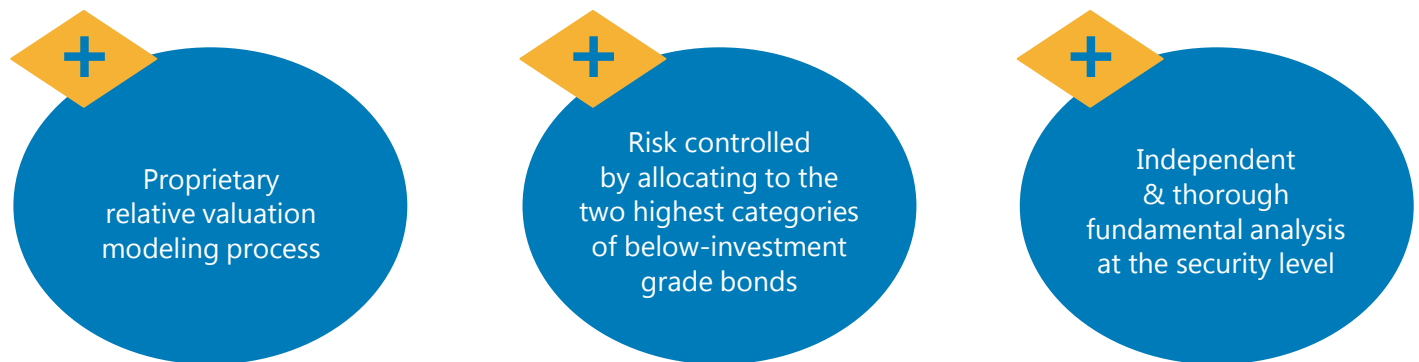


HIGH YIELD FIXED INCOME

INVESTMENT PHILOSOPHY

WaCap's High Yield Fixed Income strategy seeks to provide investors access to the below-investment grade fixed income market via a well-diversified portfolio of bonds. Higher yielding securities rated in the BB or B categories are chosen for their yield, potential for credit improvement and favorable total-return characteristics.

PROCESS HIGHLIGHTS



INVESTMENT PROCESS

In coordination with our fixed income team, we combine a top-down macro overlay with rigorous bottom-up fundamental analysis in constructing client portfolios. We seek to identify specific drivers of credit quality improvement in the investment decision process. Rigorous fundamental analysis of company financial statements, management assessment and history, as well as industry analysis go into each investment decision. WaCap's proprietary relative valuation modeling process helps identify potential candidates for purchase. All securities are continuously monitored along credit quality and valuation metrics, and the entire portfolio is reviewed extensively by the entire fixed income team monthly.

HIGH YIELD CREDIT SECTOR ANALYSIS OVERVIEW

From a universe of eligible securities rated below investment grade by at least one rating agency, we seek candidates for their yield and total return potential. A review of the candidate from both credit fundamental and valuation perspectives determines suitability for inclusion in the portfolio. Once a bond is included in the portfolio, it is subject to rigorous, continual monitoring and assessment.

The information provided herein represents the opinion of WaCap and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice. The information herein does not constitute an offer, solicitation or recommendation to purchase any security or investment advisory service. For further information about our advisory services, please contact Washington Capital.