

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.

Portfolios are fully invested with an average maturity in the intermediate range (5 – 10 years). We avoid interest rate anticipation or market timing. The intermediate portion of the yield curve historically has offered investors a favorable risk/reward opportunity.

An investment grade (A3/A minimum) average credit rating is the constant target. BBB/Ba bonds are purchased (to a maximum of 30%) to enhance cash flow, reduce interest rate sensitivity and provide greater potential capital appreciation.

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 20 issues and generally limited to a maximum of 15% per industry sector.

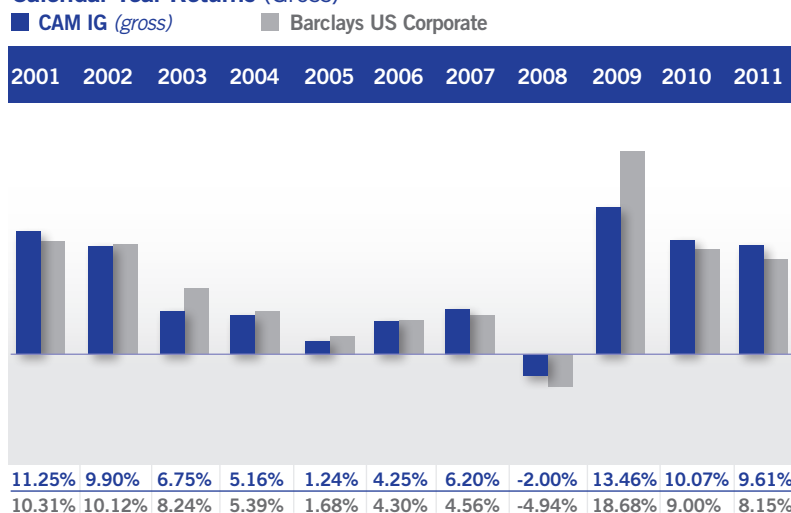
A historical **low turnover** of the portfolio, on average 25% per year, helps to reduce transaction costs.

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

	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
CAM Gross	9.61%	9.61%	11.03%	7.33%	6.37%	7.92%
CAM Net of Fees	9.32%	9.32%	10.75%	7.07%	6.12%	7.67%
Barclays US Corporate Index	8.15%	8.15%	11.84%	6.82%	6.36%	7.71%

*Inception 1/1/93

Calendar Year Returns (Gross)



Portfolio Risk Statistics for Periods Ended 12/31/2011

	3 Yrs.	5 Yrs.	10 Yrs.
Standard Deviation CAM IG	5.63%	6.58%	5.74%
Standard Deviation Barclays Corporate Index	6.82%	7.32%	6.12%
Sharpe Ratio CAM IG	1.93	0.84	0.74
Sharpe Ratio Barclays Corporate Index	1.72	0.69	0.69

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:

- a) 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.
- b) Returns are calculated monthly and include reinvestment of dividends and interest.
- c) 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	7.60 yrs.
Duration	6.20
Coupon	5.21%
Yield to Maturity	3.53%
Current Yield	4.74%
Target Diversification	20 issues
Average Credit Rating	A3/A-

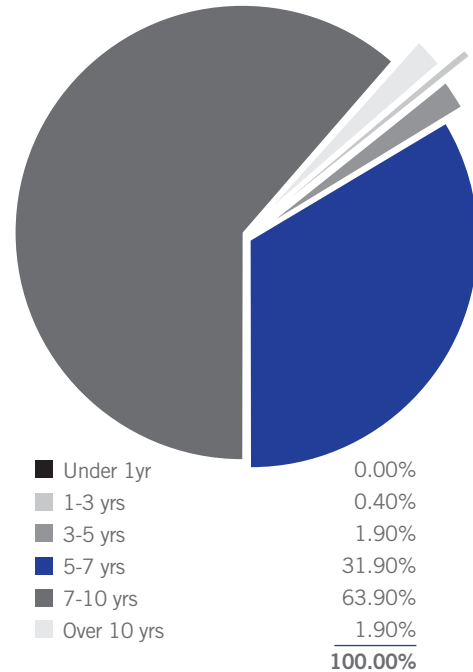
Credit Quality Distribution

AAA	0.00%
AA	15.00%
A	55.90%
BAA	24.90%
BA	3.30%
B	0.20%
CAA	0.00%
CA	0.00%
<C	0.70%
	<u>100.00%</u>

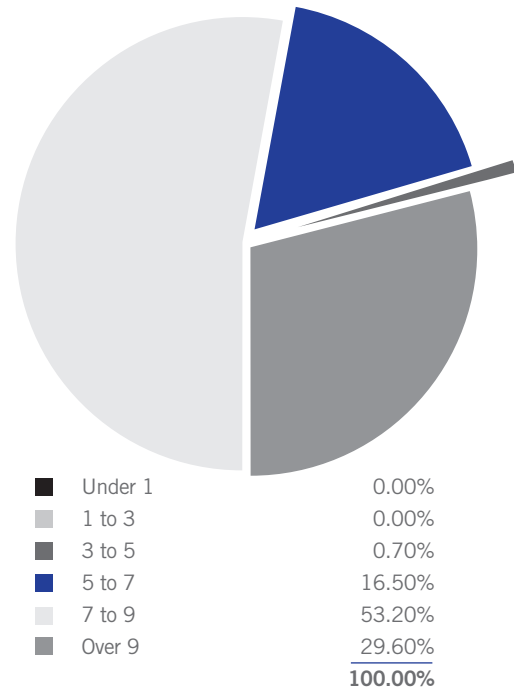
Industry Distribution

Banking	13.87%
Wirelines	7.28%
Aerospace Defense	6.74%
Independent Oil & Gas	5.33%
Healthcare	5.28%
Airlines	5.11%
Utility Electric	3.97%
Food & Beverage	3.86%
Non-Captive Finance	3.51%
Oil Field Services	3.41%
Other Industries (19)	41.64%
	<u>100.00%</u>

Maturity Distribution



Duration Distribution



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