

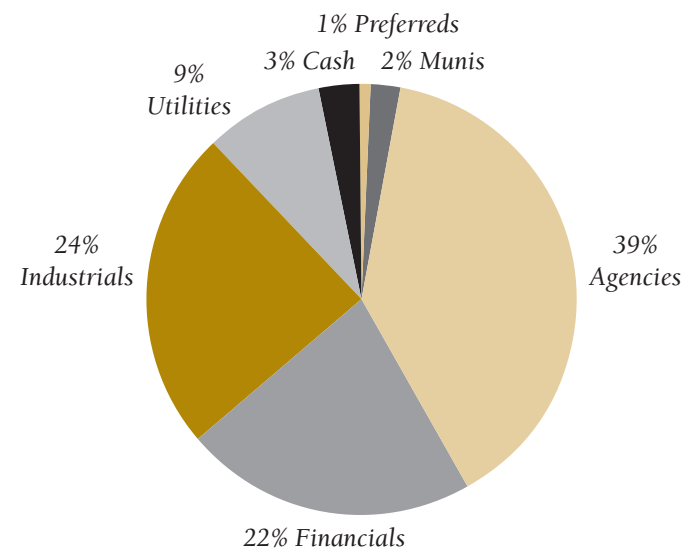
Fixed Income Commentary

This has been an unprecedented time in the credit markets and the third quarter of 2008 continued with extreme volatility. As the number of financial institutions on the brink of failure and bailouts grew weekly, concerns drifted to panic and liquidity in the credit markets all but froze up. The Treasury Department and the Federal Reserve have taken extreme policy measures in order to elevate the level of much-needed confidence and reduce constraints which have given rise to volatile markets. As is always the case in a time of uncertainty, investors sought the security of the Treasury market, pushing interest rates back down to historic lows. It remains uncertain as to whether all the liquidity infusion and backstop provisions designed to protect investors and the entire financial system will prove beneficial. It is the consensus that further action may be needed to reduce the volatility in global markets and return markets to more normal movements.

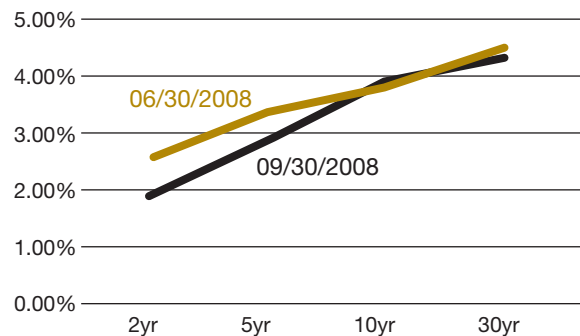
The TCVA taxable, fixed income composite outperformed its benchmark for the 3rd quarter, ending September 31, 2008, and year-to-date as well. The composite has maintained an average weighted maturity and duration shorter than the Lipper Benchmark in order to take advantage of the configuration of the yield curve. Other characteristics of the composites included higher credit

quality and a larger concentration of corporate securities over government agency bonds. Investing in shorter maturing bonds with higher coupons is the best defensive strategy in an already low interest rate environment. Also, concentrating on higher quality bonds with above average yield over Treasuries will continue to be the focus.

Fixed Income Sector Breakdown



Treasury Yield Curve



Portfolio Characteristics:

| | |
|---------------------------|---------|
| Average Maturity | 4.1 yrs |
| Average Duration | 1.9 yrs |
| Average Yield to Maturity | 4.70% |
| Average Coupon | 6.14% |
| Average Quality | AA |

Credit Quality:

| | |
|-----|-------|
| Aaa | 51.2% |
| Aa | 15.3% |
| A | 31.1% |
| BBB | 2.4% |