GIA PARTNERS

*2nd Quarter 2008*

**Highlights**

- **Early in Q2 the markets were relieved that nightmare scenarios were avoided. By the end of the quarter fears of distress among financial institutions returned;**
- **The credit crunch has had important repercussions on markets, including the obscuring of price discovery;**
- **The economy will likely see zero to slightly positive growth for the remainder of the year. There should be enough foreign stimulus to avert a recession.**

**Markets**

| | Average Quality | Returns (%) | |
|---|---|---|---|
| | | Q2-08 | 12 Months |
| **Global High Yield Composite** | **(BB)** | **1.47** | **-7.17** |
| **Global I/G Composite** | **(A-)** | **-0.19** | **3.98** |
| ***Core Bond Rep Account** | **(AA-)** | **-1.09** | **7.17** |
| ***Core Plus Rep Account** | **(A)** | **-0.02** | **3.23** |
| *Returns are net of fees.* | | | |
| *Bonds* | | | |
| Lehman Aggregate Index | (AA+) | -1.02 | 7.12 |
| Government | (AAA) | -1.91 | 9.68 |
| Credit | (A+) | -0.90 | 3.81 |
| Mortgage | (AAA) | -0.64 | 7.92 |
| Merrill U.S. Corporates | (A) | -0.86 | 3.80 |
| Merrill High Yield | (B+) | 1.80 | -2.03 |
| Emerging Markets Debt | (BB+) | -1.10 | 5.16 |
| Non-U.S. Governments | (AAA) | -4.72 | 18.72 |
| *Equities* | | | |
| S&P 500 | NA | -3.23 | -14.86 |
| Nasdaq Composite | NA | 0.61 | -11.92 |
| Russell 2000 | NA | 0.25 | -17.28 |
| MSCI EAFE | NA | -3.50 | -13.04 |
| Europe | NA | -5.77 | -14.01 |
| Japan | NA | 2.37 | -13.46 |
| Emerging Markets Equity | NA | -1.58 | 2.59 |

**Portfolios**

After recovering strongly in April and May, the credit markets, stocks, and other risky assets fell precipitously in June as worries about a global economic slow down increased. Oil continued its steep assent further stoking inflation fears. In June the Federal Reserve held rates steady while the European central bank raised them on July 3. Financial institutions again took center stage with the downgrades of MBIA and AMBAC by the rating agencies (both companies lost their AAA ratings). Remarkably, despite much fear in the markets, U.S. treasuries did not have a strong quarter because inflation expectations kept longer-term rates from declining. Credit spreads improved significantly in April and May, but widened again, although not to a record, in June.

Our *Global High Yield Composite* underperformed the Merrill High Yield Index by 33 basis points in the quarter, and was below the index by 514 b.p. over the last 12 months. About 30% of our global high yield composite was invested in corporate bonds of emerging market countries. With liquidity disappearing, emerging market corporate bonds suffered significant price mark-downs and widening bid-offer spreads. During the quarter we increased our exposure to investment grade credit, primarily through financials. These positions did not benefit performance, as the market's concerns focused on financial institutions. For the last 12 months, our performance was negatively affected by a lower-than-index allocation to BB rated securities and the poor performance of our emerging market corporate exposure.

Our *Global Investment Grade Composite* consists exclusively of investment grade rated corporate or credit related securities. Our IG Composite outperformed the Merrill Lynch U.S. Corporates and all Yankees Index (CY00) by 67 b.p. in the quarter. During the quarter the portfolio benefited from exposure to investment grade rated issuers of emerging markets countries and a lower-than-index exposure to financial institutions. Over the past 12 months the Composite outperformed the index by 18 basis points. The primary source of outperformance was the portfolio's lower-than-index exposure to financial institutions. The level of outperformance over the last 12 months was tempered during the first quarter of 2008, due to our early purchase of some bank capital notes and mark-downs on certain less actively traded securities.

