

Firm & Investment Process Overview

Cincinnati Asset Management (CAM) was established in 1989 to build and manage high performance fixed income portfolios for individuals and institutions. Our conservative and disciplined approach stresses preservation of capital, diversification and high investment income.

CAM follows a conservative “bottom-up value” investment discipline that stresses downside protection in seeking out companies that are currently out of favor with investors, but poised to improve. The primary focus is preservation of capital with a secondary, but extremely important, emphasis on total return. Our portfolios are not managed to a benchmark from a portfolio construction perspective, but do look to outperform respective benchmarks over a full market cycle with less volatility. We do not utilize interest rate anticipation nor top-down sector rotation tactics. We look to minimize the impact of macro-economic factors, such as interest rate risk, from the investment process by employing defensive maturity structure within the portfolio.

Strategy Overview

A Bottom-up Approach identifies investment opportunities that represent the most attractive value, with strong prospects for consistent income and growth.

We look to minimize the overall volatility of the portfolio by focusing on the upper tier of the high yield credit curve (BB-B) as well as the conservative portion of a firm’s capital structure (Senior-Subordinate Debentures).

A primary emphasis on established companies and industries leads us to avoid sectors that have precarious operating profiles.

Liquidity and Safety are Enhanced by investing only in bonds with an initial issue size generally in excess of \$100,000,000.

A strict sell discipline is employed. Issues and issuers are analyzed regularly to ensure that gains are captured, relative value is optimized, and capital is preserved.

The portfolio is **diversified** across more than 30 issues and generally limited to a maximum of 15% per industry sector.

Historical **low turnover** of the portfolio, on average 35% per year, helps to reduce transaction costs.

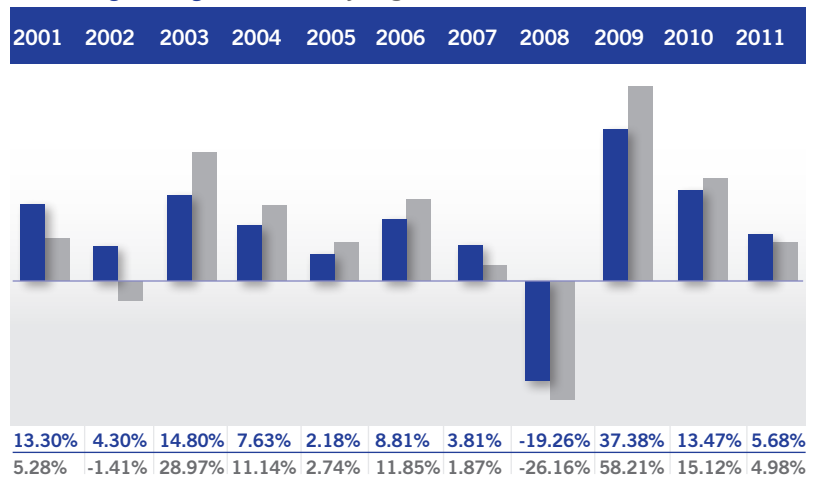
Annual Compound Returns for the Period Ended 12/31/2011

	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
CAM Gross	5.68%	5.68%	18.10%	6.67%	7.06%	8.03%
CAM Net of Fees	5.25%	5.25%	17.60%	6.21%	6.57%	7.47%
Barclays High Yield Index	4.98%	4.98%	24.11%	7.53%	8.85%	8.47%

*Inception 4/1/89

Calendar Year Returns (Gross)

■ CAM High Yield (gross) ■ Barclays High Yield



Portfolio Risk Statistics for Period Ended 12/31/2011

	3 Yrs.	5 Yrs.	10 Yrs.
Standard Deviation <i>CAM HY</i>	10.09%	11.83%	8.95%
Standard Deviation of Barclays High Yield Index	13.90%	16.16%	12.59%
Sharpe Ratio <i>CAM HY</i>	1.78	0.42	0.55
Sharpe Ratio of Barclays High Yield Index	1.73	0.36	0.54

Cincinnati Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and such compliance has been verified for the period January 1, 2006 through December 31, 2010 by Ashland Partners & Company LLP and for prior periods through December 31, 2005 by previous independent verifiers. In addition a performance examination was conducted on the High Yield, Investment Grade and Short Duration composites for the period January 1, 2006 through December 31, 2010 by Ashland Partners & Company LLP and for prior periods by previous independent verifiers. Copies of the verification reports are available upon request.

