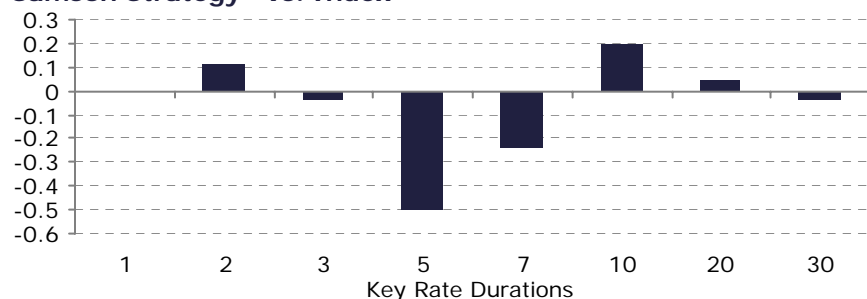


## High Grade Core Intermediate Strategy

During the 3rd quarter, our high grade strategy generated a 1.90% return, which compares to the 2.07% return of the Barclays Intermediate Aggregate and the 1.75% return of the Barclays Intermediate Aggregate excluding the kinds of securities we do not use in our conservative strategy (i.e. BBB corporates, CMBS, ABS).

As taxable yields again fell to historic lows, our risk-averse style led us to reduce portfolio duration to a more defensive posture vs. the benchmark (3.16 years vs. 3.40 years). We increasingly moved our yield curve position towards a barbell, using cheaply valued taxable municipals as the long-end of the barbell, and Treasuries as the shorter leg. The chart below shows our yield curve positioning as compared to the benchmark.

**Samson Strategy\* vs. Index**



Our short duration posture and barbell structure are the result of our value driven investment process and reflect our capital preservation orientation. Our investment process has led us to conclude that the bond market is moderately overvalued, that most spread sectors are richly valued on a risk/reward basis (agencies, corporates, and MBS) and that the yield curve is likely to flatten from this point forward. The charts below highlight the tight spread environment for corporates and agencies in particular.

**A-Rated Corporate Spreads**



**U.S. Agency Spreads**



Taxable Municipals (such as Build America Bonds) are more cheaply valued than comparably rated corporate bonds. The table on the next page shows the spread to Treasuries of comparably rated Build America Bonds and

### Performance Summary

		3Q 2010	YTD 2010
HGCI Comp	Gross	1.90%	6.08%
	Net*	1.81%	5.80%
Barclays Int. Agg		2.07%	6.96%
	Ex BBB	1.88%	6.66%
	Ex BBB/CMBS/ABS	1.75%	6.26%

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

### Fixed Income Performance

	2008	2009	YTD 2010
U.S. TSY			
30 Year	41.25%	-25.88%	20.62%
10 Year	20.06%	-9.76%	14.38%
5 Year	13.97%	-1.35%	9.99%
Agy. MBS	8.34%	5.89%	5.11%
Muni 5 Yr	5.78%	7.40%	5.05%
<b>Int. Agg</b>	<b>4.86%</b>	<b>6.46%</b>	<b>6.96%</b>
Int. Corp.			
Aaa	5.34%	1.00%	11.60%
Aa	0.70%	9.54%	9.59%
A	-5.55%	15.67%	11.50%
Baa	-9.25%	28.26%	10.97%
ABS	-12.72%	24.72%	7.45%
CMBS	-20.52%	28.45%	19.32%
High Yield	-26.16%	58.21%	11.90%
S&P 500	-36.99%	26.47%	3.91%

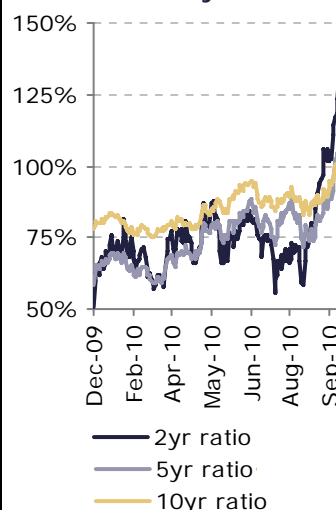
\*Representative Portfolio

corporate bonds. In our view, at these comparative spreads, taxable municipals offer attractive relative value to corporate bonds. This is especially true when you consider that municipals have a lower historical default rate than corporates (0.06% vs. 2.50% for investment grade securities according to Moody's 2010 default study).