Our *Core Bond Representative Account,* an investment grade only portfolio, underperformed the Lehman Aggregate Index by 7 basis points, but was ahead by 5b.p. over the last 12 months. During 2008 we increased our allocation to credit to take advantage of spreads that reached record wides in March. In particular, we supported the capital raising efforts of some of the large banks. These purchases were early, but did generate outperformance during the quarter. For the prior year the outperformance came from the timely move out of credit into treasuries last summer, and the slightly longer-than-index duration with concentration in the intermediate sector of the yield curve.

Our *Core Plus Representative Account* can hold up to 30% in securities rated below investment grade. This representative account outperformed the Lehman Aggregate Index by 100 basis points in the quarter, but underperformed by 389 b.p. over the last twelve months.. During the quarter we increased the portfolio's overall credit exposure, predominantly by increasing our investment grade holdings. Exposure to high yield and emerging markets averaged about 20%.. For the quarter credit markets performed better than treasuries and helped generate the outperformance. Over the last twelve months, however, the portfolio's exposure to high yield and emerging market corporate bonds, in particular, caused the underperformance

**Markets – Credit CRUNCH**

On June 30, 2007 the spread of the Merrill Lynch US High Yield Master Cash Pay Index was 287 basis points about 47 b.p. from the narrowest level in the last 5 years. Today the spread is 740 b.p. The Lehman US Credit index traded at a spread of 89 a year ago, today 238 b.p.. The S&P 500 Index stood at 1503.35, now 1280.00, oil was $71.31 a barrel, now $140, and the dollar was 1.35 versus the Euro (158 today). Noises had begun on early defaults in the residential sub-prime mortgage market, but many of us believed those problems would be contained in a narrow segment of the credit market. One year later a huge array of dominoes has fallen with very serious consequences. By the fourth quarter of 2007 the Federal Reserve began to worry about the solvency of the financial system, leading to aggressive injections of liquidity and rate cuts. The first stage of the crisis culminated on March 17, 2008 with the disappearance of a major broker/dealer, Bear Stearns.

'What a difference a year makes'. Like a river forced to change course after an earthquake, the financial system is having to restructure the way it functions. For years innovations like securitization, credit derivatives, structured investments, and leverage brought efficiency and lower cost of credit. Financial engineering which sought to transfer risk to those most able to take it, brought tremendous efficiency to capital markets. But, like many good things, the market went too far. Ultimately, investors lost sight of important risks, which the markets stopped compensating properly

Why has a higher than expected default rate in sub-prime mortgage loans had such a debilitating impact on the world's financial system and triggered a global economic downturn? After all, we have had crises in emerging markets and high yield without such vast consequences. Clearly, the contagion-control mechanisms did not work in the current crisis and the breakdown will likely bring important changes to the fixed income markets.

Every financial institution operates voluntary or regulator-mandated risk control systems intended to ensure diversification. Banks are required to allocate capital in accordance with the risk of their exposures. When emerging markets imploded in 1994 and again in 1998 the fallout was contained among emerging markets investors, some large banks, and selected nations. Yields in emerging markets debt blew out, but the crisis did not spread to other credit markets. In the sub-prime crisis the key difference is that the world's largest banks retained massive exposures to portions of mortgages and other structured vehicles because, with high credit ratings, they were deemed to have negligible risk. In many cases exposures were off balance sheet, thereby having zero capital cost. Banks did not anticipate the joint possibility that structures might deteriorate enough to threaten their "safety" and that these positions might need to be marked down in price by many times the capital set aside to support them.

