

## High Grade Core Intermediate Strategy

Samson's high grade fixed income strategy returned 1.60% for the 1st quarter of 2009, which compares favorably to the 0.91% return of the Barclay's Intermediate Aggregate Index. In large measure, the foundation for our out-performance during the quarter was built in the last weeks of 2008 as our TIPS positions and municipal allocations generated strong relative returns in the first weeks of the year. We had built these positions late in 2008 as a way to enhance the overall quality of our clients' portfolios during a period of great credit deterioration. Though these high quality allocations were a drag on performance in late 2008, they generated healthy returns in the first quarter as the chart to the right demonstrates.

As readers familiar with our style will recall, we do not purchase BBB corporates, CMBS, ABS, nor do we use derivatives of any kind. While BBB's and ABS had a strong first quarter, generating positive returns of 3.4% and 7.5% respectively, CMBS did not fare well. CMBS generated a -1.87% return for the period. Certainly as the economy heals it is possible these sectors will rebound, but we will continue to avoid them. They are not consistent with the value we place on conservatism, liquidity, or transparency.

We have been able to achieve our results, in large measure, through the kind of value oriented investment style we have used since the inception of our strategy. Our decision to overweight, or underweight sectors is based on an approach that analyzes not only the rich or cheap quality of a sector in historical perspective, but also the relative value of each sector on an expected return basis. In order for us to consider a meaningful overweight to a sector, it is important for us to derive an expected return for a sector based on likely movements in spreads, curve slope, or duration. The table below, which shows various expected returns for municipals, agencies, and corporates, serves to demonstrate how we approach the sector allocation decision.

### Expected Return Analysis

	Duration	Yield Ratio	Price Return if Ratio =		
			100%	130%	220%
<b>Samson Rep Muni Portfolio</b>	<b>4.42</b>	<b>155%</b>	<b>3.90%</b>	<b>1.78%</b>	<b>-4.59%</b>

	Duration	Spread	Price Return if Spread =		
			0	56	180
Barclays US Agency Int Index	2.90	84	2.44%	0.81%	-2.78%

	Duration	Spread	Price Return if Spread =		
			405	605	705
Barclays US Corp Int, ex BBB	4.38	505	4.38%	-4.38%	-8.76%

### Sector Performance

		1Q 2009
HGCI Comp	Gross	1.60%
	Net**	1.51%
Barclays Int. Agg.		0.91%
Barclays Muni 5Y		2.18%
Barclays TIPS		5.52%

### Performance Summary

		Annualized Since Inception*
HGCI Comp	Gross	4.61%
	Net**	4.24%
Barclays Int. Agg.		4.55%

\* As of 3/31/2009

\*\* Performance calculated net of investment management fees of 0.35% annually.

Below we discuss some of the sectors above and how the sector returns generated informs our allocation strategy:

**Municipals** - We calculated the returns of intermediate duration municipals for various moves in the municipal/treasury yield ratio. We believe that municipal yields will converge on Treasury yields in the short term and move below them in the long term as capital markets heal and investors pay more attention to income rates. Even if we are wrong, and the municipal/treasury yield ratio remains above 100%, the relative performance of municipals will not be too hard to take.

**Agencies** – The role of the U.S. government and its agencies, as well as the supply/demand characteristics of these securities is changing rapidly. Prior spread history will not predict the future. In order for agency returns to be competitive with municipal bonds, the agency/treasury spread relationship will have to collapse to zero. This seems unlikely to say the least.

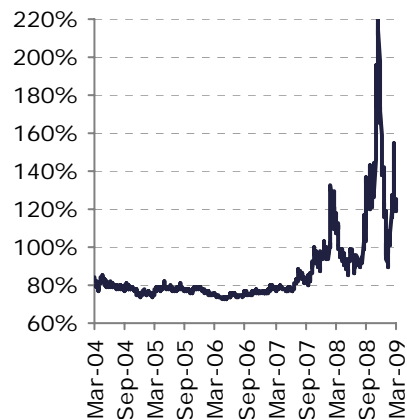
**Corporates** – Many investors have been tantalized by the prospects of wide corporate bond spreads. In order to have confidence in a material sector overweight to corporates, one needs to be able to calculate with confidence a normal corporate spread. The databases that inform this decision are now polluted by characteristics specific to earlier periods that are not likely to be resurrected anytime soon: easy access to leverage driving spreads tighter, hedge funds, complacency about risk, and carry trades. Given that the tight spread environment that dominated the past two decades is the basis for most data sets, historical norms do not apply. So the question arises: What do corporate spreads look like in an environment without leverage, hedge funds, and a heightened concern about corporate credit worthiness? We do not know (we are pretty sure no one knows) and so it makes sense to neither overweight, nor underweight significantly at this time, but to provide the sectors returns with a capital preservation orientation. In this environment sector rotation is an invaluable risk management tool, which is among the reasons we do not encourage corporate-only strategies.

