

TF Transamerica Cash Management Fund

Transamerica Asset Classification
Cash Equivalents

Benchmark
Citigroup 3mth Treasury Bill

7-Day SEC Yield %
4.52

Investment Information

The TF Transamerica Cash Management Fund is a Separate Account Sub-Account maintained by TFLIC and invests exclusively in the Transamerica Cash Management Fund, a Transamerica Life Insurance Company (TLIC) Separate Account. The TLIC Separate Account is sub-advised by Transamerica Investment Management, LLC.

Investment Strategy

The investment seeks to maximize current income, consistent with liquidity and preservation of principal. It is best suited for temporary or defensive investment purposes and may also be appropriate as part of an overall long-term investment strategy. This is done by investing primarily in high quality money market instruments with remaining maturities of 13 months or less. It limits investments to securities rated in the highest short-term rating category of the major rating services, or those determined to be of comparable quality.

Operations

Redemption Fee/Term —
Expense Ratio Type 6: 0.85% of fund assets*
Underlying Incept Date 01-04-82
Underlying Initial Share —
Class Incept Date —
Separate Account Incept 09-01-00
Closed to New Investors —
Trading Restrictions —

*See Disclosure Page for more details.

Portfolio Manager(s)

Greg Haendel. Since 2004.

Management Company —
Subadvisor Transamerica Investment Management, LLC

Performance

Investment Options	Annual Returns as of year-end		Fund Rank %
	Total Ret %	Bmark %	
1999	4.21	4.74	—
2000	8.77	5.96	—
2001	0.11	4.09	—
2002	0.78	1.70	—
2003	0.20	1.07	—
2004	0.55	1.24	—
2005	2.53	3.00	—

Trailing Returns	as of 09-30-06		Fund Rank %
	Total Ret%	Bmark %	
YTD	3.11	3.46	—
3Mo	1.13	1.24	—
1Yr	3.93	4.41	—
3Yr Avg	2.07	2.64	—
5Yr Avg	1.51	2.22	—
10Yr Avg	3.03	3.68	—
Since Incept	—	—	—

Hypothetical Growth of \$10,000	start date 12-31-95	09-30-06
Fund		\$13,939
Benchmark		\$14,910

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value will fluctuate. Upon redemption, shares may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. Go to www.TRSFunds.com to obtain performance current to the most recent month-end. See performance section of the disclosure page for more information.

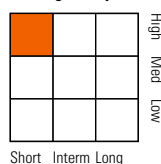
Transamerica Retirement Services (TRS), a marketing unit of Transamerica Financial Life Insurance Company (TFLIC), Purchase, NY, and other of its affiliates, specializes in the promotion of retirement plan products and services. Investment Options are available from TRS under Contract Form # TA-AP-2001-CONT or TA-PC-2000-CONT, a Group Variable Annuity Contract (Investment Contract) underwritten by TFLIC. Fees and charges may apply. The Contract is only available in New York. For complete information, contact your TRS representative.

NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE.

Underlying Portfolio Analysis

Composition as of 09-30-06	% Assets	Risk Measures as of 09-30-06	3-Year	5-Year	10-Year
Cash	100.0	Std Dev	0.45	0.41	2.34
U.S. Stocks	0.0	Beta	0.50	0.40	-1.69
Foreign Stocks	0.0	Sharpe Ratio	-12.32	-12.34	-0.30
Bonds	0.0	Alpha	-0.68	-0.77	-0.81
Other	0.0	R-Squared	14.62	20.36	0.36

Morningstar Style Box™ as of 09-30-06



Disclosure

When used as sales literature, the Investment Option Profile must be preceded or accompanied by this disclosure statement. The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than the original investment. Separate Account Investment Option statistics change over time. The Investment Option is not FDIC insured, may lose value and is not guaranteed by a bank or other financial institution.