The depletion of bank capital has had huge implications for fixed income markets. Fixed income markets are over-the-counter. Every participant relies on a counter-party with whom he/she deals directly. Critical premises of these markets are that counter-parties will be available, prices will be identifiable through active market-making, and that buyers will have the capital to support their transactions. For years the large broker/dealers, mostly banks, became the "arbiters of price" in the markets. By intermediating between buyers and sellers with their capital these institutions helped determine the price for most securities in the bond market. With shortages of capital and reductions in leverage, these institutions can no longer play this role causing tremendous disruptions and a reduction of liquidity. The recent disruption in the auction rate municipal bond market is an example of a breakdown caused by the withdrawal of the intermediaries Through June 30, 2008 financial

institutions globally had taken $402 billion in write downs and raised $321billion in capital. Despite this capital replenishment, little can be devoted to market-making, thereby stranding many segments of the vast fixed income markets.

During the past 12 months we have witnessed some extraordinary price movements and pricing anomalies attributable to a marketplace that is not functioning efficiently. The high yield sector has become more illiquid and it is not uncommon to witness 10 to 20 point price movements on securities of issuers that have little news. The process of matching buyers with sellers is changing. These disruptions provide tremendous opportunity as well as frustration, given the difficulty investors have in identifying reasonable execution prices. This is a time when providers of liquidity can be handsomely compensated.

We believe in time the intermediaries will restore their capital and return to help improve the functioning of markets. However, two changes will affect the markets for many years. The cost and availability of credit will take many years to be what it was over the last few years and broker/dealers' balance sheet capacity will be forever more restricted. These changes imply that fixed income investors will be better compensated, but will continue to face challenges in proper price discovery.

**Economic**

The dramatic slowdown in U.S. economic activity initiated by the credit crunch and exacerbated by the high cost of fuel and food continued to gain momentum in the second quarter. Although industrial production data and non-financial earnings have exceeded expectations, sentiment is terrible. Economists surveyed by The Wall Street Journal downgraded their forecasts for the fourth quarter of 2008 from 2.0% in the March survey to 1.2% now. At the same time, both domestic and foreign equity markets are discounting sluggish future earnings. Even emerging economies that offered hope earlier in the year, have begun to soften providing less support for our economy.

The Federal Reserve did not change rates at its June meeting because of the pressure on prices from energy and food. The aggressive rate cuts between the fourth quarter of 2007 and first of 2008 (2.5%) had a devastating impact on the dollar and are blamed for the jump in oil and commodity prices. Housing prices declined again in March and April according to the S&P/Case-Shiller Home Price Index. That index is down nearly 20% from its high and likely has another 10% to go before beginning to stabilize. The good news here is that prices have been declining for nearly 24 months and will soon become compellingly affordable. Home sales dropped to levels not seen since 1999, but appear to have stabilized at this lower level and new construction is not contributing to supply.

Despite the lack of encouraging news on the economy, there appears to be enough data points to suggest that we do not face a lengthy nor deep recession. During Q2 and Q3 the fiscal stimulus package is providing a temporary boost. Banks walloped by the problems in the mortgage market have largely recognized their losses and raised new capital to support future business. The housing debacle should be coming to an end, and the weak dollar has helped U.S. exporters. With most U.S. corporations in good financial condition, it is not unreasonable to expect employment to hold up reasonably well. We believe that these elements are probably enough to keep the economy from dipping into a deep recession, although they certainly will not restore a healthy growth rate before 2009.

## Scenarios

We propose 3 scenarios for economic activity over the next 6 months:

1. Our base case is that growth will be slightly positive in Q2, aided by the fiscal stimulus package, but momentum will be lost in both Q3 and Q4, leading to near zero growth in the second half of the year. The Fed will face another conundrum because prices will remain high and inflation stubborn as commodities take longer than expected to adjust downward. Without assistance from the Fed and fiscal stimulus spent, the economy will tread water at a positive rate of 1.0% or less. PROBABILITY 65%

2. Our second scenario has the economy rebounding a bit by the beginning of the fourth quarter on the back of a stabilizing housing market, still-low interest rates, and some support from abroad. In this scenario the credit crunch eases with reallocations of capital and healthier banks. Even in our optimistic scenario, the economy struggles to get back to a 3% pace in 2008. At this point above-trend growth cannot be envisioned before 2009. PROBABILITY 15%

