

# Government/Credit Fixed Income Composite

All information is as of 03/31/2012

## KEY ADVANTAGES

- **Proven, experienced leadership** through many market cycles
- **Time-tested investment process** that focuses on the most consistent sources of excess return
- **Size** that allows us to efficiently exploit relative value opportunities, apply a unique client service model and create customized investment strategies for our clients.

## ABOUT MESIROW FINANCIAL

Mesirow Financial, founded in 1937, is a diversified financial services firm serving the needs of both individuals and institutions. Mesirow Financial's investment advisory affiliates manage approximately \$61.4 billion in assets – of which \$35.6 billion are in currencies and commodities – for corporations, public and private pension plans, charitable organizations and individuals.

## INVESTMENT STRATEGY

Mesirow Financial's Government/Credit Fixed Income investment process emphasizes duration neutrality, sector rotation, yield curve management and individual security selection. This approach is designed to capture the bulk of the excess returns available in the investment-grade market while minimizing the variability of those returns. Key to the process is the responsiveness, focus, and unbiased analysis provided by our dedicated in-house sector specialists, credit analysts and trading professionals.

## PERFORMANCE<sup>1</sup>

	FIXED INCOME + CASH	GOV'T/CREDIT (NET)%	GOV'T/CREDIT (GROSS)%	BARCLAYS GOV'T/CREDIT INDEX %
1st Quarter 2012		0.77	0.81	0.08
YTD 2012		0.77	0.81	0.08
1 Year		8.96	9.13	8.53
3 Year		9.18	9.33	7.09
5 Year		7.40	7.55	6.26
7 Year		6.54	6.68	5.66
10 Year		6.56	6.70	5.91
Since Inception [Inception: 09/30/00]		6.88	7.02	6.22
5 Year Standard Deviation		—	4.81	4.50

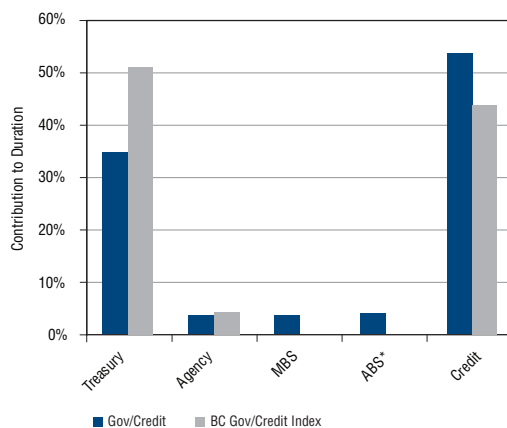
1-, 3-, 5-, 7-, 10-year and since-inception periods are annualized.

## CHARACTERISTICS

	GOV'T/CREDIT COMPOSITE	BARCLAYS GOV'T/CREDIT INDEX
Duration (%)	5.85	5.86
Yield to Maturity (%)	2.57	1.95
Average Maturity (years)	8.08	8.02
Quality	A+	AA

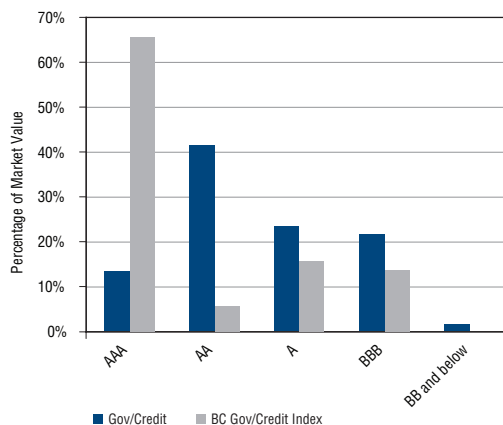
Please see the reverse side for additional disclosures regarding the deduction of advisory fees.

## SECTOR DISTRIBUTION



\*ABS includes CMBS

## QUALITY DISTRIBUTION



<sup>1</sup> The composite numbers listed are linked with performance numbers generated by Mesirow Financial Investment Management's Fixed Income team while they were employed at a prior firm. The investment team joined Mesirow Financial on 03/15/05 and is employing the same strategy used at their prior firm. The performance information provided above is supplemental. Past performance is not necessarily indicative of future results. Please see the reverse side for complete performance information.