Although referred to as "funds", the Separate Account Investment Options offered are exempt from registration with the SEC; therefore, no prospectuses are filed for them. However, some of the Separate Account Investment Options invest in mutual funds which are subject to SEC registration. *Prospectuses on these mutual funds can be ordered directly from the fund companies or obtained upon request from Transamerica Retirement Services at www.TA-Retirement.com. Investors should consider the investment objectives, risks, and charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. Read the prospectus carefully before investing. In addition, comprehensive information on all the Investment Options is available on the Investment Option Profiles.*

Performance

Performance shown is average annual total Separate Account Investment Option returns (except 3 months and year-to-date) for the period indicated, net of the total operating expenses of the separate account or underlying investment as listed on the individual Investment Option Profiles. Performance returns reflect reinvestment of dividends and capital gains distributions. Application of the Contract Asset Charge and any discontinuance charges or service fees deducted from the account would reduce this return.

For Separate Account Investment Options invested in mutual fund shares, except as otherwise indicated, historical performance prior to the Separate Account Investment Option inception is calculated utilizing past performance for the underlying mutual fund.

Performance shown since inception is from the inception date of the separate account or underlying investment as described on the individual Investment Option Profiles. See individual Investment Option Profile for the date of inception. The benchmarking index shown covers the entire period.

Past performance is not a guarantee of future performance. An investment in these Investment Options is subject to market risk and an investor may experience loss of principal.

The benchmarks are unmanaged indices and have no fees or expense charges. One cannot invest directly in an index.

Morningstar Rating™

Often simply called the Star Rating, the Morningstar Rating brings load-adjustments, performance (returns) and risk together into one evaluation. To determine an Investment Option's star rating for a given time period (three, five, or ten years), the Investment Option's risk-adjusted return is plotted on a bell curve: If the Investment Option scores in the top 10% of its category, it receives 5 stars (Highest); if it falls in the next 22.5% it receives 4 stars (Above Average); a place in the middle 35% earns 3 stars (Average); those lower still,

in the next 22.5%, receive 2 stars (Below Average); and the bottom 10% get only 1 star (Lowest). The Overall Morningstar Rating is a weighted average of the available three-, five-, and ten-year ratings.

Morningstar Return

This statistic is a measurement of an Investment Option's excess return over a risk-free rate (the return of the 90-day Treasury bill), after adjusting for all applicable loads and sales charges. In each Morningstar Category, the top 10% of Investment Options earn a High Morningstar Return, the next 22.5% Above Average, the middle 35% Average, the next 22.5% Below Average, and the bottom 10% Low. Morningstar Return is measured for up to three time periods (three-, five-, and ten-years). These separate measures are then weighted and averaged to produce an overall measure for the Investment Option. Investment Options with less than three years of performance history are not rated.

Morningstar Risk

This statistic evaluates the variations in an Investment Option's monthly returns, with an emphasis on downside variations. In each Morningstar Category, the 10% of Investment Options with the lowest measured risk are described as Low Risk, the next 22.5% Below Average, the middle 35% Average, the next 22.5% Above Average, and the top 10% High. Morningstar Risk is measured for up to three time periods (three-, five-, and ten-years). These separate measures are then weighted and averaged to produce an overall measure for the Investment Option. Investment Options with less than three years of performance history are not rated.

Asset Classes

The Investment Options have been assigned to various asset classes based solely on Transamerica Retirement Services' assessment of their investment policies; additionally, they may not be representative of that particular asset class in the future.

Risk Measures

R-squared reflects the percentage of an Investment Option's movements that are explained by movements in its benchmark index, showing the degree of correlation between the Investment Option and the benchmark.

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

Alpha measures the difference between an Investment Option's actual returns and its expected performance, given its level of risk (as measured by beta).

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

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

Morningstar Style Box™

The Morningstar Style Box reveals the investment strategy for the Separate Account Investment Option or underlying investment, if applicable. For equity Investment Options and fixed-income Investment Options, respectively, the vertical axis shows the market capitalization of the stocks owned or

the average credit quality of the bonds owned. The horizontal axis shows investment style (value, blend, or growth) or interest rate sensitivity as measured by a bond's duration (short, intermediate or long). Duration is a measure of interest-rate sensitivity-the longer an Investment Option's duration, the more sensitive the Investment Option is to shifts in interest rates.