3. Our third scenario has the economy falling into a serious recession. Weighed down by high fuel and food prices, limited or no financing, and a weak job market, consumers retrench. In this scenario foreign economies slow faster than expected and there is no source of stimulus in the U.S. GDP could fall by 1.0 to 2.0% over two quarters. PROBABILITY 20%

## Investment Implications

Our base case scenario looks for the U.S. economy to be in a state of stagflation for the next 6 to 8 months. With stagflation, conditions feel lousy, but are not as bad as they feel. Even though conditions will test corporate America, balance sheets are robust and defaults will be lower than expected. Inflation will be high, but not out-of-hand. The yield curve should remain positively sloped with slightly higher rates (the 10 year treasury in a 4.25 to 4.5% range). The most attractive investment play in the market is to earn the compelling spreads that exist in credit markets. Selective investment in higher rated, but stable names, will likely generate compelling returns while the economy remains in a stupor.

July 12, 2008

*GIPS requires GIPS Disclosure Statement (please see attached disclosure)*
*GIPS requires GIA fee schedule disclosure "GIA's fees are (i) .35% annually for standard USA fixed income, (ii) .50% annually for enhanced fixed income and (iii) .75% annually for specialized products"*

**Important Information**

GIA Partners, LLC ("GIA") is an SEC registered investment adviser.

This material is for information purposes only. It does not constitute an offer to or a recommendation to purchase or sell any shares in any security. Investors should consider the investment objectives, risks and expenses of any strategy or product carefully before investing.

**Past Performance:** The performance data quoted represents past performance. Past performance is not an indication of future performance, provides no guarantee for the future and is not constant over time. The value of an investment may fluctuate and may be worth more or less than its original cost when redeemed. Current performance may be lower or higher than the performance data quoted.

**Forecasts and Market Outlook**: The forecasts and market outlook presented in this material reflect subjective judgments and assumptions of the investment manager and unexpected events may occur. There can be no assurance that developments will transpire as forecasted in this material.

**"Management Fees**, as well as account minimums and other important information are described in GIA's Form ADV - Part II. Since management fees are deducted quarterly, the compounding effect will be to increase the impact of such fees by an amount directly related to the account's performance. For example, an account with a 10% gross annual return and a 1% annualized management fee that is deducted quarterly will have a net annual return of about 8.9%.

* Important GIPS disclosures pertaining to composite performance may be found at the back of this letter.

**Supplemental Information to the Composite:**

The performance information provided is for the Core Bond Representative Account and is supplemental to the Global Investment Grade Composite ("GIG"). GIG contains securities held in the Core Bond Representative Account.

**Index Definitions**

**Barclays US Aggregate Index**

The Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Barclays US Government Index**

This index is the U.S. Government component of the U.S. Government/Credit index.
Securities issued by the U.S. Government (i.e., securities in the Treasury and Agency Indices).

**Barclays US Credit Index**

This index is the U.S. Credit component of the U.S. Government/Credit index.
Publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

**Barclays US Mortgage Backed Securities Index**

This index is the U.S. MBS component of the U.S. Aggregate index.
The MBS Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Bank of America Merrill Lynch US Corporate & Yankees Index**

The Bank of America Merrill Lynch US Corporate & Yankees Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market by US and non-US corporations and non-US quasi-governments.

**Bank of America Merrill Lynch US High Yield Master Cash Pay Only Index**

The US High Yield Master Cash Pay Only Index tracks the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market.

**JP Morgan Corporate Emerging Markets Bond Index (CEMBI)**

The CEMBI tracks total returns of US dollar-denominated debt instruments issued by corporate entities in Emerging Markets countries. Two variations are available: CEMBI Broad and CEMBI. The CEMBI Broad is the most comprehensive corporate benchmark followed by the CEMBI, which consists of an investable universe of corporate bonds. Both indices are also available in Diversified versions.

