



# VIRGINIA BANKERS ASSOCIATION

## *LifeStyles*<sup>SM</sup>

MANAGED PORTFOLIOS  
&  
INDIVIDUAL FUNDS

Daily Valuation of Participant Accounts

Multiple Investment Options

800# & Internet Account Access

Participant Education

*Investments professionally managed by*



RELIANCE TRUST



# VIRGINIA BANKERS ASSOCIATION

SOLUTIONS THROUGH UNIFIED EFFORT

## INVESTMENT STRATEGIES & OPTIONS

Life is all about choices. Making investment decisions is no different. At the VBA Benefits Corporation we understand the concerns and fear that can be associated with making the right financial decisions that are so important to your future as well as to your family. That's why we have developed an exciting program that includes a broad array of unique and meaningful investment alternatives.

### OPTION I: *LifeStyles*<sup>SM</sup> Portfolios

*LifeStyles*<sup>SM</sup> portfolios are designed for those seeking professional supervision and management of their portfolio on an ongoing basis. With this option, the VBA investment manager will select the funds to be used in your portfolio as well as the amount allocated to each fund. Five *LifeStyles*<sup>SM</sup> portfolios are available to suit a wide range of investment needs. Over time the portfolios will be managed with the goal of achieving returns in excess of market benchmarks as the investment manager seeks to adjust your portfolio to take advantage of changes in the markets.

*For more details, see Option I on the adjacent pages.*

### OPTION II: Self-Directed

The self-directed option gives participants the opportunity to build their own portfolios rather than relying on the pre-structured portfolios provided in Option I. Participants have access to the "best of the best" mutual funds in each major asset class as chosen by the VBA's investment manager, Reliance Trust. The self-directed option allows each participant to pick just one fund or to use multiple funds and build a portfolio across asset classes in whatever percentages the participant may desire.

*For more details, see Option II on the adjacent pages.*

## MUTUAL FUND SCREENING & SELECTION

The VBA's investment manager, Reliance Trust, selects the mutual funds used in each of the two options. Unlike most 401(k) providers that are limited to just one fund company or a handful of fund companies, Reliance Trust includes virtually the entire universe of more than 10,000 mutual funds in its database. Reliance Trust assesses the performance of each fund used in our options quarterly, removes any underperformers and screens the universe of funds to find the "best of the best" for each asset class. That makes the VBA program unique. Using the "best of the best" of funds in a two-option format assures participants of the availability of a state-of-the-art program designed to meet each person's individual needs.

### *Taking the Guess Work out of Tough Investment Decisions*

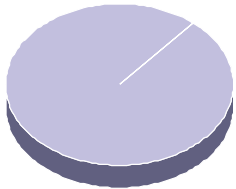
- Clearly, asset allocation is the cornerstone of the VBA investment program. Our approach provides the participant with five distinct methods of diversification.
- By diversifying assets in a portfolio that holds many mutual funds, investors receive the benefit of a one-stop, well diversified, professionally managed account.
- *LifeStyles*<sup>SM</sup> portfolios are managed by selecting only the top mutual funds in the country from a large database of more than 10,000 funds.
- Portfolios are continuously analyzed and review quarterly for any necessary asset mix or fund changes.
- The selection process is made easy for you when using our investor profile worksheet, a self-scoring worksheet to help understand the factors that may influence your investment needs.



## OPTION I: *LifeStyles*<sup>SM</sup> PORTFOLIOS

The object of the VBA's five portfolios is to exceed the returns of the broader markets. There is no guarantee that active management will routinely meet the objective, so participants need to weigh the upside potential of exceeding the market against the downside risk of underperformance.

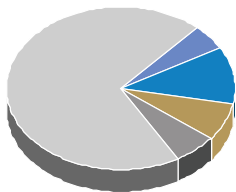
### STABLE VALUE



100% Fixed Income

- Investors with short-term goals
  - Those who want a higher yield than money market instruments offer, but who understand principal may fluctuate
  - Those who want to keep their investments liquid
- GOAL:** STABILITY OF PRINCIPAL

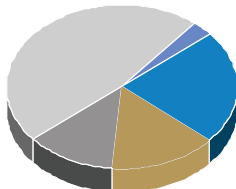
### INCOME WITH GROWTH



25% Equity/75% Fixed Income

- Investors with short to intermediate goals (2-5 years)
  - Those who are interested in protecting the money they invest
  - Those who want some growth potential as a hedge against inflation
- GOAL:** STABILITY & GROWTH

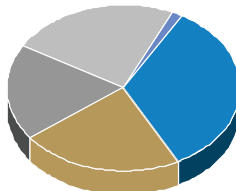
### MODERATE GROWTH



50% Equity/50% Fixed Income

- Investors with intermediate to long-term goals (5-10 years)
  - Those seeking more stability in "up" and "down" markets than stocks alone provide
  - Those seeking moderate current income
  - Investors who want to build their capital and protect the value of their portfolio against inflation while minimizing large swings in portfolio value
- GOAL:** GROWTH & INCOME

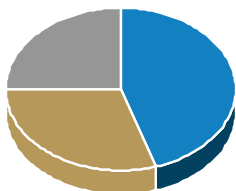
### WEALTH BUILDING



75% Equity/25% Fixed Income

- Investors with long-term goals (10+ years)
  - Those interested in beating inflation
  - Those less concerned with short-term market fluctuations
  - Investors seeking a diversified approach to wealth accumulation
- GOAL:** LONG-TERM GROWTH

### AGGRESSIVE APPRECIATION



100% Equity

- Investors with long-term goals (12+ years)
  - Investors with other investments providing adequate diversification
  - Those who can "ride out" shifts in portfolio values
  - Those who seek maximum growth of their assets
  - Those who seek the highest potential return from a long-term investment
- GOAL:** MAXIMUM GROWTH OF PRINCIPAL

#### Legend

- Stable Value
- Short/Inter Bonds
- TIPS
- Large Comp Stocks
- Small/Mid Comp Stocks
- International Stocks



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## OPTION II: SELF-DIRECTED ALTERNATIVES

Participants who choose to have total control of their investments typically prefer this option. Your elections should be based upon your interest in a specific asset class. Our investment manager, Reliance Trust, will choose from the universe of funds and select the "best of the best" for each asset class. While it is not our intent to change managers and funds on a frequent or routine basis, any of the funds representing each asset class (i.e., large cap growth, small cap value, etc.) may be replaced by our investment manager, Reliance Trust, should the fund's relative performance fail to meet program expectations over time, if style drift should become a recurring problem, if risk parameters are routinely exceeded, or if the manager or management team should be replaced or materially altered to the detriment of the fund.

### EQUITY FUND OPTIONS:

- **Large Cap Growth**
- **Mid Cap Growth**
- **Small Cap Growth**
- **Large Cap Value**
- **Mid Cap Value**
- **Small Cap Value**
- **International Stock**
- **Total Market Stock Index**
- **S&P 500 Index**
- **International Stock Index**
- **Emerging Market**
- **Real Estate**
- **Equity Income**
- **Commodities Fund**

### FIXED INCOME FUND OPTIONS:

- **Multi-Sector Bond**
- **TIPS**
- **Intermediate Bond**
- **Intermediate Bond Index**
- **High Yield**
- **Short Term Bond**
- **Stable Value Fund**

## VIRGINIA BANKERS ASSOCIATION

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