Investment Risk

Foreign Securities Funds: The investor should note that Investment Options that invest in foreign securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds: The investor should note that Investment Options that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds: The investor should note that Investment Options that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

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

Mid Cap Funds: The investor should note that Investment Options that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds: The investor should note that Investment Options 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.

Large/Mid Growth Equity Funds: Historically, common stocks have provided greater long-term returns and have entailed greater short-term risks than other investment choices. Smaller or newer issuers carry more risk than larger, more established issuers.

Large/Mid Blend Equity Funds: Historically, common stocks have provided greater long-term returns and have entailed greater short-term risks than other investment choices. Smaller or newer issuers carry more risk than larger, more established issuers.

Large/Mid Value Equity Funds: Historically, stocks have provided greater long-term returns and have entailed greater short-term risks than other investments. The securities issued by mid-cap companies may be more susceptible to market downturns, and their prices could be more volatile than those of larger companies. Value stocks may be subject to special risks that have caused the stocks to be out of favor

Disclosure

and undervalued in the Management Company's opinion.

Hybrid Funds: The values of stocks change in response to general market and economic conditions and the circumstances of individual issuers. The values of bonds change in response to changes in economic conditions, interest rates and the creditworthiness of individual issuers.

Bond Funds: The values of bonds change in response to changes in economic conditions, interest rates and the creditworthiness of individual issuers. Investment Options that invest in bonds can lose their value as interest rates rise and an investor can lose principal.

Cash & Equivalent Funds: An investment in Cash & Equivalent Investment Options is not insured or guaranteed by the FDIC or any other government agency. Although the investment seeks to preserve the value of your investment, it is possible to lose money by investing in the Investment Option.

Charges, Fees and Expenses

Deposits made by Plan Participants are not subject to any front-end loads/sales fees of the underlying mutual fund. Therefore, such fees are not reflected in the performance reported.

Type 1: The expense ratio quoted reflects the maximum total operating expenses, which consist of Investment Management and Investment Account Class I Administrative Charges, if applicable. The actual expense ratio experienced may be less than the expense ratio quoted. There may also be charges to your balance in the Separate Accounts for Contract Asset Charges, discontinuance charges or service fees, as applicable under your contract.

Type 2: The expense ratio quoted reflects the maximum total operating expenses, which consist of the total operating expenses (expense ratio) of the underlying investment. There may also be charges to your balance in the Separate Accounts for Contract Asset Charges, discontinuance charges or service fees, as applicable under your contract.

Type 3: The expense ratio quoted reflects the maximum total operating expenses, which consist of the underlying TLIC Separate Account Investment Management and Investment Account Class VIII Administrative Charges, if applicable. There may also be charges to your balance in the Separate Accounts for Contract Asset Charges or service fees, as applicable under your contract.

Type 4: The expense ratio quoted reflects the maximum total operating expenses, which consist of the total operating expenses (expense ratio) of the underlying investment. There may also be charges to your balance in the Separate Accounts for Contract Asset Charges or service fees, as applicable under your contract.

Type 5: The expense ratio quoted reflects the maximum total operating expenses, which consist of the underlying TLIC Separate Account Investment Account Class VII Administrative Charge and the expense of the underlying mutual fund.

Type 6: The expense ratio quoted reflects the maximum total operating expenses, which consist of the Investment Management and Investment Account Class VII

Administrative Charges for the underlying TLIC Separate Account.

Type 7: The expense ratio quoted reflects the maximum total operating expenses, which consist of Investment Management Charge, Administrative Charges (if applicable), and the expenses of the underlying investment. There may also be charges to your balance in the Separate Accounts for Contract Asset Charges, discontinuance charges or service fees, as applicable under your contract.

Type 8: The expense ratio quoted reflects the maximum total operating expenses, which consist of the underlying TLIC Separate Account Investment Management and Investment Account Class VIII Administrative Charges (if applicable), and expenses of the underlying investment. There may also be charges to your balance in the Separate Accounts for Contract Asset Charges or service fees, as applicable under your contract.

Contract Asset Charges

The applicable monthly contract asset charges range from 0.0000% to 0.3333%.

