

## Investment Objective

To provide after-tax returns highly consistent with the benchmark, taking into consideration each client's objectives, investment guidelines and tax situation.

## Investment Philosophy & Process

We believe that diversified and controlled exposure to a variety of risks associated with the fixed income market provides the best opportunity to achieve above-market returns over the long term. Due to the inherent low turnover, this strategy is well suited to taxable accounts.

### 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 (<25%) and minimum realized gains

## PORTFOLIO MANAGERS

	Investment Experience
Daniel Petrisko, CFA	27 Years
Timothy Heaney, CFA	20 Years
Lisa Leonard	24 Years
Shalini Sharma, CFA, CPA	13 Years

## FEE SCHEDULE

Assets up to the first \$30 MM	0.35%
Next \$30 MM	0.30%
Next \$40 MM	0.25%
Next \$100 MM	0.20%
Above \$200 MM	0.15%

## SECTOR DISTRIBUTION VS BENCHMARK (%)\*

	Composite	Barclays Capital Aggregate
Treasuries	20.8%	27.6%
Agencies	5.6	9.0
Corporates	20.8	16.4
Taxable-Municipals	4.5	0.0
Mortgage-Backed	36.7	36.8
ABS	0.1	0.4
CMBS	6.6	3.2
Tax-Exempt Municipals	1.0	0.0
Yankees	0.0	6.6
Cash	3.9	0.0

## Product Information

### PERFORMANCE VS. BARCLAYS CAPITAL AGGREGATE INDEX

	Qualified NDT Fixed Income (Gross)	Qualified NDT Fixed Income (Net) <sup>1</sup>	Barclays Capital Aggregate
Quarter	-0.13%	-0.22%	0.20%
YTD	7.13	6.76	5.93
1 Year	7.13	6.76	5.93
3 Years	6.87	6.50	6.04
5 Years	5.50	5.14	4.97
10 Years	6.55	6.16	6.33

Periods ending 12/31/09. Time periods over one year are annualized. Past performance is no guarantee of future results. Please see the Institutional Performance & Disclosure on the next page for composite and index information..

<sup>1</sup>Net of maximum management fees.

### INSTITUTIONAL SALES AND CONSULTANT RELATIONS

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### PORTFOLIO CHARACTERISTICS\*

	Composite	Barclays Capital Aggregate
Average Duration	4.4 yrs	4.6 yrs
Average Maturity	6.3 yrs	6.8 yrs
Average Quality	AA+	AA+
Average Coupon	5.1%	4.7%
Yield to Maturity	3.6%	3.7%

### RISK/RETURN (10 YEARS)

R <sup>2</sup> vs Barclays Capital Aggregate	0.97
Barclays Capital Aggregate Standard Deviation	3.58
Composite Standard Deviation	3.44
Tracking Error vs Barclays Capital Aggregate	0.64

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

## Qualified NDT Fixed Income

## QUALITY VS BENCHMARK (%)\*

	Composite	Barclays Capital Aggregate
AAA	76.6	77.5
AA	5.9	4.1
A	12.5	9.9
BBB	5.0	8.5

## MATURITY VS BENCHMARK (%)\*

	Composite	Barclays Capital Aggregate
Under 1 Year	6.5	0.0
1-5 Years	50.7	54.1
5-10 Years	31.9	35.7
Over 10 years	10.9	10.2

## DURATION VS BENCHMARK (%)\*

	Composite	Barclays Capital Aggregate
Under 1 Year	7.3	2.3
1-4 Years	52.3	51.6
4-8 Years	29.1	34.7
Over 8 years	11.3	11.4