Looking forward, we believe that the high grade markets have likely entered a trading range. We know the Federal Reserve will enter the market periodically to buy treasuries and keep a lid on rates. We also know the U.S. Treasury will be a large seller of treasuries to finance the deficit and that will put a floor on rates. In this environment, we will maintain an overweight to conservative spread products, while waiting for municipal ratios to normalize and high quality MBS OAS to normalize as well. We will underweight overvalued treasury duration. While we think rates will likely break this range on the upside, it may take a while. Stay tuned.

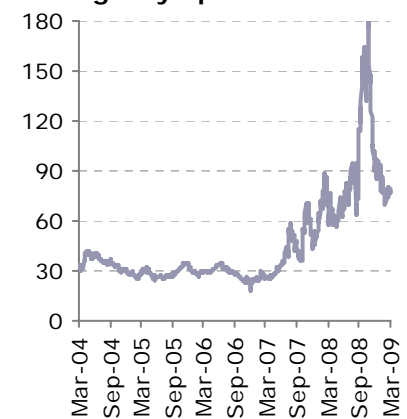
Jonathan E. Lewis  
Principal

April 13, 2009

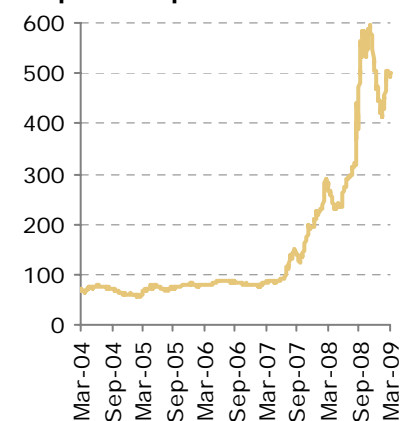
**5 Year Municipal/TSY Ratio**



**U.S. Agency Spread**



**Corporate Spreads**



Data Source: Barclays Capital®, Bondedge®

*No representation or assurance is made that Samson High Grade Core Intermediate Strategy will or is likely to achieve its objectives, or will make a profit or will not sustain losses. Any statements regarding future events constitute only subjective views or beliefs, are not guarantees or projections of performance, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond our control. Future results could differ materially and no assurance is given that these statements are now or will prove to be accurate or complete in any way. Samson does not provide tax, accounting or regulatory advice. ANY TAX STATEMENT CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY PERSON, FOR THE PURPOSE OF AVOIDING TAX PENALTIES.*

*Past performance is not indicative of future results. Any benchmarks or indices shown are for illustrative purposes only, are unmanaged, assume reinvestment of income, and have limitations when used for comparison or other purposes because they may have volatility, credit or other material characteristics (such as number and types of securities) that are different from (HGCI). Certain information is based on third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed. This information is confidential, is intended only for intended recipients and their authorized agents and may not be distributed to any other person without our prior written consent.*

### High Grade Core Intermediate Composite

Schedule of Investment Performance for the Period 1/01/05–12/31/08

Primary Benchmark: Barclays Capital Intermediate Aggregate

Year End	Assets (millions)	USD (millions)	Number of Accounts	Composite Gross	Barclays Capital Int. Aggregate	Composite Dispersion
2008	4,525	94	9	3.66%	4.86%	0.15%
2007	3,653	33	Five or Fewer	8.10%	7.02%	N.A.
2006	3,105	45	Five or Fewer	4.33%	4.58%	N.A.
2005	2,588	52	6	1.95%	2.01%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

#### 1) Basis of Presentation

Samson Capital Advisors LLC (the "Firm") is an SEC registered investment adviser. The firm has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). This presentation of investment performance sets forth the time-weighted rates of returns for the High Grade Core Intermediate Composite (the "Composite") for the period shown. Past performance is no guarantee of future results and may differ in future time periods. Additional information regarding the Firm's policies and procedures for calculating and reporting performance results is available upon request.

