



Taxable Municipal Bond Portfolios

INVESTMENT OBJECTIVE

Maximize risk-adjusted returns through the construction of a high quality portfolio of taxable securities including taxable municipals, agencies, Treasury securities and high quality corporate bonds.

Endowments, foundations, pension funds and other tax-exempt entities seek to maximize risk-adjusted returns through the purchase of taxable fixed income securities with positive spread to Treasuries. Our high-grade, fixed-income investment strategies strive to achieve this goal with a primary allocation to taxable municipal bonds, providing both yield spread and quality.

With the advent of the Build America Bond program in 2009, the taxable municipal market is poised to grow substantially. Having invested in the taxable municipal market since 1996, Breckinridge is well positioned to take advantage of the growing opportunity in taxable municipal bonds.

We also tactically pursue opportunities in other fixed-income sectors including high quality corporate bonds, agencies and Treasuries.

OUR TAXABLE STRATEGY

We customize taxable fixed-income portfolios to help our tax-exempt investors achieve their objectives. In particular, we believe taxable municipal bonds have a valuable role to play given their strong credit quality and attractive yield.

For example, taxable municipal bonds can serve as:

- » A core intermediate fixed-income allocation
- » A satellite fixed-income strategy to provide diversification to other spread sectors
- » An effective liability-driven investment

INVESTMENT PHILOSOPHY

- » Invest in low-risk assets, while limiting duration and prepayment risk
- » Take advantage of opportunities to improve a portfolio's risk-adjusted returns
- » Customize portfolios according to each client's objectives and risk parameters
- » Focus on preserving capital and generating a reliable income stream

INVESTMENT TEAM

- » Thirteen dedicated senior professionals including five portfolio managers, three traders and five analysts
- » Average industry experience of more than 20 years

PORTFOLIO CHARACTERISTICS

- » Average effective maturity: 5-7 years
- » Average duration: 4.25-5.25 years
- » Average credit rating: AA
- » Average annual turnover: 25 percent

ACTIVE MANAGEMENT

- » Portfolio structuring
- » Sector allocation
- » Ongoing credit research
- » Yield curve analysis
- » Opportunistic trading

FLEXIBLE BENCHMARKING

- » Barclays Government/Credit
- » Barclays Intermediate Government/Credit
- » Customized

CHECK IT OUT:

- » Check out the new BAB & Taxable Muni Resource Center at www.bondinvestor.com

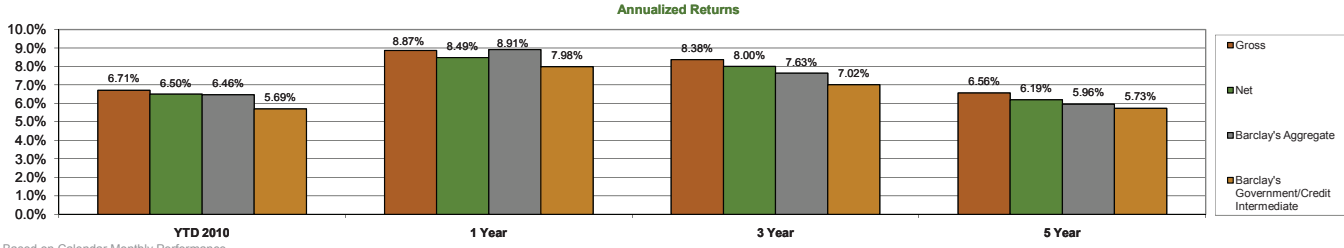
TAXABLE STRATEGY:

INTERMEDIATE COMPOSITE RESULTS

July 2010

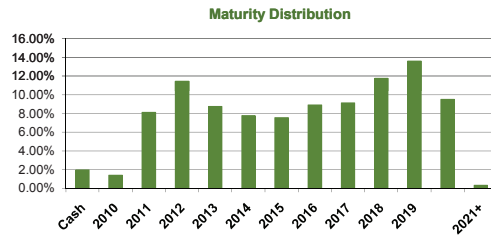
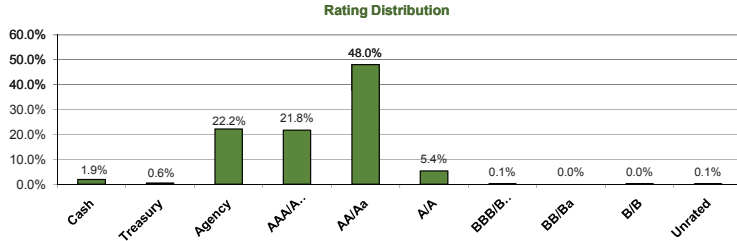
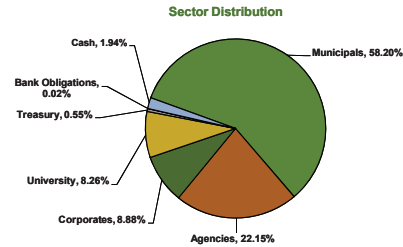
	July 2010	Q3 2010	YTD 2010	2009	2008	2007	2006	2005
Composite Performance* (Gross):	0.54%	0.54%	6.71%	4.18%	9.08%	7.89%	3.99%	2.22%
Composite Performance* (Net):	0.51%	0.51%	6.50%	3.83%	8.73%	7.54%	3.64%	1.87%
Barclays Aggregate Performance:	1.07%	1.07%	8.09%	5.93%	5.24%	6.97%	4.33%	2.43%
Barclays Government/Credit Intermediate:	1.09%	1.09%	5.69%	5.24%	5.08%	7.39%	4.08%	1.58%

Composite results calculated monthly. Quarterly returns will be compounded monthly figures
As of 07/31/10, composite assets totaled \$397,288,000 (329 Accounts). Total assets under management equaled \$13,170,936,368 (5625 accounts).



