



**ABSOLUTE RETURN FIXED INCOME COMPOSITE
ANNUAL DISCLOSURE PRESENTATION
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| Year End | Total Firm Assets (millions) | Composite Assets | | Annual Performance Results | | | | |
|----------|------------------------------|------------------|--------------------|----------------------------|---------------|-----------------|----------------------|----------------------|
| | | USD (millions) | Number of Accounts | Composite Gross | Composite Net | LIBOR Benchmark | High Yield Benchmark | Composite Dispersion |
| 2007 | 10,890 | 162 | Five or fewer | 9.12% | 8.87% | 5.61% | 2.53% | N.A. |
| 2006 | 10,934 | 106 | Five or fewer | 11.22% | 11.00% | 5.12% | 10.76% | N.A. |
| 2005 | 10,124 | 234 | Five or fewer | 6.42% | 6.16% | 3.14% | 2.74% | N.A. |
| 2004 | 10,110 | 223 | Five or fewer | 9.14% | 8.86% | 1.30% | 10.87% | N.A. |
| 2003 | 11,258 | 350 | Five or fewer | 32.56% | 32.21% | 1.30% | 28.15% | N.A. |
| 2002 | 13,336 | 292 | Five or fewer | (7.97%) | (8.23%) | 1.95% | (1.89%) | N.A. |
| 2001 | 12,656 | 348 | Five or fewer | 6.86% | 6.57% | 5.01% | 4.48% | N.A. |
| 2000 | 9,405 | 166 | Five or fewer | 5.98% | 5.65% | 6.65% | (5.12%) | N.A. |
| 1999 | 5,911 | 148 | Five or fewer | 8.85% | 8.53% | 5.33% | 2.51% | N.A. |
| 1998 | 5,000 | 83 | Five or fewer | | | | | |

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Absolute Return Fixed Income Composite** contains fully discretionary fixed income accounts and for comparison purposes is measured against the Merrill Lynch LIBOR 3-Month Constant Maturity Index and the Merrill Lynch High Yield Master Constrained Index as general market indicators. Use of the Merrill Lynch LIBOR 3-Month Constant Maturity Index was added October 1, 2007. For periods shown prior to January 1, 2006, the Merrill Lynch High Yield Master II Index was used for comparison purposes. Effective October 1, 2007, the name of the High Yield Fixed Income Composite was changed to Absolute Return Fixed Income Composite. The composite name and benchmarks were changed to more accurately reflect the strategy of the composite. The minimum account size for this composite is \$500 thousand. Prior to January 1, 2006, the minimum account size was \$20 million and prior to January 1, 2002, the minimum account size was \$10 million.*

Reams Asset Management Company, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Reams Asset Management Company, LLC is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. The composite consists of one non-fee-paying account. Net of fee performance was calculated using a representative management fee. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 0.30% on the first \$50 million and 0.20% on the next \$50 million. Fees are negotiable for accounts in excess of \$100 million. Actual investment advisory fees incurred by clients may vary.

Derivatives (such as credit default swaps, credit default indices, options on CDX, currency forwards, structured notes, and CMO tranches) may be utilized when a strategy is unavailable or not cost effective through the cash market. Derivatives used are strictly constrained by client investment policy.



REAMS ASSET
MANAGEMENT
COMPANY

227 Washington Street
P.O. Box 727
Columbus, IN 47202-0727
(812) 372-6606 Fax (812) 376-3137

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The Absolute Return Fixed Income Composite was created August 1, 1998. Reams Asset Management Company, LLC's compliance with the GIPS standards has been verified for the period January 1, 1987 through June 30, 2008 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Absolute Return Fixed Income Composite beginning January 1, 2002. A copy of the verification reports is available upon request.