PERFORMANCE SCHEDULE

YEAR	NET OF FEE PERFORMANCE QUARTERLY RETURNS (%)					GROSS OF FEE PERFORMANCE QUARTERLY RETURNS (%)					BARCLAYS GOV'T/ CREDIT INDEX <sup>1</sup> (YTD%)	# OF PORT-FOLIOS	YEAR END ASSETS (\$MM)	PERCENTAGE OF FIRM ASSETS* (%)		COMPOSITE DISPERSION <sup>3</sup>		
	1st QTR	2nd QTR	3rd QTR	4th QTR	ANNUAL	1st QTR	2nd QTR	3rd QTR	4th QTR	ANNUAL				FIRM	ENTITY	STANDARD DEVIATION	COMPOSITE 3 YR ANNUAL EX-POST STANDARD DEVIATION <sup>4</sup>	BENCHMARK 3 YR ANNUAL EX-POST STANDARD DEVIATION <sup>4</sup>
2000	—	—	—	3.96	3.96	—	—	—	3.99	3.99	4.37 <sup>2</sup>	3	236.2	—	—	—	—	—
2001	3.71	0.54	5.16	0.38	10.06	3.74	0.58	5.19	0.41	10.21	8.50	3	189.6	—	—	—	—	—
2002	-0.53	3.33	6.10	1.69	10.89	-0.49	3.37	6.13	1.72	11.03	11.04	3	203.5	—	—	—	—	—
2003	1.57	3.18	-0.56	0.11	4.32	1.60	3.23	-0.53	0.15	4.48	4.67	3	157.3	—	—	—	—	—
2004	3.08	-3.09	3.73	1.16	4.83	3.12	-3.05	3.76	1.19	4.97	4.19	3	181.1	—	—	—	—	—
2005	-0.64	3.54	-0.93	0.46	2.38	-0.61	3.56	-0.92	0.54	2.53	2.37	3	204.1	—	5.3	—	—	—
2006	-0.92	-0.15	3.97	1.05	3.95	-0.84	-0.10	4.01	1.09	4.15	3.78	4	513.8	—	8.6	—	—	—
2007	1.69	-0.63	2.70	2.76	6.65	1.74	-0.59	2.74	2.80	6.82	7.23	4	563.4	—	7.5	—	—	—
2008	2.40	-0.95	-2.17	5.01	4.20	2.44	-0.91	-2.14	5.05	4.35	5.70	2	427.5	—	6.3	—	—	—
2009	0.46	4.57	5.41	0.18	10.93	0.49	4.61	5.45	0.24	11.12	4.52	4	621.7	—	7.9	—	—	—
2010	2.02	3.65	3.48	-1.54	7.75	2.06	3.69	3.52	-1.50	7.91	6.59	4	697.8	21.5	17.5	—	—	—
2011	0.33	2.12	4.59	1.24	8.48	0.37	2.16	4.64	1.27	8.65	8.74	3	356.0	10.1	9.1	—	—	—
2012	0.77	—	—	—	0.81	—	—	—	—	—	0.08	3	373.6	10.5	9.4	—	—	—

Past performance is not necessarily indicative of future results.

Mesirow Financial Investment Management Institutional - Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Mesirow Financial Investment Management Institutional - Fixed Income has been independently verified for the periods from inception through 12/31/11. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Government/Credit Fixed Income composite has been examined for the periods from 01/01/06 through 12/31/11. The verification and performance examination reports are available upon request.

\*Mesirow Financial Investment Management, Inc. ("MFIM") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The "Entity" as shown represents Mesirow Financial Investment Management Equities and Fixed Income, which is comprised of the GIPS-compliant units of MFIM which specialize in managing portfolios for institutional clients adhering to an investment process geared towards institutional investors. The historical performance presented prior to the creation of the division was managed by MFIM-Fixed Income or its predecessor firms prior to 01/01/05. For purposes of claiming GIPS compliance, as of 01/01/10, the "Firm" is further defined as the Fixed Income business unit, which manages portfolios primarily for institutional investors adhering to an investment process, incorporating fundamental analysis of security valuation factors and drivers. The composites within this business unit vary primarily by duration and the type of originator of the security.

The above composite was created on 10/01/00 and these performance results are as of 03/31/12. This composite represents the U.S. dollar investment grade accounts managed against the Barclays Government/Credit Index.

In March of 2005, the fixed income portfolio management team of an independent investment advisor joined the MFIM-Fixed Income portfolio management team. The performance results shown prior to 03/15/05 reflect the team's performance prior to joining MFIM-Fixed Income. Such returns have been incorporated into the MFIM Government/Credit Fixed Income composite. Upon receipt of client consent, MFIM-Fixed Income obtained the required custody and holdings information from the independent custody firms, or other similar sources, for all clients that have been managed on a continuous basis and that information has been incorporated into the MFIM Government/Credit Fixed Income composite. A complete list of composites can be made available upon request. Information is provided in terms of U.S. dollar denominations.

For the period, portfolios below the minimum value threshold of \$7,500,000 are considered nondiscretionary, as MFIM-Fixed Income may be unable to fully and efficiently implement the intended investment strategy of the composite.

MFIM-Fixed Income's investment management fees vary based upon account size, with breakpoint deductions for larger accounts. The standard fee schedule for Government/Credit portfolios is listed at right, where the minimum annual fee is \$20,000.

Mesirow Financial Investment Management, Inc. and its affiliated companies and/or individuals may, from time to time, own, have long or short positions in, or options on, or act as a market maker in, any securities discussed herein and may also perform financial advisory or investment banking services for those companies.

Performance information that is provided gross of fees does not reflect the deduction of advisory fees. Client returns will be reduced by such fees and other expenses that may be incurred in the management of the account. Advisory fees are described in Form ADV Part 2 of Mesirow Financial Investment Management, Inc. Net of fee performance is presented utilizing actual client net of fee performance for all accounts included in the composite. We do, however, have clients that pay lower fees than the maximum. Performance results include the reinvestment of dividends and earnings in the composite.

Accounts may be temporarily removed from the composite due to significant cash flows of 10% or more of market value. Additional information regarding the significant cash flow policy is available upon request.

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**If you have questions or would like to receive additional materials, please contact Charlene Linke at 312.595.6742.**

<sup>1</sup> The Barclays Government/Credit Index includes securities in the Government and Credit Indexes. The Government Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements.

<sup>2</sup> Represents the Barclays Government/Credit Index return from 09/30/00 to 12/31/00.

<sup>3</sup> Standard deviation is not provided because the dispersion is not meaningful when five or fewer portfolios exist. The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year.

<sup>4</sup> 2012 Composite and Benchmark 3-year annualized ex-post standard deviation figures will be unavailable until 12/31/12.

ACCOUNT TIER	FEE
First \$10 million*	0.400%
Next \$40 million	0.300%
Next \$100 million	0.250%
Next \$150 million	0.200%
Next \$200 million	0.175%
Over \$500 million	0.150%

\* Minimum annual fee is \$20,000.



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Innovative Solutions.