



KANSAS CITY LIFE

# Personal Risk Profile and Asset Allocation

*A Guide to Investing*



*Variable Product Series*

*Building your future with a secure partner<sup>SM</sup>*

*Kansas City Life Insurance Company*





## Investment basics

Taking personal responsibility for providing your own financial security can be a daunting task. It means planning for an income you won't outlive and providing cash for the extra things you want to do or buy after you retire.

The earlier you start, the easier it will be.

*This brochure is authorized for distribution only when preceded or accompanied by product and fund prospectuses. The prospectuses contain more complete information about the product, including charges, limitations, expenses and investment options. As an investor, you should consider the investment objectives, risks, charges and expenses of the investment company carefully before investing. Read the prospectuses carefully before investing money.*

*Additional prospectuses can be obtained from your registered representative or by calling our toll-free number, 800-616-3670.*

*Kansas City Life's Century II Variable Product Series is distributed by Sunset Financial Services Inc., Member FINRA/SIPC, a wholly owned subsidiary of Kansas City Life Insurance Company.*

- **Team up with a professional.** Find one you trust and be honest with him or her about your financial goals. Be realistic about your expectations.
- **Diversify.** Spread your money over a variety of investments. Some investments perform better than others at certain times, and with a diversified portfolio you have a better chance of weathering the ups and downs of the market. However, diversification cannot guarantee gains or protect against loss.
- **Get in and stay in.** The earlier you start, the less you will have to put away to meet your goals for retirement.

And history shows us that long-term investors have been rewarded for holding onto their investments through periods of market decline and volatility. Of course, past performance cannot guarantee future results.

## What is asset allocation?

Asset allocation is the process of choosing investment options that match your personal risk profile and investment goals.

Generally speaking, if you are younger, have a lot of assets or don't anticipate dipping into your nest egg for 10 years or more, you can afford to take more risk with your investments. But if you plan to use the money sooner rather than later, you need to protect your assets by allocating more of your savings to safer investments.

The questionnaire in this brochure will help you determine your personal investment profile. The allocation models will help you choose appropriate investments for your profile.

## Portfolio rebalancing

Rebalancing involves staying on track with your investments after you've developed your initial asset allocation.

Market fluctuations may change the initial mix of your investments. Rebalancing your portfolio, or adjusting the types of funds in which your money is invested, can ensure that your asset allocation stays as you intended instead of having too much of your money tied up in the same type of investment.

It's an easy way to keep your investment goals on track. Best of all, you may select it as an automatic feature on Kansas City Life Insurance Company's variable products.

## Asset allocation offered to Kansas City Life's clients

The way you divide your assets among different types of investments will have a large impact on your portfolio in the long term. Kansas City Life understands these challenges and has developed the questionnaire included in this brochure to help you determine your personal risk profile.

Your score on the questionnaire will suggest an asset allocation model portfolio to consider when making your allocation choices. Remember, though, the final choice is yours.

### Personal Risk Profile

For \_\_\_\_\_

Risk Tolerance Score \_\_\_\_\_

Check the box indicating the investor type and portfolio model that matches your Personal Risk Profile score

- Conservative – Portfolio 1
- Moderate-Conservative – Portfolio 2
- Moderate – Portfolio 3
- Moderate-Aggressive – Portfolio 4
- Aggressive – Portfolio 5

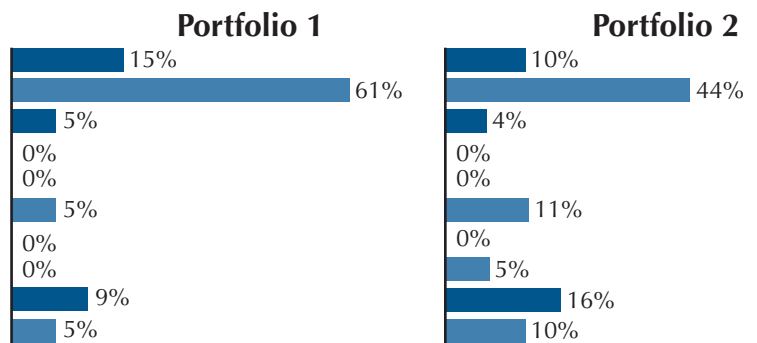
Based on your asset allocation model, your investment choices are:

Fund Name	Percentage Invested
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

# ASSET ALLOCATION PORTFOLIO MODELS

Creating your own portfolio can be a complicated and confusing process. The following investment models have been produced to help simplify the decision. If you know your risk tolerance, simply select a model and decide how much to invest. If you need help determining your risk tolerance, your registered representative can help you determine which model best suits your investment style by having you complete a brief questionnaire.