	Cpn	Maturity	Rating	Yield	Spread to UST
NYC GO BAB	4.047%	10/1/20	Aa2/AA	4.19%	1.63%
Target	3.875%	7/15/20	A2/A+	3.28%	0.72%
Univ of TX BAB	3.987%	8/15/20	Aaa/AAA	3.24%	0.68%
Wal-Mart	3.625%	7/8/20	Aa2/AA	3.13%	0.57%

In addition to taxable Build America Bonds (and other taxable municipals) we also use tax-exempt municipals in our strategy when the relative yields are compensatory. During the early summer, as continued capital flows into municipal mutual funds drove tax-exempt municipal/Treasury ratios to overvalued levels, we eliminated our exposure to this sector. Since that time municipal yields have actually risen, while Treasury yields have fallen sharply. With muni/Treasury ratios of well over 100% we have begun rebuilding our tax-exempt municipal positions. The chart to the right highlights the changing relationship between tax-exempt municipals and Treasuries.

Muni/Treasury Ratios



While we do not anticipate that the Federal Reserve will raise rates any time soon, we believe that quantitative easing is none the less already priced into the bond market in large measure. Consequently, we feel that Treasury bonds (which have benefited from repeated flight to quality waves and central bank purchases) should be viewed with particular caution. Though our allocation to Treasuries seems comparable to the benchmark on the surface, as the chart below shows, our Treasury duration is considerably shorter than that of the benchmark and the contribution to duration Treasuries make to our overall strategy duration is very modest.

Sector	High Grade Core Intermediate				Barclays Int Agg Index			
	% Port	YTM	Dur	Contrib Dur	% Port	YTM	Dur	Contrib Dur
Treasuries	28%	0.41%	2.1	18.6%	32%	1.00%	4.05	38.3%
Agencies					8%	1.05%	2.72	6.4%
Mortgages	35%	2.86%	1.77	19.6%	37%	2.98%	2.40	26.2%
Corporates	12%	1.74%	3.83	14.6%	15%	2.84%	4.50	20.0%
Munis	6%	1.06%	2.34	4.5%				
Txble Munis	18%	3.52%	7.49	42.7%				
Cash & Equiv	1%	0.10%	0.08	0.0%				
Other (CMBS, ABS)					8%	2.73%	3.86	9.10%
<b>Total</b>	<b>100%</b>	<b>2.02%</b>	<b>3.16</b>	<b>100%</b>	<b>100%</b>	<b>2.15%</b>	<b>3.40</b>	<b>100%</b>

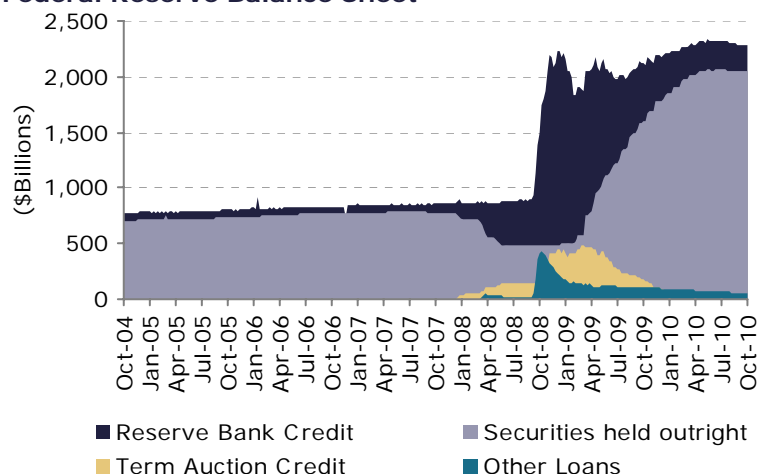
Admittedly, for value oriented investors it has been a time for patience and fortitude. The level of real interest rates (nominal rates minus inflation) is an important valuation tool when considering whether or not the bond market is cheaply or expensively valued. The chart to the right shows that real interest rates are well below the historic average and in that context the market is moderately overvalued. The charts on corporate and agency

