

Limited Maturity Taxable Style

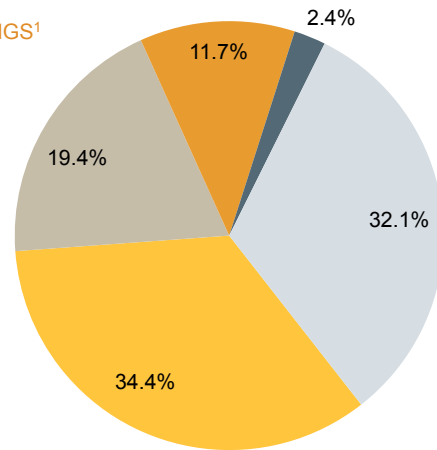
Separate accounts



FOURTH QUARTER 2011

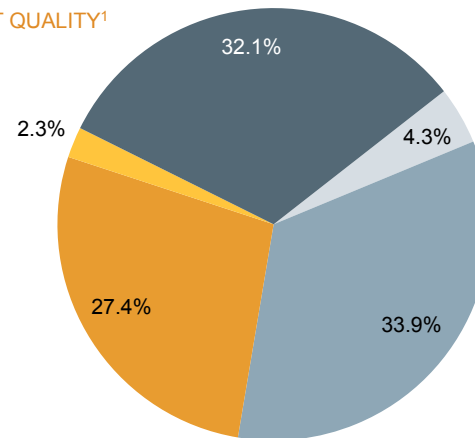
SECTOR WEIGHTINGS¹

- Corporate Bonds
- Government Agencies
- Municipal Bonds
- Taxable Municipals
- Cash



CREDIT QUALITY¹

- Aaa
- Aa
- A
- BBB
- Cash



Suitable for institutional and high-net-worth investors, endowments, foundations, and corporations seeking improved income while maintaining reserves for anticipated and event-driven needs. Accounts in this strategy favor income generation with a shorter maturity horizon than our Low Duration Taxable Style. This strategy uses investment grade corporate bonds, U.S. agency bonds, and taxable and tax-exempt municipal bonds along with money market securities to provide liquidity and generate income. A minimum investment of \$2,000,000 is required.

OBJECTIVES^{2,3}

- Lower Risk and Minimize Volatility
- Emphasis on Meeting Anticipated and Event-Driven Needs
- Higher Income Compared with Money Market Investments
- Greater Liquidity than Certificates of Deposit

PORTFOLIO CHARACTERISTICS⁴

Average Maturity	0.5-1.5 years
Average Duration	0.5-1.5 years
Average Quality	AA- or better
Typical Turnover	50%
Typical # of Holdings	15-25

PORTFOLIO SCOPE

- Investment-Grade Corporate Bonds
- U.S. Agency Bonds
- Taxable or Tax-Exempt Municipal Bonds

Founded in 1997, Caprin is an asset management firm that applies the substantial experience and expertise of its professionals to the creation and management of investment solutions for those seeking wealth preservation and income generation. We seek opportunities for individuals, family offices, corporations, endowments, foundations and governmental entities across today's wider spectrum of taxable and tax-exempt fixed-income instruments including individual bonds, and bond ETFs. Caprin is an Independent Registered Investment Advisor that partners with strategists and clients to meet their fixed-income goals.

1) Sector and Credit Quality Characteristics shown above are representative of Caprin's Limited Maturity Taxable Bond Model Portfolio only and do not reflect actual client portfolios. As a result, actual portfolio characteristics may vary based on market conditions, then current strategy and available supply during the portfolio construction process. While Caprin's Portfolio Teams strive to achieve in client portfolios the same characteristics as in the corresponding strategy's Model Portfolio, there are no guarantees these characteristics will be achieved. As with any investment product, you are encouraged to discuss this with your advisor to determine whether this product is an appropriate solution for your situation. 2) There are no guarantees that these objectives will be met. Market Conditions and Individual Client objectives or constraints may impact the approach. 3) Caprin's Limited Maturity Taxable Bond Composite is currently being constructed. For all relevant considerations, please see the reverse. 4) Portfolio characteristics provided here are representative only and should not be considered definitive. Actual portfolio characteristics are subject to market conditions and subject to change without notice. Caprin reserves the right to modify these ranges as market conditions warrant and may do so without notice. 5) Municipal Bond Sector Sub-types include but are not limited to General Obligation, Water & Sewer, Education, Transportation, Healthcare, Hospital, Power and Miscellaneous.

Limited Maturity Taxable Style / Separate accounts

PERFORMANCE NOTES

INVESTMENT MANAGEMENT FEE SCHEDULE

Minimum Account Size	\$2,000,000
Minimum up to 9,999,999	0.20%
10,000,000 – 24,999,999	0.175%

Subject to review \$25,000,000 and above

Annual fees for managing accounts in this strategy are 20 basis points (0.20%) on accounts less than \$10 million and 17.5 basis points (0.175%) on accounts greater than \$10 million but less than \$25 million. Fees are based upon total account size and are not tiered. Caprin's investment management fees are fully described on Part II of Form ADV, which is available for review upon request.