## Investor Profile



### Conservative

You have a lower tolerance for short-term market swings, a shorter investment time horizon, but desire some growth potential.

### Moderate-Conservative

You can accept a moderate level of risk, have a medium investment time horizon and seek a growth potential that can compete with inflation concerns.

## Asset Class Allocations

Cash Equivalents
Bonds
High Yield Bonds
Global Real Estate (REITS)
Emerging Markets
International Stocks
Small Cap Stocks
Mid Cap Stocks
Large Cap Value Stocks
Large Cap Growth Stocks

## Less Volatile

Asset Class	Portfolio 1	Portfolio 2
Cash Equivalents	15%	10%
Bonds	61%	44%
High Yield Bonds	5%	4%
Global Real Estate (REITS)	0%	0%
Emerging Markets	0%	0%
International Stocks	5%	11%
Small Cap Stocks	0%	0%
Mid Cap Stocks	0%	5%
Large Cap Value Stocks	9%	16%
Large Cap Growth Stocks	5%	10%

## Underlying Fund Allocations

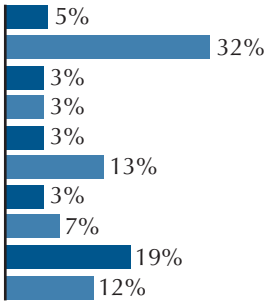
American Century VP Inflation Protection Fund – Class II
American Century VP International Fund – Class I
American Century VP Ultra® Fund – Class I
American Century VP Value Fund – Class I
Dreyfus Stock Index Fund Inc. – Initial Shares
Federated Prime Money Fund II
Fidelity VIP Contrafund® Portfolio – Service Class 2
Franklin Global Real Estate VIP Fund (Class 2)
JPMorgan Insurance Trust Mid Cap Value Portfolio – Class 1 Shares
JPMorgan Insurance Trust Small Cap Core Portfolio – Class 1 Shares
MFS® Total Return Bond Series – Initial Class Shares
MFS® Strategic Income Portfolio – Initial Class Shares
Columbia Variable Portfolio – Mid Cap Growth Fund (Class 2)
Templeton Developing Markets VIP Fund (Class 2)
Templeton Foreign VIP Fund (Class 2)

## Less Volatile

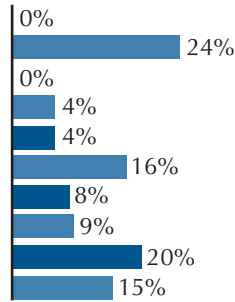
Fund	Portfolio 1	Portfolio 2
American Century VP Inflation Protection Fund – Class II	17%	13%
American Century VP International Fund – Class I	5%	7%
American Century VP Ultra® Fund – Class I	0%	0%
American Century VP Value Fund – Class I	9%	13%
Dreyfus Stock Index Fund Inc. – Initial Shares	3%	8%
Federated Prime Money Fund II	9%	6%
Fidelity VIP Contrafund® Portfolio – Service Class 2	3%	4%
Franklin Global Real Estate VIP Fund (Class 2)	0%	0%
JPMorgan Insurance Trust Mid Cap Value Portfolio – Class 1 Shares	0%	3%
JPMorgan Insurance Trust Small Cap Core Portfolio – Class 1 Shares	0%	0%
MFS® Total Return Bond Series – Initial Class Shares	33%	23%
MFS® Strategic Income Portfolio – Initial Class Shares	21%	14%
Columbia Variable Portfolio – Mid Cap Growth Fund (Class 2)	0%	4%
Templeton Developing Markets VIP Fund (Class 2)	0%	0%
Templeton Foreign VIP Fund (Class 2)	0%	5%

# Kansas City Life Century II Variable Product Line

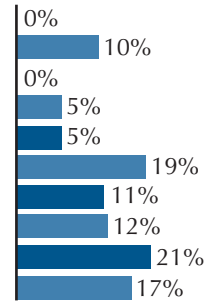
## Portfolio 3



## Portfolio 4



## Portfolio 5



### Moderate

You can accept a moderate level of risk, have a medium investment time horizon and seek the opportunity for long-term moderate growth.

### Moderate-Aggressive

You are willing to accept above average risk, have a longer investment time horizon and seek high growth potential.

### Aggressive

You are willing to accept higher risk and can tolerate market swings, have a long investment time horizon and seek high growth potential.

