

# OPPORTUNISTIC CORE FIXED INCOME

LM Capital is a Registered Investment Advisor founded in 1989 by Luis Maizel and John Chalker to provide fixed income investment management for the institutional investor. The firm is a 65% employee owned minority business, employed by public agencies, corporations and foundations nationwide. Currently, LM Capital manages four types of fixed income investment portfolios: **Short Term, Intermediate, Active Core and Opportunistic Core (Core Plus)**.

LM Capital utilizes a long-term, macroeconomic, fundamental investment analysis incorporating **Global Scenario Planning** to assemble a concentrated fixed income portfolio representing the most-attractive fixed income investment opportunities available.

Our philosophy is centered on the belief that money is a commodity whose price, or interest rate, is governed by the laws of supply and demand, and that global economic, political, and social factors significantly influence this equation.

LM Capital's Opportunistic Core (Core Plus) fixed income portfolios are comprised of Treasuries, agencies, investment-grade corporate issues and mortgage-backed securities. In addition, LM Capital opportunistically invests in the following three sectors: US dollar denominated emerging market debt (0 - 20%), US high yield (0 - 10%) and non-US dollar denominated bonds (0 - 10%), with the total allocation to plus sectors never exceeding 30%.

Since LM Capital only manages separate accounts, we determine the sector allocation and quality weightings in accordance with the client's investment policy.

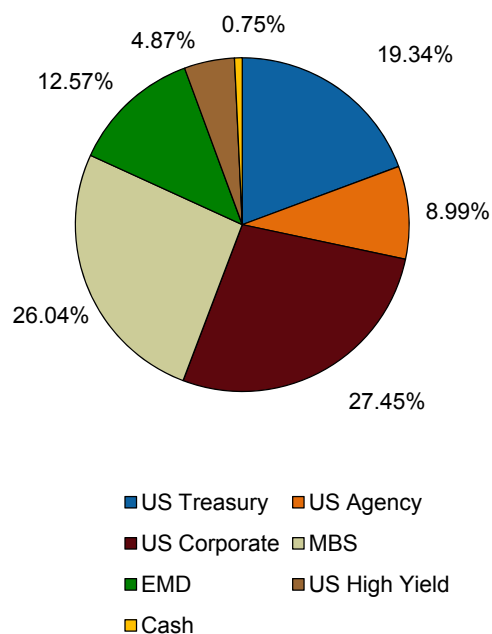
For more information on LM Capital Group's Opportunistic Core fixed income product, please contact:

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## Portfolio Characteristics\* (As of 6/30/2010)

|                     | <u>LM Capital</u> | <u>Benchmark</u> |
|---------------------|-------------------|------------------|
| Average Maturity:   | 5.99 years        | 6.47 years       |
| Effective Duration: | 4.45 years        | 4.30 years       |
| Yield to Maturity:  | 3.78%             | 2.84%            |
| Average Coupon:     | 5.29%             | 4.46%            |
| Average Quality:    | Aa3               | Aa1              |

## Portfolio Allocation\* (As of 6/30/2010)



\*Information presented above is based on a representative portfolio, and shown as supplemental information to the composite disclosure presentation on the following page.