

Assurance of Discipline

During this time of unprecedented market turmoil, we at Samson Capital Advisors would like to assure you that we have remained steadfast to our core investment discipline. We recognize that our mandate for our clients' anchor money is the preservation of capital, especially in times of market uncertainty.

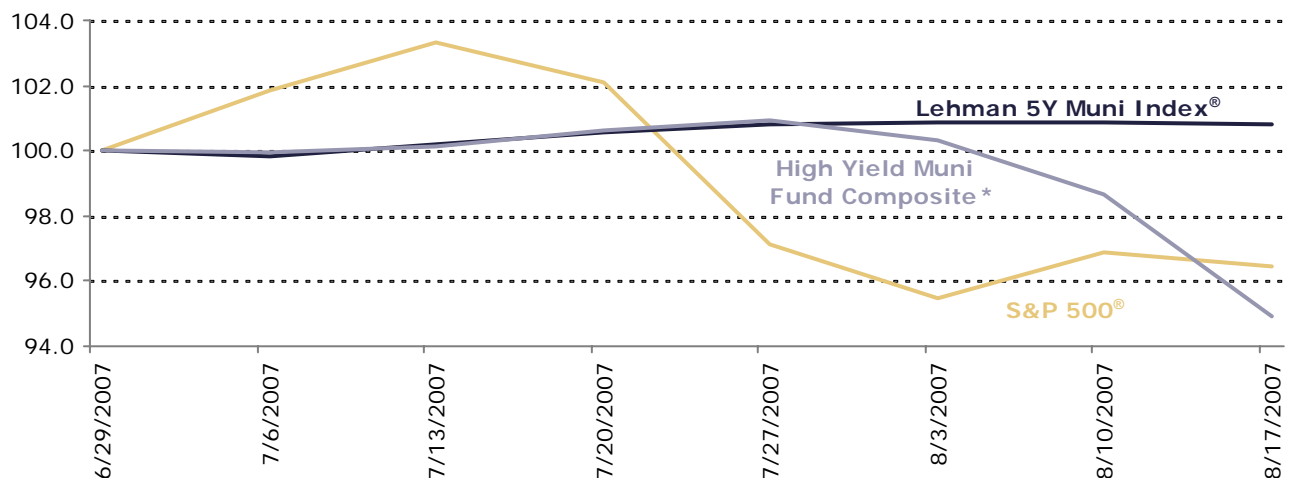
Managing interest rate volatility risk and maintaining high credit quality are central to our core discipline. In the low interest rate environment which has prevailed since we founded Samson, we have not seen it wise to stretch for yield by extending maturities or by lowering credit quality. On the contrary, we have maintained our durations at the lower end of the spectrum and have maintained our credit quality focus.

One of the strengths of Samson's credit philosophy is our discipline of assessing the underlying credit quality of the municipal issues that utilize bond insurance. Only by understanding the underlying credit strength of a borrower do we feel that we can appropriately measure the value provided by bond insurance. The underlying credit ratings of Samson purchased bonds has been mainly A or better. Our credit focus has been on general obligation, tax-backed, essential purpose revenue and pre-refunded bonds. We have helped limit principal loss in our clients' portfolios by avoiding tobacco, development and special assessment bonds.

Our cross-over purchases in the taxable sector (mainly for clients subject to the Alternative Minimum Tax) have focused on US agencies and high grade taxable municipals. We have not utilized asset-backed securities as part of our taxable allocation, and this has proved to have been a prudent path.

