

Montag & Caldwell Fixed Income Strategy

Montag & Caldwell utilizes a total return approach to fixed income portfolio management. Both sector weightings and weighted average duration targets are actively managed according to our outlook. Our objective is to provide an above market return while assuming less credit risk than the market.

Strategy Highlights

Montag & Caldwell employs an active, yet conservative, approach to the management of fixed income portfolios. Portfolios are constructed taking the benchmark index, which is typically the Barclays Capital Government Credit Index or the Barclays Capital Aggregate Index, and client guidelines into consideration.

Investment Process

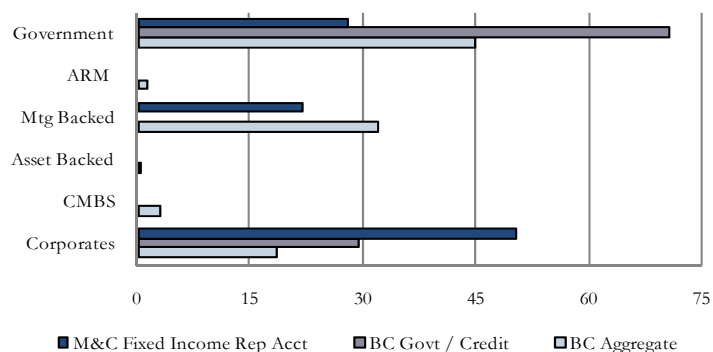
The Investment Policy Group determines the outlook for the economy and interest rates through an analysis of the business cycle. Fed policy, GDP growth, inflation rate expectations, the unemployment rate, exchange rates, industrial production and capacity utilization are factors influencing the duration decision. The weighted average duration is targeted to be long or short versus the benchmark index in accordance with the economic outlook of the IPG. Our duration decisions are implemented within a limit of +/- 20% of the benchmark index. The average duration of our clients' portfolios is adjusted as our outlook changes, which may be monthly or as infrequently as quarterly.

Investment Team

The Investment Policy Group (IPG), comprised of all portfolio managers and research analysts, is the catalyst in M&C's decision-making process. Portfolio policy and stock selection are reviewed at IPG meetings held at least twice weekly. Specific decisions regarding purchases and sales, as well as the percent of the portfolio any security is to represent, are based on consensus resulting from these meetings and are implemented across all accounts unless there are specific client restrictions.

Montag & Caldwell Fixed Income	
Benchmark	Barclays Capital Govt/Credit
Target Capacity	None
Average Number of Fixed Income Holdings	25-50
Vehicle Availability	Separate Account

Sector Weight (%)



Portfolio Characteristics

Fixed Income Characteristics	M&C Fixed Income Rep Port	Barclays Govt/Credit	Barclays Aggregate
Average YTM	2.33%	2.53%	2.70%
Average Coupon	4.26%	4.07%	4.47%
Average Maturity	5.04Yrs	7.63 Yrs	6.22 Yrs
Average Quality	AA1	AA1	AAA
Current Yield	3.97%	3.80%	4.18%
Effective Duration	3.93 Yrs	5.45 Yrs	4.38 Yrs

Distribution by Maturity	M&C Fixed Income Rep Port	Barclays Govt/Credit	Barclays Aggregate
0-1	5.87	0.00	0.00
1-3	24.20	32.50	32.60
3-5	39.49	20.70	29.90
5-7	19.04	13.40	16.00
7-10	6.61	16.30	10.60
10-15	0.00	2.80	1.80
15-20	0.00	3.10	2.00
20-25	0.00	2.50	1.60
25+	4.79	8.70	5.50

Top Ten (% of Total Weight)

U.S. Treasury Note 2.625% Due 4-30-16	4.3%	IBM Corporation 2.1% Due 5-06-13	4.1%
U.S. Treasury Note 1.375% Due 5-15-12	4.3%	FHLMC Gold G08332 4.5% Due 3-01-39	3.9%
Microsoft Corp. 2.95% Due 6-01-14	4.2%	US Bancorp 4.2% Due 5-15-14	3.9%
Medtronic Inc. 3.0% Due 3-15-15	4.2%	U.S. Treasury Note 4.5% Due 2-15-16	3.9%
Wells Fargo & Co 3.75% Due 10-01-14	4.1%	U S Treasury Note 4.0% Due 2-15-15	3.8%

Data as of June 30, 2010, Source: Vestek, National Consulting Firm, Advent/AXYS

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