

Franklin Small Cap Value Securities C12

Benchmark

Russell 2000 Value TR USD

Overall Morningstar Rating™

★★★★

Out of 1147 Small Value VA subaccounts. A subaccount's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for more detail.

Morningstar Return

Above Average

Morningstar Risk

High

Investment Strategy from portfolio's prospectus

The investment seeks long-term total return.

The fund invests at least 80% of its net assets in investments of small-capitalization (small-cap) companies. It generally invests in equity securities that the fund's investment manager believes are undervalued and have the potential for capital appreciation. The fund invests primarily in common stocks. It may invest up to 25% of its total assets in foreign securities. The fund, from time to time, may have significant investments in particular sectors.

Category Description: Small Value

Small-value funds invest in small-caps with valuations and growth rates below other small-cap peers. They tend to invest in manufacturing, financial, and energy sectors.

Operations

Expense Ratio	0.92% of fund assets
Subaccount Incp Date	05-01-06
Underlying Portfolio Incp	01-06-99
Date	
Advisor	Franklin Advisory Services, LLC
Subadvisor	—

Portfolio Manager(s)

William J. Lippman. M.B.A., New York University. B.B.A., CUNY—City College.
Donald G. Taylor, CPA. B.S., University of Pennsylvania (Wharton), 1976.
Bruce C. Baughman, CPA. B.A., Stanford University, 1970. M.S., New York University, 1979.

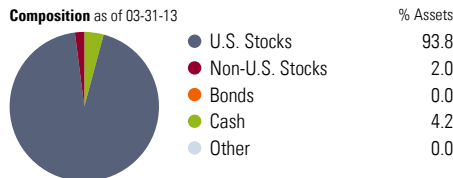
Morningstar Proprietary Statistics

	3-Year	5-Year	10-Year
Morningstar Rating	★★★★	★★★	★★★★
Out of # of Investments	1,147	898	226

Past Performance is no guarantee of future results.

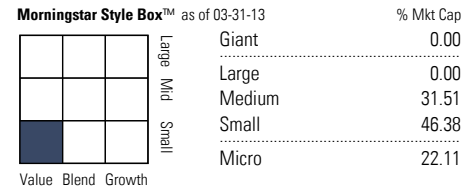
The ratings presented may reflect the waiver of all or a portion of the portfolio's fees. Without such a waiver, the ratings may have been lower.

Portfolio Analysis as of 03-31-13



Top 20 Holdings as of 03-31-13

	% Assets
Protective Life Corp	2.58
Trinity Industries, Inc.	2.36
Reliance Steel and Aluminum	2.11
Thor Industries, Inc.	2.05
Bristow Group, Inc.	1.97
Group 1 Automotive Inc	1.84
Carlisle Companies, Inc.	1.63
Granite Construction Inc.	1.62
RPM International Inc	1.62
Apogee Enterprises	1.53
Universal Forest Products Inc.	1.53
Tidewater, Inc.	1.51
Benchmark Electronics	1.49
Rowan Companies PLC	1.48
Lincoln Electric Holdings, Inc.	1.47
Atwood Oceanics, Inc.	1.45
Genesee & Wyoming, Inc. Class A	1.45
Men's Wearhouse	1.44
Oil States International, Inc.	1.42
La-Z-Boy, Inc.	1.40
Total Number of Stock Holdings	99
Total Number of Bond Holdings	0
Annual Turnover Ratio %	5.84
Total Fund Assets (\$mil)	1,436.27



Morningstar Sectors as of 03-31-13

	% Fund	S&P 500 %
Cyclical	47.04	31.18
Basic Materials	10.27	3.05
Consumer Cyclical	22.98	11.39
Financial Services	13.79	14.69
Real Estate	0.00	2.05
Sensitive	47.93	42.25
Communication Services	0.00	4.27
Energy	7.83	10.89
Industrials	34.72	10.81
Technology	5.38	16.28
Defensive	5.02	26.56
Consumer Defensive	0.00	10.74
Healthcare	4.32	12.38
Utilities	0.70	3.44

	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	14.78	1.04	1.03
P/B Ratio	1.37	0.67	1.04
GeoAvgCap (\$mil)	1,821.73	0.03	1.16

The portfolio's holdings are subject to change without notice. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell, or hold any particular security. When you invest in a variable annuity, you do not invest directly in the portfolios. You invest in sub-accounts of the variable annuity separate account of the issuing insurance company, that, in turn, invest in the portfolios you've selected. Your account is then credited with variable accumulation units in that sub-account.

Before purchasing a variable annuity, you should carefully consider its investment options' objectives, and the risks, charges, and expenses associated with the annuity and its investment options. For this and other information about the Schwab Select Annuity, call Charles Schwab & Co. at 1-800-838-0650 for a free prospectus (in New York State, 1-800-838-0649). Please read the prospectus carefully before you invest or send money.

Notices which may be applicable to certain portfolios: High-yield bond portfolios are subject to a greater risk of loss of principal and interest including risk of default than other bond portfolios. Portfolios that invest in foreign stocks may be exposed to additional risks including currency fluctuations, political instability, foreign taxes and foreign regulation, and the potential for illiquid markets. Historically, small-cap stocks have been more volatile than stocks of larger more established companies.

GWFS Equities, Inc., is the principal underwriter for the Schwab Select™ Annuity (Form J434), a flexible premium variable annuity issued by Great-West Life & Annuity Insurance Company. In New York, the Schwab Select™ Annuity (Form J434 NY) is issued by First Great-West Life & Annuity Insurance Company, White Plains, New York. GWFS Equities, Inc. is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of First Great-West Life & Annuity Insurance Company. Charles Schwab Co., Inc., is the selling broker/dealer and insurance agency. This contract is not available in all states. Great-West Life & Annuity Insurance Company is not licensed to do business in New York.

Because a variable annuity's value will fluctuate depending on the underlying investments, an investor's units, when redeemed, may be more or less than the original amount invested. Like all investments, variable annuities carry risks and may cause investors to lose money.

For each sub-account with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a sub-account's monthly performance (including the effects of any applicable sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. (Each share class is counted as a fraction of one sub-account within this scale and rated separately, which may cause slight variations in the distribution percentages.) The top 10% of the sub-accounts in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is a weighted average of the sub-accounts' three-, five-, and 10-year (if applicable) Morningstar rating metrics.