**JP Morgan EMBI+ Index**

The EMBI+ tracks total returns for U.S-dollar-denominated debt instruments of the emerging markets: Brady bonds, loans, Eurobonds. The EMBI+ currently covers 104 instruments across 15 countries.

**JP Morgan EMBI Global**

The EMBI Global tracks total returns for US dollar-denominated debt securities issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds.

**Citigroup Non-US World Government Bond Index**

The Index is comprised of foreign government bonds with maturities over one year.

**S&P 500 Index**

An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

**Nasdaq Composite Index**

An index that tracks the change in the total market value of all companies listed on the Nasdaq Stock Market.

**Russell 2000 Index**

An index measuring the performance of the 2,000 smallest companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small cap stocks in the United States.

**MSCI EAFE Index**

The index is a capitalization weighted index that monitors the performance of stocks from Europe, Australasia and the Far East.

**MSCI EAFE- Europe Index**

The index is a capitalization weighted index that monitors the performance of stocks from Europe.

**MSCI EAFE- Japan Index**

The index is a capitalization weighted index that monitors the performance of stocks from Japan.

**MSCI Emerging Markets Equity**

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

# Global Investment Grade GIPS Disclosure

GIA Partners, LLC ("GIA"), a Delaware limited liability company, is wholly owned by the principals of the firm. GIA is an investment advisor registered with the U.S. Securities and Exchange Commission (CRD No. 151207) and is licensed to provide investment management services in the United States. The firm conducts its investment management services in and from New York, New York.

GLOBAL INVESTMENT GRADE

The "Global Investment Grade Composite", consists of only actual, fee-paying, fully discretionary accounts, managed by GIA Partners, LLC. Since inception the composite has been comprised of 100% carve outs. The composite includes investment grade securities that act and behave like securities in the core bond market using credit rating, spread, volatility, correlation, and/or analyst assessment of the likely future behavior of the security, that were carved out from separate accounts that invest in dollar & non-dollar denominated fixed income securities. The composite was created in November 2005.

New accounts are added to this composite in the first complete month after being under management for an entire investment period (three months). Terminated accounts are included in composites through the last full month they were under management and remain in the composite history. A complete list and description of firm composites, as well as additional information regarding policies for calculating and reporting returns, are available upon request. This presentation is preceded or accompanied by a current fee schedule. The "Market Weighted Net" line item in the chart below reflects the deduction from gross performance of an investment management fee of 0.35%, trading fees, and excludes performance fees. While there is no minimum asset level for inclusion in the composite, portfolios that cannot fully invest in the strategy are not included in the composite.

Cash is allocated from each account included in the composite strategy based on the ratio of composite to non-composite securities. The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. Valuations are computed and performance is reported in U.S. dollars.

The BofA Merrill Lynch US Corporates & All Yankees Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market by US and non-US corporations and non-US quasi-governments. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings).

GIA Partners, LLC has prepared and presented this report in compliance with Global Investment Performance Standards ("GIPS").

| **Period ending June 30, 2008 (%)**<br>**GIA Global Investment Grade Composite** | **1 Year** | **3 Years** | **5 Years** | **Since Inception 1/1/2003** |
|---|---|---|---|---|
| Market Weighted– Gross | 4.37 | 4.14 | 5.21 | 6.80 |
| Market Weighted– Net (0.35 fee) | 4.00 | 3.78 | 4.85 | 6.43 |
| Bank of America Merrill Lynch Corporate and Yankees Index | 3.80 | 2.86 | 3.40 | 4.41 |

