1Q|2012

High Grade Core Fixed Income Government/Credit

DUFF & PHELPS INVESTMENT MANAGEMENT CO.

A VIRTUS INVESTMENT PARTNER

Investment Objective

To produce predictable and consistent excess returns versus the benchmark while minimizing risk by constructing a high quality portfolio with moderate interest rate risk consisting of investment grade U.S. fixed income securities.

Investment Philosophy & Process

We believe incremental value is best added through employing a top-down investment approach combined with both sector and security selection.

MACRO ANALYSIS
Determination of macroeconomic and interest rate outlook

INTEREST RATE STRATEGY
Duration posture and yield curve positioning

SECTOR STRATEGY
Optimum allocation among applicable sectors

SECURITY SELECTION
Detailed credit review and optionality analysis

PORTFOLIO CONSTRUCTION
Ongoing review to insure consistency with policy
Moderate turnover and minimum realized gains

Product Information

Performance vs. Barclays Capital Govt/Credit Bond index

	Composite Gross Return	Composite Net Return[1]	Barclays Capital Govt/Credit
Qtr.	0.5%	0.4%	0.1%
YTD	0.5	0.4	0.1
1 Year	9.0	8.7	8.5
3 Years	7.1	6.8	7.1
5 Years	6.9	6.6	6.3
10 Years	6.1	5.7	5.9

Periods ending 3/31/12. Time periods over one year are annualized. Past performance is not indicative of future results. Please see the Institutional Performance & Disclosure.

[1]*Net of maximum management fees.*

Contact Us

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Fixed Income Team

	Investment Experience
T. Brooks Beittel, CFA	33 Years
Daniel Petrisko, CFA	29 Years
Shalini Sharma, CFA, CPA	15 Years
Timothy Heaney, CFA	22 Years
Lisa Leonard	26 Years
John Catarius	3 Years
Akin Rojugbokan, CFA	11 Years

Fee Schedule

Assets up to the first $10 MM	0.35%
Next $20 MM	0.30%
Next $20 MM	0.25%
Assets over $50 MM	0.20%
Accounts over $200 MM subject to negotiation	

Sector Distribution vs Benchmark (%)*

	Composite	Barclays Capital Govt/Credit
U.S. Treasuries	45.8%	52.8%
U.S. Agencies	3.4	8.3
Corporates	23.3	30.6
Mortgage-Backed	6.5	0.0
CMBS	3.2	0.0
Tax-Exempt Municipals	6.6	0.0
Non-Corporates	9.3	8.3
Cash	1.9	0.0

Source: Bloomberg Finance L.P.

Portfolio Characteristics*

	Composite	Barclays Capital Govt/Credit
Effective Duration	5.64 yrs	5.86 yrs
Average Maturity	7.23 yrs	8.07 yrs
Average Quality	AA-	AA
Average Coupon	4.89%	3.49%
Yield to Maturity	2.20%	1.96%

Sources: CMS BondEdge and Bloomberg Finance L.P.

Risk/Return (10 Years)

R^2 vs Barclays Capital Govt/Credit	0.97
Barclays Capital Govt/Credit Standard Deviation	4.47
Composite Standard Deviation	4.20
Tracking Error vs Barclays Capital Covt/Credit	0.80

**Material is supplemental to the Institutional Performance & Disclosure. Holdings are subject to change.*

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Quality vs Benchmark (%)

	Composite	Barclays Capital Govt/Credit
AAA	3.2	3.7
AA	69.3	67.1
A	17.8	15.6
BBB	9.7	13.6

Maturity vs Benchmark (%)

	Composite	Barclays Capital Govt/Credit
Under 1 Year	5.0	0.0
1-5 Years	40.3	53.3
5-10 Years	35.0	28.2
Over 10 years	19.7	18.5

Duration vs Benchmark (%)

	Composite	Barclays Capital Govt/Credit
Under 1 Year	5.2	0.6
1-4 Years	34.5	43.9
4-8 Years	35.3	34.0
Over 8 years	25.0	21.5

Source: CMS BondEdge
Material is supplemental to the Institutional Performance & Disclosure. Holdings are subject to change.

Institutional Performance & Disclosure

Year-End (12/31)	Annual Composite Return Gross (%)	Annual Composite Return Net (%)	Annual Benchmark Return (%)	3-Year Annualized Standard Deviation Composite (%)	3-Year Annualized Standard Deviation Benchmark (%)	Number of Accounts	Asset-weighted Dispersion (%)	Composite Assets ($mm)	Firm Total Assets ($bn)
2011	9.06	8.68	8.74	3.27	3.42	4	0.05	338.5	8.6
2010	6.99	6.63	6.59	4.73	5.26	3	0.19	303.9	7.2
2009	5.26	4.89	4.52	4.62	5.14	3	0.03	289.2	6.5
2008	6.83	6.46	5.70	4.43	4.91	5	0.20	229.7	5.8
2007	7.68	7.31	7.24	3.01	3.11	6	0.16	249.0	7.3
2006	4.20	3.84	3.78	3.50	3.68	6	0.16	232.2	7.7
2005	2.54	2.18	2.38	4.99	4.98	2	0.02	162.8	6.1
2004	3.89	3.53	4.19	5.45	5.30	3	0.10	208.4	5.9
2003	4.24	3.84	4.67	5.42	5.20	3	0.01	188.4	5.2
2002	9.85	9.42	11.04	4.10	3.94	3	n.a.[1]	165.6	6.3

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2011. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

1. Organization – Duff & Phelps Investment Management Co. ("Duff & Phelps" or the "firm") is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.