Plan Sponsors should consult their Investment Contract and Participants should consult their Enrollment Kit for the CAC charges applicable to their plan.

Contract Asset Charges may be affected by the arrangement between the Plan Sponsor and its broker.

Contract Termination Charges

Depending on the features elected by your plan a surrender charge may apply at the time the Investment Contract is terminated.

Closed to New Investors

Investment Options which are closed to new investors are not available to be added to contracts/plans as of the date listed on the individual Investment Option Profile. For this purpose, Participants in plans which already included this Investment Option prior to that date are not treated as new investors.

Trading Restrictions

The ability to exchange units of the Separate Account may be restricted in the event that a Sponsor or Participant engages in trading patterns which are detrimental to the Separate Account or the underlying investment.

Investment Options may be subject to certain transfer restrictions. Participant-directed transfers into this contract account may be limited. Additionally, plan-level restrictions may apply. Automatic scheduled transactions such as payroll contributions, loan repayment, etc. may not be subject to these restrictions. However, you may transfer funds out of this contract account at any time. These restrictions may be changed at any time to comply with any restrictions on trading imposed by the underlying mutual fund.

Type A: Transfers "in" to the investment option are restricted to once in any rolling 30-day period. Depending on the recordkeeping platform, certain plans may be subject to a revised restriction where transfers "in" to the investment option are restricted for a rolling 30-day period once a round trip transfer ("in" and "out") has been made.

Type B: Transfers "in", payroll contributions, loan repayments, and prescheduled periodic transfers such as rebalancing, etc. are not allowed for this investment.

Redemption Fees

The redemption fees may change at any time. A redemption fee may be assessed if investment option units are transferred/purchased and sold within a period of days that is shorter than the mutual fund companies defined "holding period". Redemption fees are paid to the mutual funds, and are not retained by Transamerica Retirement Services.

Benchmark Index Descriptions

The ArcaEx Tech 100 Index is a price-weighted, broad-based index of 100 exchange-listed and over the counter stocks. This index populates fifteen industries and, as of the end of 1995, it represented a market capitalization of nearly \$600 billion. The industry groups include biotechnology, CAD/CAM, data communications, micro-computer manufacturing, office automation equipment, semiconductor capital equipment manufacturing, data storage and processing, large diversified computer manufacturing, electronic equipment, information processing, medical technology, semiconductor manufacturing, software products, and test, analysis, and instrumentation equipment.

The Citigroup Government/Mortgage Index tracks the return on U.S. government sponsored and mortgage securities included in the Citigroup Broad Investment Grade Bond Index. U.S. Treasury and mortgage pass-throughs included in this index have a minimum credit quality of BBB-/Baa3.

The Citigroup Inflation-Linked Index tracks the return on U.S. Treasury Inflation-Protected Securities with fixed-rate coupon payments that are adjusted for inflation as measured by the Consumer Price Index (CPI). An index ratio, reflecting the change in the level of the Consumer Price Index for the duration of the issue, is used to adjust the price of each issue included in this index. Issues included in this index are U.S. Treasury Inflation-Protected Securities that have a minimum maturity of one year and a minimum size outstanding of \$1 billion in U.S. dollars.

The Citigroup Three-month Treasury Bill Index 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 monthly basis from the Treasury Department.

The Credit Suisse High Yield Index is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market. The index includes issues rated BB and below by S&P or Moody's with par amounts greater than \$75 million. Preferred issues, U.S. dollar denominated foreign issues and 144A securities meeting the above condition are also included. Morningstar receives and publishes this figure as a monthly total return.

The Dow Jones Wilshire 5000 Index measures the performance of all U.S. common equity securities, and so serves as an index of all stock trades in the United States. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Dow Jones Wilshire REIT Index is intended as a broad measure of the performance of publicly traded real estate equity. The index is market-capitalization weighted of publicly traded real estate securities, such as Real Estate

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Investment Trusts (REITs), Real Estate Operating Companies (REOCs), and partnerships. The index is comprised of companies whose charter is the equity ownership and operation of commercial real estate.