| **Year ending December 31st (%)**<br>**Global Investment Grade- Historical Returns and Statistics** | **2007** | **2006** | **2005** | **2004** | **2003** |
|---|---|---|---|---|---|
| Market Weighted– Gross | 6.76 | 5.15 | 3.99 | 7.89 | 14.20 |
| Market Weighted– Net ( 0.30 fee) | 6.39 | 4.79 | 3.62 | 7.51 | 13.80 |
| Benchmark Returns Barclays Capital US Aggregate Index | 5.13 | 4.34 | 2.33 | 5.24 | 7.79 |
| Period-End Assets ($ millions) | 437.3 | 316.7 | 241.9 | 169.7 | 216.2 |
| Number of Portfolios | 9 | 9 | 8 | 7 | 7 |
| Percent of Firm Assets | 13.61 | 10.20 | 6.51 | 3.73 | 5.90 |
| Dispersion: Standard Deviation of Member Portfolios | 0.4 | 0.5 | 0.4 | 0.6 | 0.8 |
| Members included for entire period | 9 | 8 | 7 | 6 | 6 |

Periods in excess of one year are annualized. Past Performance is no indication of future returns. Returns are preliminary.

# Core GIPS Disclosure

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CORE
The "Core Composite", consists of only actual, fee-paying, fully discretionary accounts, managed by GIA Partners, llc. Since inception the composite has been comprised of separately managed accounts. The composite includes treasury, mortgage, investment grade, and investment grade emerging market securities that act and behave like securities in the core bond market and bond market using credit rating, spread, volatility, correlation, and/or analyst assessment of the likely future behavior of the security, that invest in dollar & non-dollar denominated fixed income securities. The composite was created on July 2000.

New accounts are added to this composite in the first complete month after being under management for an entire investment period (three months). Terminated accounts are included in composites through the last full month they were under management and remain in the composite history. A complete list and description of firm composites, as well as additional information regarding policies for calculating and reporting returns, are available upon request. This presentation is preceded or accompanied by a current fee schedule. The "Market Weighted Net" line item in the chart below reflects the deduction from gross performance of an investment management fee of 0.30%, trading fees, and excludes performance fees. While there is no minimum asset level for inclusion in the composite, portfolios that cannot fully invest in the strategy are not included in the composite.

Cash from each account is included in the composite strategy. The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. Valuations are computed and performance is reported in U.S. dollars.

The Barclays Capital US Aggregate Index tracks securities that are SEC-registered, taxable, and US dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The security must have: 1) at least one year to final maturity regardless of call features, 2) be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch, 3) be fixed rate, dollar-denominated and non-convertible.

GIA Partners, llc has prepared and presented this report in compliance with Global Investment Performance Standards ("GIPS").

| Period ending June 30, 2008 (%)<br>GIA Core Composite | 1 Year | 3 Years | 5 Years | 7 Years | Since Inception<br>7/1/2000 |
|---|---|---|---|---|---|
| Market Weighted– Gross | 7.50 | 4.83 | 4.60 | 6.22 | 6.76 |
| Market Weighted– Net (0.30 fee) | 7.18 | 4.52 | 4.29 | 5.90 | 6.44 |
| Benchmark Returns Barclays Capital US Aggregate Index | 7.12 | 4.09 | 3.85 | 5.44 | 6.15 |

| Year ending December 31st (%)<br>Core Plus Composite - Historical Returns and Statistics | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | July to December 2000 |
|---|---|---|---|---|---|---|---|---|
| Market Weighted– Gross | 8.31 | 4.96 | 2.81 | 4.28 | 9.20 | 7.80 | 10.54 | 5.51 |
| Market Weighted– Net ( 0.30 fee) | 7.98 | 4.64 | 2.50 | 3.96 | 8.88 | 7.48 | 10.21 | 5.35 |
| Benchmark Returns Barclays Capital US Aggregate Index | 6.97 | 4.33 | 2.43 | 4.34 | 4.10 | 10.26 | 8.44 | 7.35 |
| Period-End Assets ($ millions) | 178.4 | 96.5 | 92.2 | 90.0 | 86.6 | 93.8 | 87.2 | 79.2 |
| Number of Portfolios | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Percent of Firm Assets | 5.5 | 3.1 | 2.5 | 2.0 | 2.4 | 3.3 | 3.3 | 4.4 |
| Dispersion: Standard Deviation of Member Portfolios | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Members included for entire period | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Periods in excess of one year are annualized. Past Performance is no indication of future returns. Returns are preliminary.