2. Composite Description – The High Grade Core Fixed Income (Government/Credit) Composite includes fully discretionary accounts invested in investment grade fixed income securities. The investment strategy actively seeks attractive sector valuation opportunities, which, in addition to Benchmark sectors, include opportunities in the mortgage-backed, asset-backed, commercial mortgage-backed, taxable municipal and tax-exempt municipal bond sectors. Investments in these sectors are expected to range from 0-20%, 0-10%, 0-10%, 0%-20% and 0-15%, respectively, of the portfolio. These sectors are not included in the Benchmark, with the exception of minimal taxable municipal bond Benchmark exposure. Prior to December 31, 2010, the Composite was called the Qualified NDT Fixed Income (Government/Credit) Composite and was defined to include only taxable accounts. The Composite name and definition were changed to broaden the potential distribution of the strategy. The inception date of the Composite was January 1, 1996 and the Composite was created on January 1, 1996.

Accounts meeting Composite criteria are included in the Composite pursuant to the Composite's Grace Period Policy. Composite policy requires the temporary removal of any account incurring a single client initiated inflow or outflow of cash or securities exceeding 10% of beginning period assets (a "Significant Cash Flow") at the beginning of the period in which the Significant Cash Flow occurs, with the account re-entering the Composite pursuant to the Composite's Grace Period Policy.

The Composite's Grace Period Policy requires account inclusion following account inception or a Significant Cash Flow in the (1) second full month following the event when the event occurs on the 15th or prior of a given month; or, (2) third full month following the event when the event occurs after the 15th of a given month. Prior to December 2009, the Grace Period Policy required inclusion in the first full month following an event (with no division of the month) and a Significant Cash Flow was defined as 10% of a month's net total of client initiated flows vs. a singular flow. Prior to August 2009, additional criteria for determining Significant Cash Flows existed. Additional information regarding the treatment of Significant Cash flows is available upon request.

Carve-outs were included in this Composite and performance for the period of inclusion reflects total segment plus cash returns based on the strategic asset allocation method through 2008, a pro rata cash allocation based on beginning of period segment market values effective January 2009, and effective November 2009 each segment is managed with its own cash. The percentage of the Composite composed of the carve-outs was 28% in 2006, 29% in 2007 and 18% in 2008.

3. Benchmark – The Composite Benchmark is the Barclays Capital U.S. Government/Credit Bond Index, a market capitalization-weighted index comprised of investment grade fixed rate U.S. Treasuries, Government-Related issues (i.e. agency, sovereign, supranational and local authority debt) and Corporate securities with a maturity of one year or longer.

4. Calculations - Returns are total, time-weighted rates of return expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. Portfolios are valued on a trade date basis. Prior to 2005, monthly returns were calculated using the original Dietz method and effective 2005 monthly returns were calculated using the modified Dietz method to adjust for day-weighted external cash flows. Effective 2006 monthly performance is calculated by linking daily returns. The Composite return is an asset weighted average of the performance results of all the portfolios in the Composite based on beginning of month values. The annual dispersion is asset-weighted and measures the deviation of individual portfolio returns around the Composite returns for portfolios in the Composite for the entire year. The 3-year annualized ex-post standard deviation measures the variability of the Composite and the Benchmark returns over the preceding 36-month time period.

5. Performance and Fee Information - Investment performance returns are presented on both a gross of fee and net of fee basis. Gross composite returns are calculated net of trading costs, but do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. The firm's fee schedule for management of separate institutional fixed income accounts is: .35% on the first $10 million, .30% on the next $20 million, .25% on the next $20 million, .20% on assets over $50 million and, for accounts over $200 million, the fee is subject to negotiation. Returns realized by clients will be reduced by these costs. Actual investment advisory fees incurred by clients may vary. Initial minimum account size is $10 million. Net composite returns are calculated by subtracting our highest separate account investment management fee for the respective management style from gross composite results on a quarterly basis in arrears. Index returns do not reflect the deduction of any fees.

6. Additional Information – Duff & Phelps's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request.

Past performance is not indicative of future results.

[1]*Information is not statistically meaningful due to an insufficient number of accounts in the composite for the entire year.*