Returns are calculated monthly in U.S. dollars and include reinvestment of dividends and interest.

The Advisors High Yield, Investment Grade and Short Duration investment performance data conforms to the following standards from April 1, 1989, January 1, 1993 and June 1, 2004, respectively:

- The High Yield, Investment Grade and Short Duration composites consist of all discretionary portfolios in each respective style under management, including all securities and cash held in the portfolios, appropriately weighted for the size of the portfolios. All portfolios are included after three months under management or upon reaching 65% invested by CAM, whichever occurs first.
- Returns are calculated monthly and include reinvestment of dividends and interest.
- Gross of fees performance results include all transaction costs and exclude management fees.

The indices shown for comparative purposes are based on or derived from information generally available to the public from sources believed to be reliable. No representation is made to their accuracy or completeness.

For a fully compliant presentation and/or a list and description of all firm composites, please contact 513-554-8500.

Past performance should not be taken as an indication of future results. High yield bonds may not be suitable investments for all individuals.

Portfolio Statistics as of 12/31/2011

Average Maturity	8.20 yrs.
Duration	5.40
Coupon	8.08%
Yield to Maturity	7.21%
Current Yield	7.75%
Target Diversification	33 issues
Average Credit Rating	B1/BB-

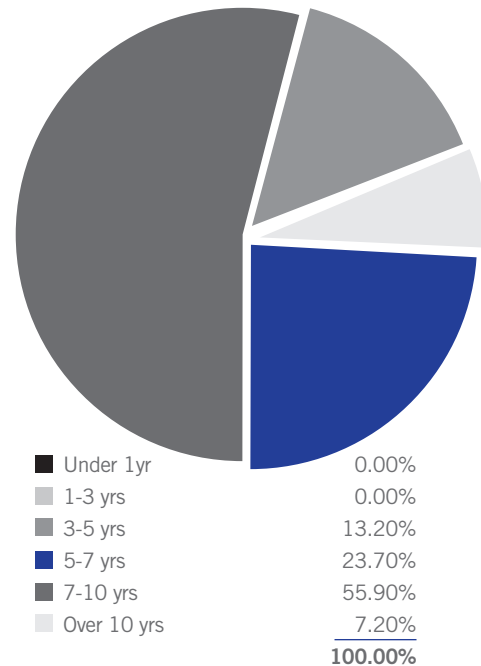
Credit Quality Distribution

AAA	0.00%
AA	0.00%
A	0.00%
BAA	2.40%
BA	28.40%
B	63.80%
CAA	5.40%
CA	0.00%
<C	0.00%
	<u>100.00%</u>

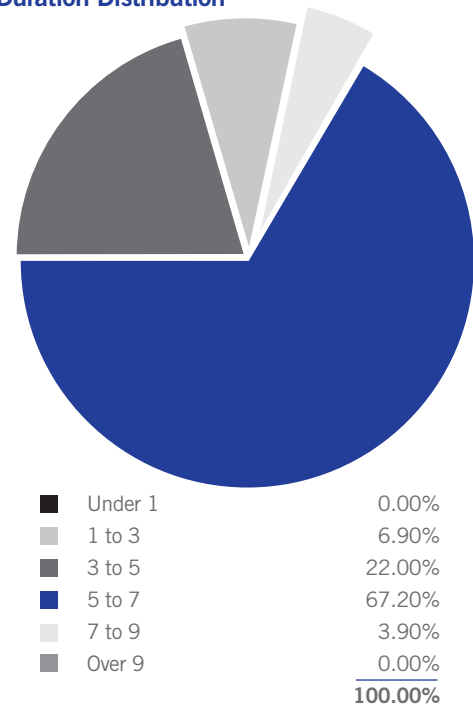
Industry Distribution

Healthcare	11.67%
Utility Electric	7.23%
Distributors Energy	5.34%
Food & Beverage	5.33%
Media Cable	5.16%
Airlines	5.06%
Metals & Mining	5.00%
Transportation	4.94%
Aerospace Defense	4.88%
Independent Oil & Gas	4.82%
Other Industries (14)	40.57%
	<u>100.00%</u>

Maturity Distribution



Duration Distribution



Cincinnati Asset Management, Inc.
 4350 Glendale-Milford Road
 Suite 160
 Cincinnati, OH 45242

Phone 513 554 8500
 Fax 513 554 8509

www.cambonds.com