizes, thus averaging a midsize profile. Both target firms projected to grow faster than the overall market.
- Small/Mid Blend. Small Blend funds invest in stocks of small companies. These funds may own everything from fairly cheap out-of-favor stocks to expensive growth stocks. The typical Mid Blend fund invests in stocks of various sizes and mixed characteristics, giving it a middle-of-the-road profile. This flexibility makes these funds some of the most diverse funds available.
- Small/Mid Value. Small Value funds invest in less popular companies with values less than $1.5 billion. Mid Value funds focus on medium-size companies or buy stocks of all sizes, creating a midsize profile. All look for stocks that are cheap relative to potential.
- High Quality Bond funds invest in investment-grade fixed-income securities, including U.S. government issued debt, mortgage-backed securities, and investment grade corporate bonds.
- Specialty Bond funds invest in fixed-income securities outside the investment-grade bond market. They may be junk bonds, which offer higher yields but are more volatile, or international bonds, which track foreign economies.
- Cash funds invest in money market securities, CDs, and short-term U.S. Treasury bills that are highly liquid and have little or no risk.

Expanding on Asset Allocation

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IMPLEMENT Your Investment Options

To finalize your asset allocation strategy, use this worksheet to determine the percentage to allocate to each investment option.

First, you may want to transfer the percentages from your asset allocation model to each category below. For example, if you were an aggressive investor, your model indicates 20% of your assets should be in the Large Growth category. Fill in 20% in the Large Growth Total line to help you remember your percentages in this category should add up to 20%.

My portfolio is: ○ Aggressive  ○ Capital Growth  ○ Balanced  ○ Moderate  ○ Conservative

### Large Growth
- Ameritas Growth (Alger)
- Ameritas Income & Growth (Alger)
- Alger American Leveraged AllCap
- Fidelity VIP Growth
- Ameritas Emerging Growth (MFS)
- Summit Nasdaq-100 Index
- **Total**

### Large Blend
- Ameritas Research (MFS)
- Ameritas Growth With Income (MFS)
- Ameritas Index 500 (State Street)
- Calvert Social Equity
- Fidelity VIP Contrafund*
- **Total**

### Large Value
- American Century VP Income & Growth
- Fidelity VIP Equity-Income
- **Total**

### International Equity
- Calvert Social International Equity
- Fidelity VIP Overseas
- Morgan Stanley Global Value Equity
- Morgan Stanley International Magnum
- **Total**

### Small/Mid Growth
- Ameritas Small Cap (McStay/Brazos) small
- Calvert Social Small Cap Growth small
- MFS New Discovery small
- Ameritas MidCap Growth (Alger) mid
- Calvert Social Mid Cap Growth mid
- Invesco VIF-Dynamics mid
- **Total**

### Small/Mid Blend
- Ameritas Small Co. Equity(Babson) small
- Summit Russell 2000 Small Cap Index small
- Salomon Brothers Variable Capital mid
- Summit S&P MidCap 400 Index mid
- **Total**

### Small/Mid Value
- Third Avenue Value small
- Ameritas Select (Harris/Oakmark) mid
- **Total**

### High Quality Bond
- Fidelity VIP Investment Grade Bond
- Calvert Income
- Ameritas Fixed Account*
- **Total**

### Specialty Bond
- Fidelity VIP High Income
- MFS Strategic Income
- **Total**

### Cash
- Ameritas Money Market (Calvert)
- **Total**

100% GRAND TOTAL

I have completed the Morningstar Asset Allocation Investor Questionnaire and understand that this asset allocation is only for this variable product.

**Client Signature**

**Print Name**  **Date**

**Representative Signature**

For existing policy, changes above are for: ○ current  ○ future  ○ current and future. Policy No. ________________.

*Transfers of monies out of the fixed account are restricted. Please refer to the prospectus.

Inclusion of the above investment options is not intended as investment advice by Morningstar Associates, LLC. These investment options offered within the variable product have been selected by Ameritas Variable Life Insurance Company with recommendations from Morningstar Associates, LLC.
SPECIALTY OPTIONS
Specialty funds invest in specific niches, such as market sectors and counter-market investing alternatives. These types of investments are not considered in Morningstar's asset allocation models. But specialty funds can be useful tools for investors who want to tilt their portfolio toward a specific sector of the economy. Specialty investment options available in the OVERTURE! Series include:

• MFS Utilities
• Morgan Stanley Emerging Markets Equity
• Morgan Stanley U.S. Real Estate

BALANCED OPTIONS
Domestic hybrid, or balanced funds, usually contain both stocks and bonds. Typically, the fund manager reacts to market and economic factors by adjusting the balance of stocks to bonds. Thus, by themselves, balanced funds already provide several of the advantages of a sensible asset allocation strategy. Their use within an asset allocation framework would be redundant. Balanced options available in the OVERTURE! Series include:

• Alger American Balanced
• Calvert Social Balanced
• Fidelity VIP Asset Manager℠
• Fidelity VIP Asset Manager: Growth®

PORTFOLIO REBALANCING
After establishing and implementing an asset allocation strategy, periodic adjustments may be necessary to maintain the strategy. Automatic portfolio rebalancing makes this task convenient and easy. With automatic portfolio rebalancing, the company reviews your investment balances as often as you choose (quarterly, semiannually, or annually) and redistributes the assets to reflect the percentages in your target allocation.

DOLLAR COST AVERAGING
If you are investing a substantial sum of money, you may want to consider dollar cost averaging—investing on a regular basis instead of all at once. By investing your money gradually, you avoid exposing the entire amount to extreme fluctuations in the financial markets. Using this approach you buy more shares when the price is low and fewer shares when the price is high. While this will not assure a profit or protect against a loss, it's a proven technique for lowering the average cost per share over time.