

### Investment Philosophy

We are an active fixed income manager with the goal of maximizing return **while preserving capital**. Our strategy combines:

- ◆ Duration Management
- ◆ Relative Valuation
- ◆ Sector Selection

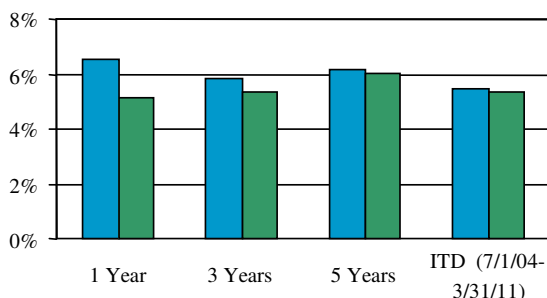
We will move to the shortest duration allowable in an effort to preserve capital when appropriate.

### Time-Tested Investment Process

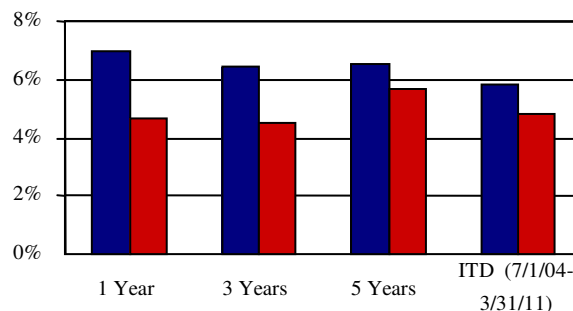
- ◆ Sector Selection among U.S. Governments, Agencies, Mortgages and Corporate Securities
- ◆ Security Selection is a result of relative valuation analysis and enhanced by our Equity Research Process
- ◆ Return Driven, not Index Driven
- ◆ Experienced managers with over 20 years managing fixed income products

### Annualized Composite Performance

For periods ended 3/31/11\*



■ Pension Fund	6.5%	5.9%	6.1%	5.5%
■ Barclays Aggregate Bond	5.2%	5.3%	6.0%	5.3%



■ Annuity Fund	7.0%	6.5%	6.5%	5.8%
■ Barclays Int. Gov/Credit	4.6%	4.5%	5.7%	4.8%

### An Active Process

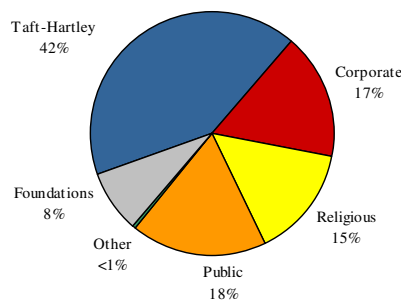
Duration and Sector weightings are in large part determined by a Macro-Economic analysis including the following variables:

- ◆ Inflation Outlook
- ◆ Real Rates of Return
- ◆ Federal Reserve Policy
- ◆ Money Supply/Demand
- ◆ World Currency/Interest Rate Trends
- ◆ Yield Curve

### Diverse Base of Clients

- ◆ \$11.9 billion under management firm-wide as of March 31, 2011

### Institutional Client Breakdown (as of 3/31/11)



\* 1<sup>st</sup> Quarter returns are preliminary and unaudited  
ASC performance is asset weighted, gross of fees and GIPS compliant on a firm wide basis. See full performance record which is attached.

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS

## Fixed Income Performance\*

	<u>Taft-Hartley Fixed Income Pension Composite</u>				<u>Barclays Aggregate Bond Index***</u>	
	<u>Gross of Fees</u>		<u>Net of Fees</u>		<u>Per Annum</u>	<u>Cumulative</u>
	<u>Per Annum</u>	<u>Cumulative</u>	<u>Per Annum</u>	<u>Cumulative</u>		
Start-7/1/04*		100		100		100
2004*	3.2%	103	3.0%	103	4.2%	104
2005	2.4%	106	2.1%	105	2.4%	107
2006	5.2%	111	4.8%	110	4.3%	111
2007	6.6%	118	6.2%	117	7.0%	119
2008	-0.6%	118	-0.9%	116	5.2%	125
2009	11.1%	131	10.9%	129	5.9%	133
2010	7.6%	141	7.4%	138	6.6%	141
Year to Date 3/31/11**	1.8%	143	1.7%	141	0.4%	142

Annualized Return	<u>Taft-Hartley Fixed Income Pension Composite</u>		<u>Barclays Aggregate Bond Index</u>
	<u>Gross of Fees</u>	<u>Net of Fees</u>	
6 ¾ Years	5.5%	5.2%	5.3%

\* The Taft Hartley Fixed Income Pension Composite began on July 1, 2004; 2004 represents the period July 1, 2004 through December 31, 2004.

\*\* Preliminary.