#### 2) Selection Criteria and Valuation Procedures

The Composite consists of all fully discretionary, fee paying separately managed accounts in the High Grade Core Intermediate style. The High Grade Core Intermediate strategy is a relative return focused mandate appropriate for investors with an indefinite investment horizon, seeking to maximize return with a lower degree of principal volatility than typical aggregate market strategies. For comparison purposes, the composite is measured against the Barclays Capital Intermediate Aggregate Index. The minimum account size for this composite is \$2.5 million.

Eligible new portfolios are added to the Composite at the start of the first performance measurement period following the date that the portfolio is fully invested as defined by the Composite strategy. Securities listed on any national exchange are valued at their last trade price. Securities that are not listed are valued at the most recent publicly quoted bid price. Securities transactions are recorded on a trade date basis. If applicable, dividend income is recorded as of the ex-dividend date. Returns reflect investment of dividends and other earnings. The High Grade Core Intermediate Composite was created September 30, 2005. Samson Capital Advisors LLC's compliance with the GIPS standards has been verified for the period June 1, 2004 through September 30, 2008 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the High Grade Core Intermediate Composite beginning October 1, 2004. A copy of the verification report is available upon request.

#### 3) Calculation of Rates of Return

Composite returns are expressed in U.S. dollars. For each portfolio within the Composite, the total rate of return for the time period is equal to the change in market value of the portfolio, including capital appreciation, depreciation and income, as a percentage of the beginning market value of the portfolio, adjusted for the net of all contributions and withdrawals (the "cash flows"). Each cash flow is weighted from the actual date of contribution or withdrawal in the month that it occurred. The results for the Composite for all periods are shown net of withholding taxes, where applicable, on dividends, interest, and capital gains.

The composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of at least 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the

significant cash flow occurs and the account re-enters the composite at the beginning of the month, after full investment. Additional information regarding the treatment of significant cash flows is available upon request.

Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Additional information regarding the policies for calculating and reporting returns is available upon request. The management fee schedule is as follows: 0.40% on the first \$10 million, 0.30% on the next \$10 million, and 0.25% thereafter. Actual investment advisory fees incurred by clients may vary.

Rates of return are calculated on a "time-weighted" basis for all portfolios which comprise the Composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Time-weighted rates of return minimize the effect of cash flows on the investment performance of the portfolio. Monthly Composite rates of return are computed by taking an asset-weighted average of each portfolio's monthly rate of return within the Composite, utilizing their respective beginning market values for the period. Annual Composite rates of return are derived by geometrically linking monthly Composite rates of return.

The standard deviation of comparable performance over time is a measure of dispersion. This calculation measures the fluctuation of the rates of return of portfolios with the Composite in relation to the average return. Dispersion is not shown for composites with less than 5 portfolios for a full year.

#### 4) Composite Benchmark

Composite returns are benchmarked against the Barclays Capital Intermediate Aggregate Index.

The Barclays Capital U.S. Intermediate Aggregate Index is an unmanaged index that represents the U.S. domestic investment-grade bond market. It is comprised of the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million. Please note that indices do not take into account any fees and expenses of investing in the individual securities that they track, and that individuals cannot invest directly in any index. Data about the performance of these indices are prepared or obtained by NBM and include reinvestment of all dividends and capital gain distributions. The Fund may invest in many securities not included in the above-described indices. Effective November 3, 2008 Barclays Capital announced the combination of the existing Lehman Brothers indices with the Barclays Capital indices into a single platform under the "Barclays Capital Indices" name. The renamed Lehman Brothers indices will continue to operate under their existing methodology. The index name changes will be reflected in all updates going forward.

#### 5) List of the Firm's Composites

In addition to the Composite, the Firm provides investment management services utilizing different strategies. A complete list and descriptions of the Firm's composites are available upon request within a reasonable time frame.