## More Volatile

5%	0%	0%
32%	24%	10%
3%	0%	0%
3%	4%	5%
3%	4%	5%
13%	16%	19%
3%	8%	11%
7%	9%	12%
19%	20%	21%
12%	15%	17%

## More Volatile

10%	7%	0%
8%	11%	11%
0%	3%	3%
13%	14%	14%
12%	12%	14%
3%	0%	0%
4%	4%	5%
3%	4%	5%
5%	7%	9%
3%	7%	10%
17%	14%	6%
8%	0%	0%
4%	6%	8%
3%	3%	3%
7%	8%	12%

**Kansas City Life's variable products offers a wide range of investment choices managed by some of today's top experts in money management.**

Category	Subaccount Name
<b>Technology</b>	Columbia Variable Portfolio – Seligman Global Technology Fund (Class 2) Invesco V.I. Technology Fund – Series I Shares
<b>Diversified Emerging Markets Foreign Large Growth Foreign Large Value Global Real Estate</b>	Templeton Developing Markets VIP Fund (Class 2) American Century VP International Fund – Class I Templeton Foreign VIP Fund (Class 2) Franklin Global Real Estate VIP Fund (Class 2)
<b>Aggressive Allocation</b>	Calamos Growth and Income Portfolio
<b>Utilities</b>	MFS® Utilities Series – Initial Class Shares
<b>Small Blend</b>	Columbia Variable Portfolio – Select Smaller-Cap Value Fund (Class 2) Dreyfus Opportunistic Small Cap Portfolio – Initial Shares JPMorgan Insurance Trust Small Cap Core Portfolio – Class 1 Shares
<b>Mid-Cap Value</b>	JPMorgan Insurance Trust Mid Cap Value Portfolio – Class 1 Shares
<b>Mid-Cap Growth</b>	American Century VP Capital Appreciation Fund – Class I Columbia Variable Portfolio – Mid Cap Growth Fund (Class 2) Franklin Small-Mid Cap Growth VIP Fund (Class 2)
<b>Large Blend</b>	Dreyfus Stock Index Fund Inc. – Initial Shares Dreyfus Appreciation Portfolio – Initial Shares Federated Managed Tail Risk Fund II – P Fidelity VIP Contrafund® Portfolio – Service Class 2 Invesco V.I. Core Equity Fund – Series I Shares JPMorgan Insurance Trust U.S. Equity Portfolio – Class 1 Shares MFS® Research Series – Initial Class Shares
<b>Large Value</b>	American Century VP Income & Growth Fund – Class I American Century VP Value Fund – Class I
<b>Large Growth</b>	American Century VP Ultra® Fund – Class I The Dreyfus Socially Responsible Growth Fund Inc. – Initial Shares Invesco V.I. American Franchise Fund – Series I Shares MFS® Growth Series – Initial Class Shares
<b>Moderate Allocation</b>	MFS® Total Return Series – Initial Class Shares
<b>High Yield Bond Inflation-Protected Bond Intermediate-Term Bond Multisector Bond</b>	Federated High Income Bond Fund II – P American Century VP Inflation Protection Fund – Class II MFS® Strategic Income Portfolio – Initial Class Shares MFS® Total Return Bond Series – Initial Class Shares
<b>Money Market</b>	Federated Prime Money Fund II
<b>Retirement Income</b>	Fidelity VIP Freedom Income Portfolio – Service Class 2
<b>Kansas City Life Fixed Account</b>	Please see product prospectuses for details.
<b>Target Date</b>	<i>All subaccounts are Service Class 2.</i> Fidelity VIP Freedom 2010 Portfolio Fidelity VIP Freedom 2020 Portfolio Fidelity VIP Freedom 2030 Portfolio Fidelity VIP Freedom 2040 Portfolio Fidelity VIP Freedom 2050 Portfolio Fidelity VIP Freedom 2015 Portfolio Fidelity VIP Freedom 2025 Portfolio Fidelity VIP Freedom 2035 Portfolio Fidelity VIP Freedom 2045 Portfolio Fidelity VIP Freedom 2050 Portfolio
<b>Asset Allocation/ Managed Volatility</b>	TOPS® Managed Risk Growth ETF Portfolio – Class 2 Shares TOPS® Managed Risk Moderate Growth ETF Portfolio – Class 2 Shares TOPS® Managed Risk Balanced ETF Portfolio – Class 2 Shares

# Personal Risk Profile

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Below is a list of questions to help determine your risk profile when relating to investments. Please answer the following questions and add points allotted for each answer. Match your scores to the Summary Scoring Grid to determine the type of investment portfolio your answers suggest you are most suited for.

