



# short term fixed income

Cutwater Asset Management is a client-focused and solutions-based investment advisor focused exclusively on fixed income investments. With \$38 billion in assets under management, Cutwater Asset Management is one of the largest institutional fixed-income investment managers in the world. Cutwater's model combines world-class investment expertise and risk management capabilities with exceptional client service, in-depth consultation, and extensive interaction between clients and the investment team. Our investment philosophy is focused on delivering consistent and superior risk adjusted returns by taking a long-term view of the market and applying a counter cyclical and forward looking approach to capital allocation.

## basic information

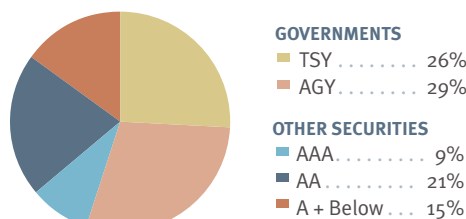
### COMPOSITE DESCRIPTION

Cutwater's Short Term Fixed Income strategy seeks to provide investors with a stable source of income as well as offering some opportunity for capital appreciation. The Composite invests in high quality fixed income securities while seeking to maintain a portfolio average duration within +/- 20% of the benchmark. Composite strategies include active management of duration, sector allocation and security selection. Maximum maturities for holdings in this Composite typically are limited to 5 to 7 years. The benchmark for this Composite is the BofA Merrill Lynch U.S. Treasuries, 1-3 Years Index. The portfolio information shown above is that of a representative portfolio.

### SECTOR ALLOCATION\*

COMPOSITE	BENCHMARK
Treasuries . . . . . 26%	Treasuries . . . . . 100%
Agencies . . . . . 29%	
Corporates . . . . . 25%	
MBS/CMBS . . . . . 6%	
ABS/CMO . . . . . 5%	
Municipals . . . . . 6%	
EMD . . . . . 1%	
Cash & Equiv. . . . . 2%	

### QUALITY\*



### RISK/RETURN STATISTICS\*

	COMPOSITE
Annualized Alpha . . . . .	0.89
Jensen Alpha . . . . .	0.56
Standard Deviation . . . . .	1.79
Sharpe Ratio . . . . .	1.31
Tracking Error . . . . .	0.72
Up-Market Capture . . . . .	95.82
Down-Market Capture . . . . .	-27.41

### COMPOSITE CHARACTERISTICS\*

	COMPOSITE	BENCHMARK
Duration/Years	1.90	1.88
Avg. Maturity	2.20	1.92
Avg. Credit Quality	AA	AAA
Coupon Rate	2.09	1.69
Yield	0.93	0.30

## managers

**Clifford D. Corso**  
**CEO, CIO, Cutwater Asset Management**  
 Columbia University, M.B.A.  
 Yale University, B.A.  
 Mr. Corso has been with Cutwater since 1994.

**E. Gerard Berrigan**  
**Managing Director & Portfolio Manager,**  
**Cutwater Asset Management**  
 Columbia University, M.B.A.  
 Bucknell University, B.S.  
 Mr. Berrigan has been with Cutwater since 1994.

**Jeffrey MacDonald, CFA**  
**Director, Total Return Portfolio Management**  
**Cutwater Asset Management**  
 Boston University, M.B.A.  
 Trinity College, B.A.  
 Mr. MacDonald has been with Cutwater since 2007.

## trailing period performance (As of 9/30/11)

\*Annualized

	3rd Qtr 2011	YTD	1 Year	3 Year <sup>1</sup>	5 Year <sup>1</sup>
Short Term Fixed Income Composite (Gross of Advisory Fees)	0.45%	1.44%	1.37%	2.92%	3.96%
Short Term Fixed Income Composite (Net of Advisory Fees)	0.41%	1.31%	1.21%	2.78%	3.81%
BofA Merrill Lynch U.S. Treasuries, 1-3 Years Index	0.49%	1.36%	1.20%	2.39%	3.84%

## calendar-year performance

## benchmark

	2010	2009	2008	2007	2006	2005
Short Term Fixed Income Composite (Gross of Advisory Fees)	2.05%	2.27%	6.12%	6.84%	4.71%	2.32%
Short Term Fixed Income Composite (Net of Advisory Fees)	1.91%	2.14%	5.99%	6.65%	4.51%	1.96%
BofA Merrill Lynch U.S. Treasuries, 1-3 Years Index	2.35%	0.78%	6.61%	7.32%	3.96%	1.67%

BofA Merrill Lynch U.S. Treasuries, 1-3 Years Index

Please review carefully the following information regarding the above performance. Cutwater Asset Management provides investment management and advisory services primarily to institutional investors. Cutwater Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of Cutwater Asset Management and/or a presentation that complies with the GIPS® standards, call (866) 766-3030, or write to Cutwater Asset Management, 113 King Street, Armonk, NY 10504 or email info@cutwater.com. Returns are calculated in U.S. dollars. Effective 1/1/2011, composite net of fee returns are calculated by deducting the highest flat rate from the standard fee schedule from the monthly gross returns. Client returns will be reduced by investment management fees. The performance reflects the reinvestment of all dividends and income. Actual fees for new accounts are dependent upon size and any fee or fee schedule applied to existing or prospective clients is subject to negotiation. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objective of this strategy will be achieved. Past performance is not a guarantee of future results. The benchmark, the BofA Merrill Lynch U.S. Treasuries, 1-3 Years Index, is an unmanaged market index. The volatility of the benchmark may be materially different from that of the Composite. Credit ratings referenced above are obtained from Nationally Recognized Statistical Rating Organization firms.