The DJ Wilshire SmallCap Growth Index is a market cap weighted index including securities from the DJ Wilshire Small Cap 1750 index with growth characteristics as defined by DJ Wilshire. The index is an excellent way to evaluate this sector of the market and to gauge the performance of managers focusing on this particular style. An equal weighting of this index, along with the DJ Wilshire SmallCap Value Index, results in approximately the same return as the DJ Wilshire Small Cap 1750 index. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Dow Jones Wilshire Small-Cap Value Index is a market cap weighted index including securities from the DJ Wilshire Small Cap 1750 Index with value characteristics as defined by DJ Wilshire. The index is an excellent way to evaluate this sector of the market and to gauge the performance of managers focusing on this particular style. An equal weighting of this index, along with the DJ Wilshire SmallCap Growth Index, results in approximately the same return as the DJ Wilshire Small Cap 1750 Index. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Dow Jones Utilities Average TR Index is computed by summing the prices of the stocks of 15 large capitalization utility companies and then dividing that total by an adjusted value—one which has been adjusted over the years to account for the effects of stock splits on the prices of the 15 companies. "TR" means that this is a total return index and includes the reinvestment of dividends paid out by the companies in the index.

The FTSE World Index is a sub index in the FTSE All-World Index Series and is comprised of the FTSE Developed and FTSE Advanced Emerging country segments. The following countries are represented in the FTSE World index: Australia, Austria, Belgium/Luxembourg, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, the United Kingdom, and the United States. All eligible securities from these countries and listed as constituents in this index are screened on criteria of market capitalization size, liquidity and free float restrictions.

The Goldman Sachs Health Care Index tracks the performance of the U.S. health care sector and is a modified-capitalization weighted equity index. Security inclusion is determined by Goldman Sachs and the following criteria: the exchange on which a stock is traded, minimum market capitalization, minimum float and liquidity requirements. Sector classifications for the Goldman Sachs sector indices are determined by the Goldman Sachs Investment Research Sector and Industry Classification System (GS-SICS).

The Goldman Sachs Technology Index tracks the performance of the U.S. technology sector and is a modified-capitalization weighted equity index. Security inclusion is determined by Goldman Sachs and the following criteria: the exchange on which a stock is traded, minimum market capitalization, minimum float and liquidity

requirements. Sector classifications for the Goldman Sachs sector indices are determined by the Goldman Sachs Investment Research Sector and Industry Classification System (GS-SICS).

The Lehman Bros. High Yield 2% Issuer Constrained Index is the 2% Issuer Cap component of the Lehman Brothers U.S. Corporate High Yield Index and caps issuer exposure at 2%. It tracks the performance of the fixed rate, non-investment grade debt universe as defined by Lehman Brothers and includes both corporate and non-corporate sectors. Issues included in this index must have at least one year to final maturity, at least \$150 million par amount outstanding, be rated high-yield (Ba1/BB+ or lower), publicly issued, dollar-denominated and non-convertible.

The Lehman Brothers 1-3 Year Government Index is comprised of both the Treasury Bond Index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government). These bonds also must have maturities of one to three years. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Lehman Brothers Aggregate Bond ex-Credit Index tracks the three major components of the Lehman Brothers Aggregate Bond Index; government securities, mortgage pass-through securities, and asset-backed securities, but excludes the performance of issues belonging to the U.S. credit component.

The Lehman Brothers Aggregate Bond Index is composed of the Lehman Brothers Govt/Credit Index, the Mortgage-Backed Securities Indices, and the Asset-Backed Securities Index, an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, with maturities of at least one year, and an outstanding par value of at least \$100 million. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Lehman Brothers Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

The Lehman Brothers Government/Credit Bond Index represents a combination of the Government and Corporate Bond indices. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Lehman Brothers Government/Mortgage Index is comprised of U.S. Government Treasury securities and agency mortgage-backed securities.

The Lehman Brothers High Yield Corporate Bond Index tracks the performance of the fixed rate, non-investment grade debt universe as defined by Lehman Brothers and is comprised of the following corporate sectors: industrial, utility, and finance. Issues included in this index must have at least one year to final maturity, at least \$150 million par amount

outstanding, be rated high-yield (Ba1/BB+ or lower), publicly issued, dollar-denominated and non-convertible.