\*\*\* The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

### Notes

Atalanta Sosnoff Capital, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

- (1) Performance figures reflect the performance of a composite of our Jointly Trusteed (e.g., Taft-Hartley) fixed income pension accounts that are managed by Mr. Joseph V. Sileo, a portfolio manager previously with Harbor Capital, Boston, MA who joined Atalanta Sosnoff Capital in April 2004. The Jointly Trusteed Fixed Income Pension Composite consists of discretionary accounts in which equity securities would not normally be part of the account, as a result of client imposed investment restrictions. Additionally, Pension fixed income portfolios have a longer duration when compared to Annuity Fund fixed income accounts, and are generally modeled and measured against an aggregate fixed income benchmark. Convertible securities and cash, if applicable, are included in the fixed income composite. Prior to 2009, the composite includes accounts of \$1,000,000 or more from their first full quarter under management, including those accounts no longer with the firm. In 2009, the composite includes institutional accounts of \$500,000 or more from their first full quarter under management, including those accounts no longer with the firm. From 2010 forward, the composite includes institutional accounts of \$500,000 or more from their first full month under management, including those accounts no longer with the firm. Data from all accounts has been continuous from their inception to the present or until their last full month prior to termination of the account relationship with the firm. As of March 31, 2011, this composite includes 5 portfolios representing \$117 million in assets under management, or 1% of total assets under management.
- (2) Our standard fixed income investment advisory fee is 0.40% of assets under management. If advisory fees were reflected in the above performance statistics, the effect on the annualized rate of return would be greater than 0.40% due to the effect of compounding. A complete discussion of our investment advisory fees is included in Part II of our Form ADV, which is available upon request.
- (3) No alterations of composites as presented here have occurred due to changes in personnel or other reasons at any time.
- (4) The composite does not include non-manager costs associated with an account, such as custodial or other fees. The composite does reflect all commission costs.
- (5) **RESULTS FOR INDIVIDUAL ACCOUNTS MAY VARY AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.**
- (6) Atalanta Sosnoff Capital, LLC has been verified firm-wide from January 1, 1990 through December 31, 2010 by Ashland Partners & Company LLP.
- (7) A complete list of all composites is also available upon request.

## Fixed Income Performance\*

	<u>Taft-Hartley Fixed Income Annuity Composite</u>				<u>Barclays Inter. Gov't/Credit Index***</u>	
	<u>Gross of Fees</u>		<u>Net of Fees</u>		<u>Per Annum</u>	<u>Cumulative</u>
	<u>Per Annum</u>	<u>Cumulative</u>	<u>Per Annum</u>	<u>Cumulative</u>		
Start-7/1/04*		100		100		100
2004*	3.4%	103	3.3%	103	3.1%	103
2005	2.5%	106	2.3%	106	1.6%	105
2006	5.5%	112	5.3%	111	4.1%	109
2007	6.7%	119	6.5%	119	7.4%	117
2008	-1.0%	118	-1.2%	117	5.1%	123
2009	12.9%	133	12.7%	132	5.2%	129
2010	7.5%	143	7.3%	142	5.9%	137
Year to Date 3/31/11**	2.0%	146	2.0%	144	0.3%	138

<u>Annualized Return</u>	<u>Taft-Hartley Fixed Income Annuity Composite</u>		<u>Barclays Inter. Gov't/Credit Index</u>
	<u>Gross of Fees</u>	<u>Net of Fees</u>	
6 ¾ Years	5.8%	5.6%	4.8%

\* The Taft Hartley Fixed Income Annuity Composite began on July 1, 2004; 2004 represents the period July 1, 2004 through December 31, 2004.

\*\* Preliminary.

\*\*\* The U.S. Government/Credit Index is the non-securitized component of the U.S. Aggregate Index and was the first macro index launched by Barclays Capital. The U.S. Government/Credit Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), government-related issues (i.e., agency, sovereign, supranational, and local authority debt), and corporates. The U.S. Intermediate Government/Credit Index is a subindex of the U.S. Government/Credit Index with bond maturities of 1 to 9.9999 years.

Atalanta Sosnoff Capital, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

- (1) Performance figures reflect the performance of a composite of our Jointly Trusteed (e.g., Taft-Hartley) fixed income annuity and welfare accounts that are managed by Mr. Joseph V. Sileo, a portfolio manager previously with Harbor Capital, Boston, MA who joined Atalanta Sosnoff Capital in April 2004. The bond duration of annuity and welfare funds is generally 60% of a pension fund portfolio. The Jointly Trusteed Fixed Income Annuity Composite consists of discretionary accounts in which equity securities would not normally be part of the account, as a result of client imposed investment restrictions. Additionally, Annuity fixed income portfolios have a shorter duration when compared to Pension Fund fixed income accounts, and are generally modeled and measured against an intermediate fixed income benchmark. Convertible securities and cash, if applicable, are included in the fixed income composite. Prior to 2009, the composite includes accounts of \$1,000,000 or more from their first full quarter under management, including those accounts no longer with the firm. In 2009, the composite includes institutional accounts of \$500,000 or more from their first full quarter under management, including those accounts no longer with the firm. From 2010 forward, the composite includes institutional accounts of \$500,000 or more from their first full month under management, including those accounts no longer with the firm. Data from all accounts has been continuous from their inception to the present or until their last full month prior to termination of the account relationship with the firm. As of March 31, 2011, this composite includes 6 portfolios representing \$106 million in assets under management, or 1% of total assets under management.
- (2) Our standard fixed income investment advisory fee is 0.40% of assets under management. If advisory fees were reflected in the above performance statistics, the effect on the annualized rate of return would be greater than 0.40% due to the effect of compounding. A complete discussion of our investment advisory fees is included in Part II of our Form ADV, which is available upon request.
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