10 Yr Treasury Real Rates

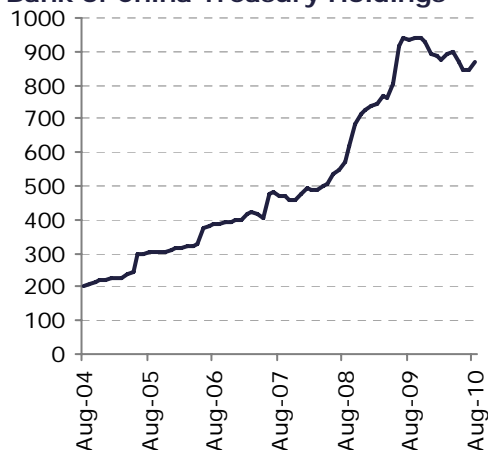


spreads presented earlier in this report highlight why we view those sectors as overvalued. We are of the view that it will take some time before the market moves from an overvalued condition to a more fairly valued condition. The reasons are straightforward and yet historically unprecedented. To appreciate how we have arrived at this juncture we must recall that in many ways Adam Smith's invisible hand has been banished from the bond market. The level of interest rates, kept low by central bank bond purchases, has not been determined by free markets. Corporate spreads have not rallied because investors are wildly optimistic about the future; the Federal Reserve's purchases of both Treasuries and Mortgage Backed Securities have driven spreads tighter. The charts below show the expansion of not only the Federal Reserve's balance sheet and Treasury holdings, but those of the central bank of China as well. And they are not the only central banks buying U.S. bonds.

**Federal Reserve Balance Sheet**



**Bank of China Treasury Holdings**



Speculative investors may buy more long dated Treasuries believing they can always sell at a higher price to the Federal Reserve or the People's Bank of China, but in this area we would prefer to stand on the sidelines. Our mandate is capital preservation and pursuing such an approach would be inconsistent with our objective. In the meantime, if we can deliver returns consistent with the broader bond market with less credit risk and interest rate risk, that is our preference and the mission of our strategy.

Jonathan E. Lewis  
Principal

October 20, 2010

Data Sources: Moody's®, Barclays Capital®, Bloomberg®

*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 1/01/05–12/31/09

Primary Benchmark: Barclays Capital Intermediate Aggregate

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		USD (millions)	Number of Accounts	Composite		Barclays Capital Int. Aggregate	Composite Dispersion
				Gross	Net		
2009	6,516	125	15	5.97%	5.60%	6.46%	
2008	4,525	94	9	3.66%	3.30%	4.86%	0.15%
2007	3,653	33	Five or Fewer	8.10%	7.73%	7.02%	N.A.
2006	3,105	45	Five or Fewer	4.33%	3.97%	4.58%	N.A.
2005	2,588	52	6	1.95%	1.59%	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 or lack of a full year of performance.

### 1) Definition of Firm

Samson Capital Advisors LLC (the "Firm"), founded in June 2004, is an SEC registered investment adviser as of May 2004. Samson provides investment management services.

### 2) Compliance Statement

Samson Capital Advisors has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Samson Capital Advisors has been verified for the period June 1, 2004 through December 31, 2008 by Ashland Partners & Company LLP and from January 1, 2009 through December 31, 2009 by The Spaulding Group. The High Grade Core Intermediate Composite has been examined for the period December 31, 2004 through December 31, 2008. The verification and performance examination reports are available upon request.

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.

### 3) Policies

Additional information regarding the Firm's policies and procedures for calculating performance, valuing portfolios, and preparing compliant presentations is available upon request.

### 4) Composite Description

The High Grade Core Intermediate Composite was created September 30, 2005. 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. The minimum account size for this composite is \$2.5 million.

### 5) Benchmark

For comparison purposes, the composite is measured 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.

### 6) Reporting Currency

Composite returns are expressed in U.S. dollars.

### 7) Fees

Gross-of-fees returns are presented before management fees, but net of all trading expenses, custodial fees, and withholding taxes. 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.

Net-of-fee performance is shown net of model management fees (the highest charged to an account in the composite), all trading expenses, custodial fees, and withholding taxes.

### 8) Significant Flows

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.

### 9) Internal Dispersion

The measure of dispersion used in this presentation is the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. 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 5 or fewer portfolios for a full year.

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

In addition to the Composite, the Firm provides investment management services utilizing different strategies. A complete list of composite descriptions is available upon request.

### 11) Additional Disclosures

As of 7/1/09 portfolios are revalued for cash flows of 10% or more. Prior to 7/1/09 portfolios were not revalued for large cash flows.

Benchmarks are shown for illustrative purposes only, may not be available for direct investment, 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 the Strategy. Information is as of the date hereof unless otherwise indicated. Certain information is based on data provided by 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 the Manager's prior written consent. Notwithstanding and foregoing, the recipient and their authorized agents may disclose to any and all persons, without limitation of any kind, the structure and tax aspects of the transactions described herein and all materials of any kind that are provided by Samson to the recipient related to such structure and tax aspects.

Beginning January 1, 2008, the composite definition was expanded to include accounts with mandates that allow for investment in securities which do not fall within the High Grade Core Intermediate style. For example, the mandate may allow for allocations to alternative sectors or an extension in duration outside the acceptable boundaries of the High Grade Core Intermediate style. At their time of inclusion, these portfolios had no allocation to these securities. Should these portfolios become invested in these securities, they will be removed from the composite.