The Lehman Brothers Intermediate Aggregate Bond Index tracks the intermediate duration component of the Lehman Brothers Aggregate Bond index. It is comprised of securities that are U.S. domestic, taxable, and dollar denominated. This index covers the U.S. investment grade fixed rate bond market and includes issues of government and corporate securities, mortgage pass-through securities and asset-backed securities. All issues included in this index must have a maturity from 1 up to, but not including, 10 years.

The Lehman Brothers Intermediate Government Bond Index includes those indexes found in the LB Government Index which have a maturity of one to three years. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Lehman Brothers Treasury Inflation Notes Index includes all publicly issued, United States treasury inflation-protected securities (TIPS) that have at least one year to maturity, are non-convertible, are denominated in United States dollars, are rated investment grade (Baa3 or better) by Moody's Investors Service, Inc., are fixed rate, and have more than \$200 million par outstanding. The Index is market capitalization weighted.

The Lehman Brothers U.S. Universal Index mirrors the increasingly popular "Core Plus" choice set used by many U.S. dollar investors. It is the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, the non-ERISA portion of the CMBS Index, and the CMBS High Yield Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index.

The Merrill Lynch 1-3 Yr Treasury Index is a sub-index of the Merrill Lynch Global Government index series and tracks the public debt of investment grade sovereign issuers issued in the U.S. and denominated in USD. The minimum issue size requirement is USD 1 billion and individual qualifying bonds must have at least one year remaining term to maturity.

The Merrill Lynch All Quality Convertible Index tracks the returns of U.S.-traded convertible debt issued by companies with a significant presence in the United States. The index is composed of various combinations of convertible structure and credit quality, e.g. it includes investment-grade, speculative-grade, and non-rated issues. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Merrill Lynch Domestic Master Index is a sub-index of the U.S. Broad Market index series and tracks the performance of U.S. dollar-denominated investment grade government and corporate public debt that is issued in the U.S. domestic bond market. Issues included in this index must have at least one year remaining term to maturity and have a minimum amount outstanding of USD 1 billion for U.S. Treasuries and \$150 million for all other securities.

The Merrill Lynch U.S. High Yield Cash Pay Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds that are publicly issued in the U.S. domestic market. Issues included in this index

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must have at least one year remaining term to maturity, a minimum amount outstanding of USD 100 million, and have a bond composite rating lower than BBB3.

The Merrill Lynch US Corp/Gov 1-3 Yr Index tracks the performance of U.S. dollar-denominated investment grade government and corporate public debt that is issued in the U.S. domestic bond market. Issues included in this index must have 1 to 3 years remaining term to maturity and have a minimum amount outstanding of USD 1 billion for U.S. Treasuries and USD 150 million for all other securities.

The Merrill Lynch US Hi-Yld Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds, publicly issued in the U.S. domestic market. Issues included in this index must have at least one year remaining term to maturity and have a minimum amount outstanding of USD 100 million.

The Morningstar Small Core Index measures the performance of U.S. small-cap stocks where neither growth nor value characteristics predominate.

The MSCI EAFE GDP Index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. In contrast to the MSCI EAFE index, the MSCI EAFE GDP index uses a country's GDP for weight calculation rather than a market capitalization weight.

The MSCI EAFE NDTR_D Index is listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world. NDTR_D indexes provide an estimate of the total return that would be achieved by reinvesting one twelfth of the annual yield reported at every month end. It also takes into account actual dividends before withholding taxes, but excludes special tax credits declared by companies. In addition, NDTR_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns we publish for the index are total returns, which include reinvestment of dividends.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The MSCI Europe Index is listed for Europe stock funds. This index measures the performance of stock markets in Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, Ireland, Portugal, and the United Kingdom. Total returns date back to December 1981. NDTR_D indexes provide an estimate of the total return that would be achieved by reinvesting one twelfth of the annual yield reported at every month end. It also takes into account actual dividends before withholding taxes, but excludes special tax credits declared by companies. In addition, NDTR_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

The MSCI Pacific Index, formerly known as MS Pacific, is listed for Pacific stock funds and measures the performance

of stock markets in Australia, Hong Kong, Japan, New Zealand, and Singapore, and Malaysia. NDTR_D indexes provide an estimate of the total return that would be achieved by reinvesting one twelfth of the annual yield reported at every month end. It also takes into account actual dividends before withholding taxes, but excludes special tax credits declared by companies. In addition, NDTR_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns we publish for the index are total returns, which include reinvestment of dividends.