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## Question 1

**What age group do you currently fall in?**

- Less than 45 5 points
- 45 – 55 4 points
- 56 – 65 3 points
- 66 – 75 2 points
- Older than 75 1 point

## Question 2

**How many years until you plan to access some or all of this investment?**

- Not for at least 20 years 5 points
- In 11 – 19 years 4 points
- In 6 – 10 years 3 points
- In 1 – 5 years 2 points
- Within 1 year 1 point

## Question 3

**For this investment, I intend to take:**

- Higher risk in return for potentially greater returns 5 points
- Moderate to higher risk in return for potentially greater returns 4 points
- Moderate risk in return for some growth opportunity 3 points
- Low risk in return for a little growth opportunity 2 points
- Slight to no risk in return for general stability of principal 1 point

## Question 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 slightly trail the stock market, but make a good profit 4 points
- To trail the stock market, but make a moderate profit 3 points
- To have some stability, but make modest profits 2 points
- To have a high degree of stability, but make small profits 1 point

## Questions 5

**Suppose the stock market performs unusually poorly over the next decade. What would you expect from this investment?**

- To also perform poorly 5 points
- To make very little or nothing 4 points
- To make a little gain 3 points
- To make a modest gain 2 points
- To make gains, regardless of the stock markets performance 1 point



### Question 6

**Which of these statements would best describe your attitude about the next three year performance of this investment?**

- I understand a loss of principal is a realistic possibility. 5 points
- I can tolerate a loss. 4 points
- I can tolerate a small loss. 3 points
- I'd have a hard time tolerating any losses. 2 points
- I need to at least see some return. 1 point

### Question 7

**Which of these statements would best describe your attitude about the next three month performance of this investment?**

- I wouldn't worry about market fluctuations in that time frame. 5 points
- If my investment declined greater than 20 percent I'd be concerned. 4 points
- If my investment declined greater than 10 percent I'd be concerned. 3 points
- I can only tolerate small short-term fluctuations in my investment. 2 points
- I'd have a hard time accepting any investment declines. 1 point

<b>Summary Scoring Grid</b>		
<b>Score</b>	<b>Model</b>	<b>Investment Profile</b>
28 or over	Aggressive	You are willing to accept higher risk and can tolerate market swings, have a long investment time horizon and see high growth potential.
21 – 27	Moderate-Aggressive	You are willing to accept above average risk, have a longer investment time horizon and seek high growth potential.
14 – 20	Moderate	You can accept a moderate level of risk, have a medium investment time horizon and seek the opportunity for long-term moderate growth.
8 – 13	Moderate-Conservative	You can accept a moderate level of risk, have a medium investment time horizon and seek a growth potential that can compete with inflation concerns.
0 – 7	Conservative	You have a lower tolerance for short-term market swings, a shorter investment time horizon, but desire some growth potential.

## **Kansas City Life Fixed Account**

Money in the Kansas City Life Fixed Account is part of Kansas City Life's General Account and is managed by our own investment professionals. Funds earn a current interest rate but never less than the guaranteed crediting rate stated in the policy contract. This guarantee is backed by the claims-paying ability of Kansas City Life.

## **Federated Prime Money Fund II**

The Federated Prime Money Fund II is a money market mutual fund that seeks to provide stability of principal and daily liquidity. An investment in this fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the fund seeks to preserve the net asset value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund.

Actual allocations may vary from target allocations. Asset allocation does not guarantee future results. Investment in an individual fund or funds in a single asset class may outperform or underperform an asset allocation fund. Bond investments will fluctuate with interest rate changes. As interest rates rise, bond prices will fall. High yield bonds have greater credit risk than higher quality bonds. Small-cap, mid-cap and emerging-growth company stocks may be riskier and more volatile than larger, more established company stocks. International investing is subject to currency fluctuations and political changes. The risks of international investments can be accentuated when investing in emerging markets. Real estate investments involve risks such as refinancing, interest rate fluctuations, economic impact on industry, changes in property values, dependency on management skills and risks similar to small company investing. Sector portfolios and concentrated portfolios with fewer securities may be subject to greater price volatility. Although some portfolios may have names or investment objectives that resemble retail mutual funds managed by the same money manager, these portfolios will not have the same underlying holdings or performance as the retail mutual funds. Investment results may be higher or lower.



## **We'll be with you ... We're Kansas City Life**

When Kansas City Life makes a promise, we stand behind it. Since 1895, we have assisted policyholders through world wars, the Great Depression and various periods of recession and inflation.

Kansas City Life's reputation is built on integrity, sound investment strategies and honest business practices. To us, integrity is not an outdated notion in today's fast-paced world. It is the guiding force behind every decision we make. Every product we sell is backed by more than 120 years of quality service and financial security.



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