Based on Calendar Monthly Performance

Current Profile as of: July 2010	
Average Quality	AA+
Average Maturity (Years)	5.5
Average Duration (Years)	4.55
Average Coupon	4.39%
Average Yield	2.54%
Composite Dispersion	Month 0.27%
Composite Dispersion	Year-to-Date 0.59%
Creation Date	Jan-05



TAXABLE COMPOSITE DISCLOSURES

* In October 2009, a discrepancy was identified in the pricing methodology used by BCA's pricing service when pricing US Agency bonds. This discrepancy resulted in overstating prices on these bonds for the period 4/30/09 through 10/31/09. The methodology was corrected for the month ending 11/30/09. BCA repriced the affected holdings and has restated performance for this period. Corrected performance values are included in all performance values as of 12/31/09. Corrected monthly performance is reported in the table below. Additional information regarding the pricing discrepancies is available upon request.

Breckinridge Capital Advisors, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). Breckinridge Capital Advisors, Inc. has been verified for the periods 12/31/02 - 12/31/08 by Beacon Verification Services. A copy of the verification report is available upon request.

Breckinridge Capital Advisors, Inc. (BCA) is an independent, SEC registered investment management firm established in 1993, which manages fixed-income portfolios, primarily through other investment managers or consultants. Breckinridge charges a fee for its management that is negotiated with each investment manager based on portfolio size and services provided. Additional information on portfolio management fees is found in ADV II.

BCA defines a discretionary account as an account where the holder has given BCA full authority to buy and sell securities. Only discretionary accounts are included in a composite. A client may impose restrictions on the investments that can be made for an account. These could include minimum credit ratings, maximum maturities and limiting BCA's ability to sell securities due to tax concerns. Any account with extensive restrictions that limit BCA's ability to effectively manage an account in accordance with BCA's established management styles will be considered non-discretionary. Accounts with specific state biases are non-discretionary because we are instructed to invest in the specific state if adequate supply exists. The maximum fee BCA assesses for management of a client account is 35 basis points. Fees are negotiable based on the size and nature of the portfolio and if the portfolio is managed through a wrap account.

The Taxable composite includes all eligible portfolios that invest in high grade intermediate taxable municipal bonds, treasuries and agencies for stable income and capital preservation. The accounts are benchmarked against Barclays Aggregate or Government/Credit Index. Inclusion in the composite is based on the following parameters: Accounts must have no client directed preferences or restrictions with respect to the states in which they can invest. Portfolios with significant cash flows, contributions or withdrawals, equal to 10% or more of the portfolio value, within a given period are excluded from the composite for that period. If all other criteria are met, accounts removed from the composite due to a significant cash flow are returned the following period. The Composite return is calculated including cash holdings. Accounts must have a maximum maturity of at least 15 years. Non-fee paying accounts are excluded from the composite. Accounts that meet all other inclusion criteria are added to the composite after the first full month of management. A complete listing and description of all composites is available upon request.

Net performance results for the single aggregate portfolio used to calculate performance reflect the deduction of the maximum Breckinridge investment advisory fee for the accounts included in the composite. Portfolio performance will be reduced by investment advisory fees charged by Breckinridge. Additional fees charged by WRAP program sponsors are not deducted. WRAP fees may include, among others, custodial fees, administrative fees and transactional fees. Gross performance is net of all trading expenses. Custodial charges, which may be incurred in the management of municipal bond portfolios, are not included in the performance calculations.

Calculations are done in US dollars using Modified Dietz time weighting. Additional information regarding significant cash flows is available upon request. Dispersion is the equal weighted standard deviation of individual account returns for accounts in the composite for the entire calendar year. The Composite is benchmarked against the Barclays Aggregate Index (previously the Lehman Aggregate Index). Additional information on the performance calculation methodology and reporting is available upon request. Past performance is not indicative of future results. All investments involve risk, including the loss of principal.

	Gross Return	Net Return	Barclays Aggregate	Barclays Govt/Credit Intermediate	# of Portfolios	Composite Dispersion	Composite AUM (\$MM)	Comp. AUM as % of Total AUM	Wrap AUM as % of AUM	Total AUM (\$MM)
July 2010	0.54%	0.51%	1.070%	1.090%	329	0.27%	\$397	3%	15%	\$13,171
YTD 2010	6.71%	6.50%	6.461%	5.694%	329	0.59%	\$397	3%	15%	\$13,171
2009	4.18%	3.82%	5.332%	5.241%	347	0.96%	\$389	3%	16%	\$11,571
2008	9.08%	8.71%	5.240%	5.075%	146	1.04%	\$143	2%	18%	\$7,834
2007	7.89%	7.52%	6.967%	7.386%	118	0.26%	\$101	2%	20%	\$5,330
2006	3.99%	3.83%	4.334%	4.082%	97	0.19%	\$89	2%	20%	\$4,633
2005	2.22%	1.87%	2.429%	1.579%	50	0.14%	\$46	1%	36%	\$3,770

+ Restated returns due to a pricing error the months of April to October (10/31/09).

@ Annual dispersion restated 12/31/09 for prior years to eliminate portfolios that were not in the Composite for a full year.