The MSCI US Mid Cap 450 Index represents the universe of medium capitalization companies in the US equity market. This index targets for inclusion 450 companies and represents, as of 10/29/04, approximately 15% of the capitalization of the US equity market.

The MSCI US Prime Market Growth Index represents the growth companies of the MSCI US Prime Market 750 Index. (The MSCI US Prime Market 750 Index represents the universe of large and medium capitalization companies in the US equity market. This index targets for inclusion 750 companies and represents, as of October 29, 2004, approximately 86% of the capitalization of the US equity market.) The MSCI US Prime Market Growth Index is a subset of the MSCI US Prime Market 750 Index.

The MSCI US Prime Market Value Index represents the value companies of the MSCI US Prime Market 750 Index. (The MSCI US Prime Market 750 Index represents the universe of large and medium capitalization companies in the US equity market. This index targets for inclusion 750 companies and represents, as of October 29, 2004, approximately 86% of the capitalization of the US equity market.) The MSCI US Prime Market Value Index is a subset of the MSCI US Prime Market 750 Index.

The MSCI US REIT Index is a gross return index that is free float-adjusted market capitalization weighted. The index is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index. The index represents approximately 85% of the US REIT universe.

The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.

The MSCI US Small Cap Growth Index represents the growth companies of the MSCI US Small Cap 1750 Index. (The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.) The MSCI US Small Cap Growth Index is a subset of the MSCI US Small Cap 1750 Index.

The MSCI US Small Cap Value Index represents the value companies of the MSCI US Small Cap 1750 Index. (The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.) The MSCI US Small Cap Value Index is a subset of the MSCI US Small Cap 1750 Index.

The MSCI World exUS NDTR_D Index measures the performance of the stock market in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and the United Kingdom. NDTR_D indicates that the index is listed in U.S. dollars, with net dividends reinvested. NDTR_D indexes provide an estimate of the total return that would be achieved by reinvesting one twelfth of the annual yield reported at every month end. They also take into account actual dividends before withholding taxes, but exclude special tax credits declared by companies. In addition, NDTR_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

The MSCI World NDTR_D Index includes all 23 MSCI developed market countries. NDTR_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, NDTR_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns we publish for the index are total returns, which include reinvestment of dividends.

The NASDAQ Biotech Index is comprised of securities that are listed on the NASDAQ stock exchange and are classified as biotechnology or pharmaceutical companies using the classification and eligibility criteria of the Industry Classification Benchmark. The NASDAQ Biotechnology Index is calculated using a modified capitalization-weighted methodology.

The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. Morningstar reports the NASDAQ Composite as a price return.

The Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable U.S. equity market.

The Russell 1000 Index consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The returns for the index are total returns, which include reinvestment of dividends. Frank Russell Company reports its indices as one-month total returns.

The Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable U.S. equity market.

The Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000

Disclosure

Index represents 98% of the investable U.S. equity market.

The Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Russell 2000 Value Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the investable U.S. equity market.

The Russell 2500 Growth Index is comprised of those growth stocks that belong to the Russell 2500 Index, which tracks the performance of the smallest 2,500 stocks by market capitalization in the Russell 3000 Index. Growth stocks are determined for inclusion in this index using a "non-linear probability" method, based on a security's relative book-to-price ratio and I/B/E/S forecast long-term growth mean. Stocks represented in this index have higher price-to-book ratios and higher forecasted growth ratios.