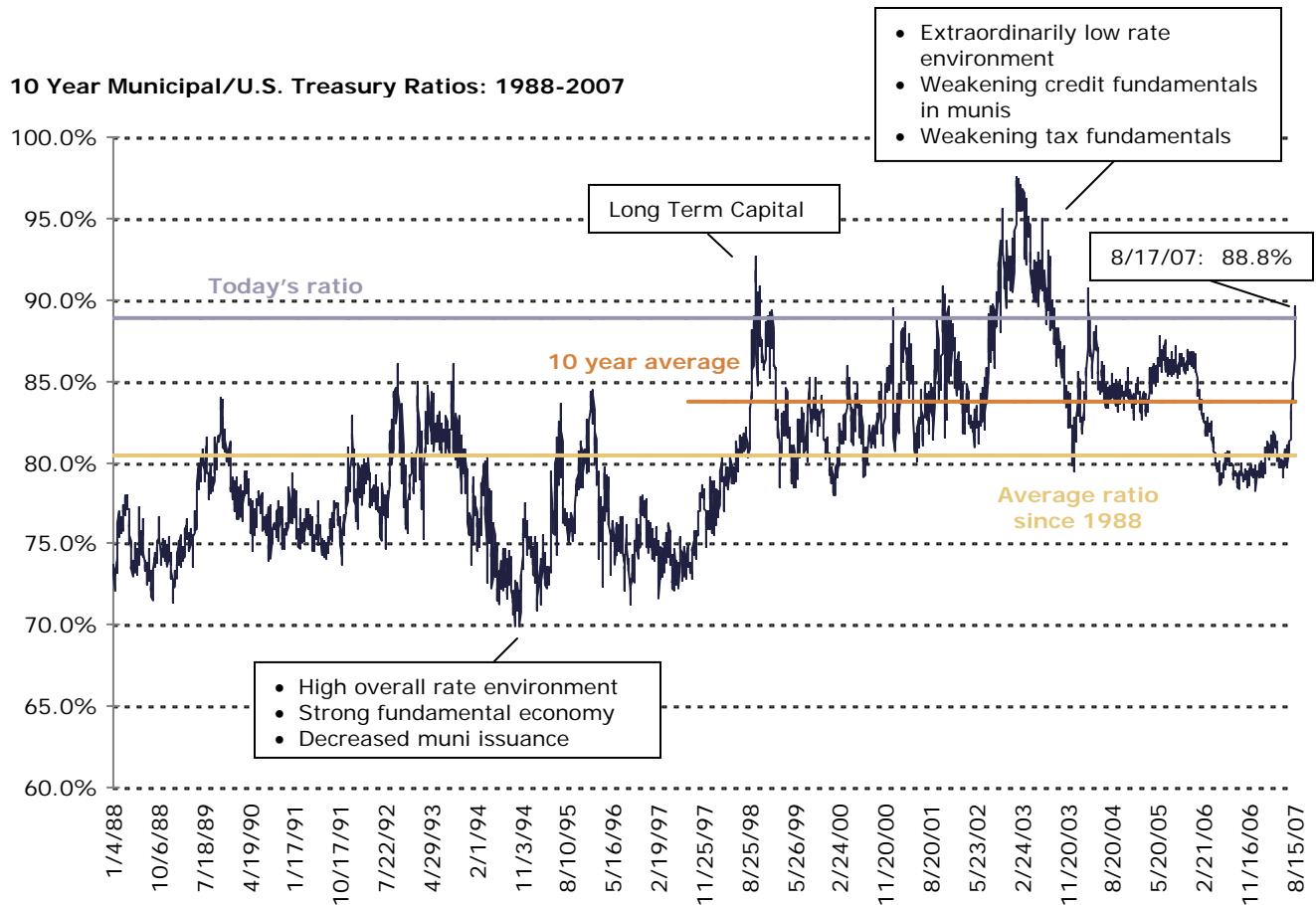
The chart below shows the stability of intermediate maturity, high grade credit quality municipals relative to equities and high yield, low credit quality municipal funds. The Lehman 5 Year Municipal Index is the performance benchmark for most of the portfolios in the Samson Tax Efficient Core Intermediate Fixed Income Strategy, and is representative of how those portfolios and the sector have performed over the past several weeks.

Total Return: Growth of \$100 since June 29, 2007



The ratio of municipal yields to US Treasury yields has increased dramatically over the past two months, by nearly 8 percentage points for 10 year maturities. This unusual shift is the result of technical factors, including the

overall flight to quality in the fixed income markets, and reduced demand from long dated municipal arbitrage buyers. This has created a good opportunity to buy municipals-with their historically very low default rates. The chart below shows this Municipal/Treasury ratio over the past twenty years.



Source: Bloomberg®

We hope this commentary has reassured you regarding the intermediate, high grade municipal sector. Samson has adhered to our interest rate risk and credit disciplines and high quality municipals have retained their value through this tough market environment. Times of market turmoil usually create opportunity, and municipals now represent good value versus other asset classes going forward.

There is no guarantee that the forecasts and opinions expressed in this article will be realized. The statements in this article are opinions only and are not guarantees or projections of future performance.

***High Yield Municipal Fund Composite** consists of the following funds: Van Kampen High-Yield Municipal A® (ACTHX), MFS Municipal High-Income A® (MMHYX), Oppenheimer Rochester National Muni A® (ORNAX), Oppenheimer AMT-Free Municipals A® (OPTAX), Franklin High Yield Tax-Free Inc A® (FRHIX), Putnam Tax-Free High Yield A® (PTHAX), Nuveen High Yield Municipal Bond A® (NHMAX), Goldman Sachs High Yield Muni Instl® (GHYIX), T. Rowe Price Tax-Free High-Yield® (PRFHX), American Funds High-Inc Muni Bond A® (AMHIX).

The total returns of the individual funds are equal-weighted to create a composite total return. Each of the funds mentioned herein are trademarks and service marks of their respective owners and their inclusion herein does not indicate that they nor their affiliates are connected with or express any opinion concerning this commentary. Please refer to fund prospectus for additional information.