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

## Institutional Performance &amp; Disclosure

Year-End (12/31)	Annual Return Gross (%)	Annual Return Net (%)	Benchmark Returns (%)	Number of Accounts	Composite Assets (\$MM)	DPIM Total Assets (\$BN)	Percent of Firm Assets	Dispersion (%)
2009	7.13	6.76	5.93	8	190.7	6.5	3.0	N/A <sup>1</sup>
2008	6.18	5.82	5.24	10	222.6	5.8	3.8	0.17
2007	7.30	6.93	6.96	11	280.6	7.3	3.8	0.07
2006	4.59	4.23	4.33	8	239.1	7.7	3.1	0.06
2005	2.38	2.03	2.43	7	160.3	6.1	2.6	0.02
2004	3.94	3.58	4.34	8	195.3	5.9	3.3	0.07
2003	4.11	3.71	4.10	8	185.5	5.2	3.6	0.25
2002	10.57	10.14	10.24	8	211.9	6.3	3.4	0.21
2001	7.84	7.41	8.44	6	212.1	7.0	3.0	0.17
2000	11.81	11.37	11.63	9	514.5	8.0	6.4	0.09

**Explanation of Performance Data**— Duff & Phelps Investment Management Co. (DPIM) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). DPIM has been verified by Ashland Partners & Company LLP. A copy of the verification report is available upon request. The performance results displayed herein represent the investment performance for the Qualified NDT Fixed Income Composite of institutional accounts managed by DPIM. DPIM is a wholly owned subsidiary of Virtus Investment Partners and is a registered investment adviser. Additional information regarding policies for calculating and reporting returns and a complete listing and description of all composites are available upon request. Past performance is not indicative of future results.

Investment performance returns are presented on both a gross of fee and net of fee basis. Gross composite results are net of trading costs, but do not reflect deductions for investment advisory fees, custodial charges, or other costs that a client might incur in connection with the management of an account. Fees are calculated quarterly, which produces a compounding effect on the total rate of return net of management fees. DPIM's fee schedule for management of separate institutional fixed income accounts is: .35% on the first \$30 million, .30% on the next \$30 million, .25% on the next \$40 million, .20% on the next \$100 million and .15% on assets over \$200 million. 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, as stated in our Form ADV for the respective management style, from gross composite results on a quarterly basis in arrears.

**Selection Criteria**—Returns are based on all fully discretionary, fee-paying accounts under management. Accounts that meet Composite criteria are included in the Composite pursuant to the Composite's Grace Period Policy. Terminated accounts remain in a composite through the last full month under management. 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.

**Qualified NDT Fixed Income Composite**—The Qualified NDT Fixed Income Composite was created January 1, 1991 and includes fully discretionary, fee-paying taxable accounts with similar tax rates and investment restrictions invested in fixed income securities. The Composite's benchmark is the Barclays Capital U.S. Aggregate Bond Index, a market capitalization-weighted index representative of the U.S. investment-grade, fixed-rate, taxable bond market. It includes Treasury, Government-Related, Mortgage-Backed, Asset-Backed, Commercial Mortgage-Backed, and Corporate securities with a maturity of one year or longer with an outstanding par value restriction. Interest and principal payments earned by the returns universe are held in the index without a reinvestment return until month-end when removed from the index. Indices are gross of fees and are not available for direct investment. The Qualified NDT Fixed Income investment strategy seeks attractive sector valuation opportunities, including opportunities in the taxable and tax-exempt municipal bond sectors. Investments in these sectors, which are not included in the benchmark, may range from 0% to 20% and 0% to 15%, respectively, of a portfolio at any given point in time. 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 and a pro rata cash allocation based on and beginning of period segment market values effective January 2009 through October 2009. The percentage of the Composite composed of the carve-outs was 30% in 2006, 36% in 2007 and 47% in 2008. Effective November 2009, each segment is managed with its own cash.

**Calculation Methodology**— 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. Returns are total, time-weighted rates of return expressed in U.S. dollars and include the reinvestment of interest income and other earnings. Portfolios are valued on a trade date basis. Returns were calculated using the original Dietz method on a quarterly basis from 1997 and on a monthly basis beginning in 2001. Effective 2005, performance was calculated using the modified Dietz method to adjust for day-weighted external cash flows and effective 2009 performance is calculated by linking daily returns. Quarterly and annual composite-level returns are calculated by geometrically linking monthly and quarterly returns, respectively. The annual composite dispersion presented is an asset-weighted standard deviation of the annual performance of accounts in the Composite for the entire year.

<sup>1</sup>Information is not statistically meaningful due to an insufficient number of accounts in the composite for the entire year due to various clients' cash flow requirements and tax restrictions.