The Russell 2500 Value Index is comprised of those value stocks that belong to the Russell 2500 index, which tracks the performance of the smallest 2,500 stocks by market capitalization in the Russell 3000 Index. Value stocks are determined for inclusion in this index using a "non-linear probability" method, based on a security's relative book-to-price ratio and I/B/E/S forecast long-term growth mean. Stocks represented in this index have lower price-to-book ratios and lower forecasted growth ratios.

The Russell 3000 Growth Index is comprised of those growth stocks that belong to the Russell 3000 Index, which represents approximately 98% of the U.S. equity market. Growth stocks are determined for inclusion in this index using a "non-linear probability" method, based on a security's relative book-to-price ratio and I/B/E/S forecast long-term growth mean. Stocks represented in this index have higher price-to-book ratios and higher forecasted growth ratios.

The Russell 3000 Index is composed of the 3000 largest U.S. companies by market capitalization, representing approximately 98% of the U.S. equity market. The returns we publish for the index are total returns, which include reinvestment of dividends.

The Russell 3000 Value Index is comprised of those value stocks that belong to the Russell 3000 Index, which represents approximately 98% of the U.S. equity market. Value stocks are determined for inclusion in this index using a "non-linear probability" method, based on a security's relative book-to-price ratio and I/B/E/S forecast long-term growth mean. Stocks represented in this index have lower price-to-book ratios and lower forecasted growth ratios.

The Russell Midcap Growth Index is a market-weighted total return index that measures the performance of companies within the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index. The Russell 3000 Index represents 98% of the investable U.S. equity market.

The Russell Midcap Index tracks the performance of the 800 smallest companies in the Russell 1000 Index, representing approximately 25% of the total market capitalization of the Russell 1000 Index. Constituents of this index are weighted using a float-adjusted market capitalization.

The Russell Midcap Value Index is a market-weighted total return index that measures the performance of companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index. The Russell 3000 Index represents 98% of the investable U.S. equity market.

The S&P 1000 Index tracks a combination of the constituents in the S&P MidCap 400 and the S&P SmallCap 600 indices. This blend of the two indices is represented by approximately 70% of the S&P MidCap 400 Index and 30% of the S&P SmallCap 600 Index.

The S&P 500/Citigroup Growth Index is a market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the lowest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.

The S&P 500/Citigroup Value Index is a market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the highest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.

The S&P 500 Composite Total Return Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard & Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid-1989, this composition has been more flexible and the number of issues in each sector has varied. "Total Return" indicates the reinvestment of dividends.

The S&P 500 Financials Index tracks the performance of all those companies held in the S&P 500 index that are classified as a financial sector company using the GICS system. The S&P 500 sector indices are determined by using the Global Industry Classification Standard (GICS). This system assigns sector and industry classifications based on where the majority of an individual company's revenues and earnings are derived.

The S&P 500 Health Care Index tracks the performance of all those companies held in the S&P 500 index that are classified as a health care sector company using the GICS system. The S&P 500 sector indices are determined by using the Global Industry Classification Standard (GICS). This system assigns sector and industry classifications based on where the majority of an individual company's revenues and earnings are derived.

The S&P 500 Utilities Index tracks the performance of all those companies held in the S&P 500 index that are classified as a utilities sector company using the GICS system. The S&P 500 sector indices are determined by using the Global Industry Classification Standard (GICS). This system assigns sector and industry classifications based on

where the majority of an individual company's revenues and earnings are derived.

The S&P/TSX Capped Gold Index constituents are selected from a stock pool of S&P/TSX Composite stocks and included using Standard & Poor's guidelines for evaluating company capitalization, liquidity and fundamentals. The relative weight of any single index constituent is capped at 25%.

The S&P Midcap 400 Index is a market capitalization-weighted index of the stocks in the Standard & Poor's MidCap 400 Index having the highest book to price ratios. The index consists of approximately half of the S&P 400 on a market capitalization basis.

The S&P SmallCap 600/Citigroup Value Index is a market capitalization-weighted index of the stocks in the Standard & Poor's SmallCap 600 Index having the highest book to price ratios. The index consists of approximately half of the S&P 600 on a market capitalization basis.