# Core Plus GIPS Disclosure

GIA Partners, LLC ("GIA"), a Delaware limited liability company, is wholly owned by the principals of the firm. GIA is an investment advisor registered with the U.S. Securities and Exchange Commission (CRD No. 151207) and is licensed to provide investment management services in the United States. The firm conducts its investment management services in and from New York, New York.

CORE PLUS
The "Core Plus Composite", consists of only actual, fee-paying, fully discretionary accounts, managed by GIA Partners, llc. Since inception the composite has been comprised of separately managed accounts. The composite includes treasury, mortgage, investment grade, high yield and emerging market securities that act and behave like securities in the core bond market and high yield bond market using credit rating, spread, volatility, correlation, and/or analyst assessment of the likely future behavior of the security, that invest in dollar & non-dollar denominated fixed income securities. The composite was created in October 1999.

New accounts are added to this composite in the first complete month after being under management for an entire investment period (three months). Terminated accounts are included in composites through the last full month they were under management and remain in the composite history. A complete list and description of firm composites, as well as additional information regarding policies for calculating and reporting returns, are available upon request. This presentation is preceded or accompanied by a current fee schedule. The "Market Weighted Net" line item in the chart below reflects the deduction from gross performance of an investment management fee of 0.35%, trading fees, and excludes performance fees. While there is no minimum asset level for inclusion in the composite, portfolios that cannot fully invest in the strategy are not included in the composite.

Cash from each account is included in the composite strategy. The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. Valuations are computed and performance is reported in U.S. dollars.

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GIA Partners, llc has prepared and presented this report in compliance with Global Investment Performance Standards ("GIPS").

| Period ending June 30, 2008 (%) GIA Core Plus Composite | 1 Year | 3 Years | 5 Years | 7 Years | Since Inception 10/1/1999 |
|---|---|---|---|---|---|
| Market Weighted– Gross | 2.85 | 4.49 | 5.53 | 7.04 | 7.14 |
| Market Weighted– Net (0.35 fee) | 2.49 | 4.13 | 5.16 | 6.67 | 6.76 |
| Benchmark Returns Barclays Capital US Aggregate Index | 7.12 | 4.09 | 3.85 | 5.44 | 6.06 |

| Year ending December 31st (%) Core Plus Composite - Historical Returns and Statistics | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|---|---|---|
| Market Weighted– Gross | 5.57 | 6.86 | 3.49 | 6.84 | 20.60 | 3.20 | 8.99 | 4.85 |
| Market Weighted– Net ( 0.35 fee) | 5.20 | 6.49 | 3.13 | 6.46 | 20.18 | 2.84 | 8.61 | 4.49 |
| Benchmark Returns Barclays Capital US Aggregate Index | 6.97 | 4.33 | 2.43 | 4.34 | 4.10 | 10.26 | 8.44 | 11.63 |
| Period-End Assets ($ millions) | 464.8 | 448.3 | 446.4 | 390.8 | 396.0 | 345.8 | 151.4 | 143.3 |
| Number of Portfolios | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Percent of Firm Assets | 14.3 | 14.4 | 12.0 | 8.6 | 10.8 | 12.0 | 5.8 | 8.0 |
| Dispersion: Standard Deviation of Member Portfolios | 0.3 | 1.0 | 0.1 | 0.6 | 1.8 | 0.1 | 0.7 | N/A |
| Members included for entire period | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 |

Periods in excess of one year are annualized. Past Performance is no indication of future returns. Returns are preliminary.