Caprin Asset Management, LLC. (hereinafter "Caprin"), founded in 1997 in Richmond, Virginia, provides fixed income portfolio management services to individuals, family offices, corporations, endowments, foundations and governmental entities. Caprin, which is employee owned, is an independent, autonomous investment management organization providing advisory services on a separate account and sub-advisory basis. This performance disclosure statement applies to Caprin, as just defined, and encompasses all fee-paying, discretionary portfolios managed by Caprin and aggregated into performance composites as further described herein. A listing and description of Caprin's performance composites is available upon request.

COMPOSITE CONSTRUCTION

All composites have been created from accounts that are fully discretionary, strategy specific and size appropriate given the specific strategy. Size requirements are due to concentration and diversification constraints. Subject to composite construction criteria, each composite of portfolios represents 100% of the total assets that are managed according to the investment objective of the respective composite. New portfolios are added to a respective composite in the calendar quarter following the first full calendar quarter under management. Exceptions to this criterion are as follows:

- Terminated portfolios are included in their respective composite for all periods up to and including the quarter preceding the quarter of termination. Terminated portfolios will exit the

respective composite on the first day of the month during which such notice was received.

- Portfolios affected by a change in investment strategy are removed from their current composite on the first day of the month during which the strategy change was implemented. Such portfolios will be assigned to their new composite effective the first day of the calendar quarter following the first full calendar quarter the respective portfolio is managed according to the new investment strategy.
- Portfolios become non-discretionary under the following situations: quality restrictions, maturity restrictions, erratic cash withdrawals, pre-approval for transactions, or restricted access to custodial data. This list is not comprehensive.

INVESTMENT STRATEGY: LIMITED MATURITY TAXABLE

Caprin's Limited Maturity Taxable Bond Strategy reflects information from all similar taxable bond accounts carrying limited maturity taxable investment guidelines with a primary emphasis on yield. Portfolio holdings in the Limited Maturity Taxable Bond Composite are varied based on customer requirements. Composite results are US dollar-based, measured internally based upon trade date accounting, and include the reinvestment of dividends and interest. Results for the full historical period are time weighted. The portfolio returns are asset weighted using end-of-month market values. Quarterly, annual and annualized periods are calculated based upon geometrically linked monthly returns.

CALCULATION OF RETURNS

FEES: Gross of Fees: Gross returns do not reflect the deduction of management fees or other costs that will reduce the actual experience of the client portfolio. **Net of Fees:** When noted, all returns reflect the deduction of Caprin's investment management fees and include cash and transaction costs. Additional fees may apply; please consult your financial advisor or custodian for additional information.

METHODOLOGY:

Dollar-weighted total rate of return using monthly valuations calculated in U.S. dollars and geometric linking of full precision period returns. Prior to June 30, 2000 returns were calculated on a quarterly basis

only. Beginning June 30, 2000 returns are calculated on a monthly basis. Full accrual of interest and dividends. No derivatives or leverage is utilized in client accounts.

Performance and Fees: Gross returns do not reflect the deduction of investment advisory fees and therefore the client's return will be reduced by the advisory fees and any other expenses it may incur. For instance, if a client's portfolio returns 5% in a single year and is charged a fee of 0.5% annually, the net result for the client would be reduced by the amount of the fee charged and result in a net result of approximately 4.5%.

Composite Dispersion: Caprin relies upon Standard Deviation as the primary measure for determining and analyzing dispersion among accounts included in any composite.

REQUIRED SEC DISCLOSURES

Consultant's Use of Performance Data: Any use of Caprin's performance data should be accompanied by the required SEC disclosures contained herein.

Disclaimer: Past performance is no guarantee of future results. All investments carry a certain degree of risk; it is important to review objectives, risk tolerance, liquidity needs, tax consequences and any other considerations before choosing an investment style or manager. An investment in any bond portfolio should be made with the understanding of the risks involved in investing in municipal bonds such as interest rate risk, credit risk and market risk, including possible loss of principal. The value of the portfolio will fluctuate based upon the value of the underlying securities. The information provided herein should not be construed as a recommendation to purchase or sell any particular security or an assurance that any particular security held in a portfolio will remain in the portfolio or that a previously held security will not be repurchased. Securities discussed herein may not represent a portfolio's entire holdings. It should not be assumed that any of the security transactions or holdings discussed herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the investment performance of the securities or strategies discussed.

knowledge

preserves

wealth



CAPRIN

1802 Bayberry Court, Suite 202
Richmond, Virginia 23226
804] 648-3333

CAPRINBONDS.COM