

Who We Are

Boyd Watterson Asset Management, LLC is an SEC-registered investment advisory firm with \$17.3 billion of assets under management*. For 90+ years, we have successfully managed a broad range of fixed income and equity strategies for institutions and individuals alike. With a singular focus on the management of money and a dedication to the satisfaction of our clients' expectations, we offer the benefits of a boutique firm but with the resources usually attributable to much larger asset-management companies.

Our Philosophy and Process

Our fixed income philosophy is centered on our belief that over time, active management can consistently generate excess returns and enhance risk-reward tradeoffs. We believe this is best achieved by taking a more strategic view of macroeconomic and market factors and coupling them with a value-driven decision-making process and the rigorous application of risk-management controls.

Our process focuses on four key sources of excess return or "alpha-drivers" as follows:

- Duration Management
- Sector Allocation
- Yield Curve Positioning
- Security Selection

For each alpha driver, there are specific fundamental factors, momentum indicators, and valuation measures which are analyzed. These sources of alpha are then combined and weighted depending upon product type and scope of the client mandate.

At all stages of the portfolio construction process, risk is identified, measured, and managed to ensure desired risk levels are maintained. This is a highly disciplined, team-managed approach which remains fully invested in what we determine to be attractively valued sectors and securities.

The results are portfolios with expectations of outperforming targeted benchmarks but with less downside volatility. This is achieved with full transparency and without the use of leverage and/or derivative securities.

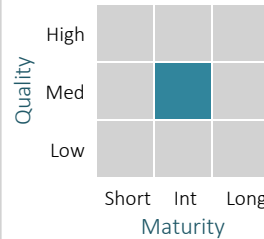
The Boyd Watterson Advantage

- Time-tested philosophy and proven investment process
- Disciplined, fundamental research-based culture
- Balanced investment approach - top down/bottom up
- Transparent portfolio implementation
- Experienced, tenured team of investment professionals
- Client-oriented benefits of a boutique firm

Objective

Ultra Enhanced Core is a well-diversified, broad market strategy that seeks to generate attractive risk-adjusted returns through a multi-sector approach that includes investment grade and high yield exposures, both domestic and international.

Style Facts



Eligible Securities: Up to 30% high-yield securities; B3/B- or better at purchase
 Maturity: 1 - 30 Year Securities
 Duration Range: +/- 25% of Benchmark
 Benchmark: Bloomberg Aggregate
 Composite Assets: \$576.9 million
 Composite Accounts: 27

Portfolio Characteristics	Composite**	Benchmark***
Average Yield to Maturity/Call	2.16%	1.72%
Average Coupon	3.01%	2.44%
Average Maturity	8.19 Years	8.54 Years
Average Duration	5.80 Years	6.47 Years
Average Quality	A	AA
High Yield	18.87%	-
International	0.68%	-

Sector Allocation	Composite**	Benchmark***
Treasuries	22%	39%
Agencies	-	2
Mortgage Backed	16	28
Corporate	53	25
Municipal	-	-
CMBS	2	2
ABS	6	-
Other	1	3

Duration Allocation	Composite**	Benchmark***
0 - 1 Years	10%	- %
1 - 3 Years	17	30
3 - 4 Years	18	14
4 - 6 Years	25	25
6 - 8 Years	10	8
Over 8 Years	20	24

Quality Allocation	Composite**	Benchmark***
AAA	41%	72%
AA	3	2
A	10	11
BBB	27	13
Below BBB	19	1

* Figure includes real estate assets managed in separately managed accounts and advisory-only unified managed accounts (UMA).
 ** Based on the model portfolio.
 *** Source: Capital Management Sciences.