# Global High Yield GIPS Disclosure

GIA Partners, LLC ("GIA"), a Delaware limited liability company, is wholly owned by the principals of the firm. GIA is an investment advisor registered with the U.S. Securities and Exchange Commission (CRD No. 151207) and is licensed to provide investment management services in the United States. The firm conducts its investment management services in and from New York, New York.

GLOBAL HIGH YIELD
The "Global High Yield Composite", consists of only actual, fee-paying, fully discretionary accounts, managed by GIA Partners, llc. As of May 2000, the composite had been comprised of 100% carve outs. The composite includes global high yield securities that act and behave like securities in the high yield market using credit rating, spread, volatility, correlation, and/or analyst assessment of the likely future behavior of the security, that were carved out from separate accounts that invest in dollar & non-dollar denominated fixed income securities. The composite was created in May 2003. As of January 1, 2010, the Global High Yield Composite is wholly comprised of 100% of separately managed accounts in accordance with the revised GIPS Standards.

New accounts are added to this composite in the first complete month after being under management for an entire investment period (three months). Terminated accounts are included in composites through the last full month they were under management and remain in the composite history. A complete list and description of firm composites, as well as additional information regarding policies for calculating and reporting returns, are available upon request. This presentation is preceded or accompanied by a current fee schedule. The "Market Weighted Net" line item in the chart below reflects the deduction from gross performance of an investment management fee of 0.50%, trading fees, and excludes performance fees. While there is no minimum asset level for inclusion in the composite, portfolios that cannot fully invest in the strategy are not included in the composite.

The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. Valuations are computed and performance is reported in U.S. dollars.

The BofA Merrill Lynch US High Yield, Cash Pay Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings).

GIA Partners, llc has prepared and presented this report in compliance with Global Investment Performance Standards ("GIPS").

| **Period ending June 30, 2008(%)<br>GIA Global High Yield Composite** | **1 Year** | **3 Years** | **5 Years** | **7 Years** | **Since Inception<br>10/1/1999** |
|---|---|---|---|---|---|
| Market Weighted– Gross | (6.61) | 4.19 | 7.54 | 8.42 | 7.96 |
| Market Weighted– Net (0.50 fee) | (7.08) | 3.67 | 7.00 | 7.88 | 7.42 |
| Bank of America Merrill Lynch High Yield, Cash Pay Index (J0A0) | (2.03) | 4.60 | 6.84 | 7.27 | 6.01 |

| Year ending December 31st (%)<br>Global High Yield Composite - Historical Returns and Statistics | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|---|---|---|
| Market Weighted– Gross | 1.83 | 13.46 | 4.65 | 12.84 | 31.38 | (0.33) | 8.20 | 1.06 |
| Market Weighted– Net ( 0.50 fee) | 1.32 | 12.90 | 4.12 | 12.27 | 30.72 | (0.83) | 7.66 | 0.56 |
| Benchmark Returns BofA Merrill Lynch High Yiel, Cash Pay Index (J0A0) | 2.17 | 11.64 | 2.83 | 10.76 | 27.23 | (1.14) | 6.21 | (3.79) |
| Period-End Assets ($ millions) | 340.4 | 410.1 | 340.6 | 322.0 | 418.1 | 428.5 | 157.5 | 96.1 |
| Number of Portfolios | 8 | 8 | 7 | 6 | 6 | 5 | 3 | 2 |
| Percent of Firm Assets | 10.50 | 13.21 | 9.16 | 7.08 | 11.41 | 14.88 | 6.01 | 5.37 |
| Dispersion: Standard Deviation of Member Portfolios | 0.6 | 0.2 | 0.9 | 0.7 | 2.3 | 0.5 | 1.1 | N/A |
| Members included for entire period | 8 | 7 | 6 | 5 | 5 | 3 | 2 | 1 |

Periods in excess of one year are annualized. Past Performance is no indication of future returns. Returns are preliminary.