



MARKET DURATION MACS

As of December 31, 2014

QUARTERLY RETURNS (%)

2014	Q1	Q2	Q3	Q4	YTD
PIA (Gross)	2.21	2.09	-0.02	1.54	5.93
Barclays Gov/Credit ¹	1.98	1.92	0.17	1.82	6.01
PIA (Net) ²	1.50	1.37	-0.73	0.83	2.99

ANNUAL RETURNS (%)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PIA (Gross)	3.81	2.49	3.75	6.64	7.69	5.29	6.36	7.47	5.22	-2.42
Barclays Gov/Credit ¹	4.19	2.37	3.78	7.23	5.70	4.52	6.59	8.74	4.82	-2.35
PIA (Net) ²	0.94	-0.35	0.88	3.71	4.73	2.39	3.42	4.49	2.31	-5.14

ANNUALIZED RETURNS (%)

	1 Year	3 Year	5 Year	7 Year	10 Year	Inception (12/31/93)
PIA (Gross)	5.93	2.84	4.45	5.03	4.80	5.82
Barclays Gov/Credit ¹	6.01	2.76	4.69	4.81	4.70	5.75
PIA (Net) ²	2.99	-0.02	1.55	2.12	1.90	2.90

The **Market Duration MACS Composite** was created in July 2006 and is managed by Pacific Income Advisers (PIA). Returns are presented gross and net of fees and include the reinvestment of all income. Accounts in the composite will pay an all-inclusive fee based on a percentage of assets under management. Other than portfolio management, the all-inclusive fee includes brokerage commissions, consulting services, and in some cases, custodial services. Beginning July 1, 2006 wrap accounts make up 100% of the composite. For this period, gross returns are shown as supplemental information and are stated gross of all fees and transaction costs. Prior to July 1, 2006, performance presented represents that of the Market Duration Composite, which does not contain any wrap fee accounts. For this period, gross returns were reduced by transaction costs. **The attached disclosure is an integral part of this performance presentation. Past performance is not indicative of future results.**

¹Barclays U.S. Government/Credit Bond Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. You can not invest directly in an index.

²Net of fee performance was calculated using the highest annual wrap fee of 2.82%, applied monthly. Prior to January 1, 2010 the highest wrap fee was applied to the gross results on a quarterly basis. In presentations shown prior to January 1, 2012, the net of fee returns were calculated using a highest fee of 1.75%. The net returns were restated to reflect the highest applicable wrap fee incurred in client accounts.



MARKET DURATION MACS CONTINUED

ANNUAL DISCLOSURE PRESENTATION

Year End	Total firm assets (millions)	Composite assets		Annual Performance Results					
		USD (millions)	Number of accounts	*Composite Pure Gross	Composite Net	Barclays Gov/Credit	Composite Dispersion	Composite 3 Yr. Ex-Post STD	Index 3 Yr. Ex-Post STD
2014	10,478	162	7	5.93%	2.99%	6.01%	0.2%	3.13%	2.95%
2013	11,829	147	Five or fewer	(2.42)	(5.14)	(2.35)	N.A. ¹	3.18	3.17
2012	13,344	88	Five or fewer	5.22	2.31	4.82	N.A.	2.65	2.96
2011	3,895	53	Five or fewer	7.47	4.49	8.74	N.A.	N.A. ²	N.A. ²
2010	4,387	54	Five or fewer	6.36	3.42	6.59	N.A.	N.A.	N.A.
2009	4,467	924	13	5.29	2.39	4.52	0.2	N.A.	N.A.
2008	4,341	1,156	Five or fewer	7.69	4.73	5.70	N.A.	N.A.	N.A.
2007	3,978	1,150	6	6.64	3.71	7.23	N.A.	N.A.	N.A.
2006	4,167	11	Five or fewer	3.75	0.88	3.78	N.A.	N.A.	N.A.
2005	4,366	117	Five or fewer	2.49	(0.35)	2.37	N.A.	N.A.	N.A.
2004	4,542	206	15	3.81	0.94	4.19	0.2	N.A.	N.A.
2003	4,296	217	15	4.46	1.58	4.67	0.7	N.A.	N.A.
2002	4,353	148	10	9.62	6.63	11.04	0.9	N.A.	N.A.
2001	3,967	160	8	9.23	6.25	8.50	0.5	N.A.	N.A.
2000	3,593	228	8	11.65	8.62	11.85	0.2	N.A.	N.A.
1999	4,296	275	11	(1.57)	(4.33)	(2.15)	0.4	N.A.	N.A.
1998	5,593	346	13	9.08	6.10	9.47	0.2	N.A.	N.A.
1997	5,496	585	16	9.82	6.83	9.76	0.2	N.A.	N.A.
1996	2,868	291	13	3.85	0.98	2.90	0.3	N.A.	N.A.
1995	2,238	166	7	19.79	16.60	19.24	N.A.	N.A.	N.A.
1994	1,609	142	7	(3.53)	(6.25)	(3.51)	N.A.	N.A.	N.A.

¹N/A = Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

²N.A.=The 3 year Ex-post standard deviation isn't presented since there aren't 36 monthly returns available prior to this period.

*- Beginning July 1, 2006, "pure" gross-of-fees returns do not reflect the deduction of any expenses including trading costs and are supplemental to net returns.

Market Duration MACS Composite consists of wrap portfolios that invest in completion funds (PIA BBB Bond Fund and PIA Mortgage-Backed Securities Fund) and is comparable to the Barclays U.S. Government/Credit Bond Index benchmark. Portfolios are constructed from all major fixed income sectors and tend to be managed conservatively in terms of sector weights, quality and duration ranges compared to that of the index. The composite may invest in sectors that are not included in the Index and may not necessarily be representative of its benchmark. Prior to July 1, 2008, the composite was named the Market Duration SMA Composite. Effective July 1, 2006, the composite definition was changed. As of July 1, 2006 both completion funds were available for inclusion into the wrap accounts. Prior to July 1, 2006 returns were from institutional non-bundled accounts. The minimum account size for the composite is \$75 thousand. Between the periods of April 1, 2009 and July 1, 2006 the minimum account size was \$1 million. Prior to July 1, 2006 the minimum account size was \$3 million.



MARKET DURATION MACS CONTINUED

Pacific Income Advisers is an autonomous investment management firm registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The firm maintains a complete list and description of composites, which is available upon request.

Pacific Income Advisers claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Pacific Income Advisers has been independently verified for the periods January 1, 1994 through September 30, 2014. A copy of the verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Market Duration MACS Composite was created July 2006.

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 fees and include the reinvestment of all income. Accounts in the composite will pay an all-inclusive fee based on a percentage of assets under management. Other than portfolio management, the all-inclusive fee includes brokerage commissions, consulting services, and in some cases, custodial services. Beginning July 1, 2006 wrap accounts make up 100% of the composite. For this period, gross returns are shown as supplemental information and are stated gross of all fees and transaction costs. Prior to July 1, 2006, performance presented represents that of the Market Duration Composite, which does not contain any wrap fee accounts. For this period, gross returns were reduced by transaction costs. For all periods, net of fee performance was calculated using the highest annual wrap fee of 2.82%. In presentations shown prior to January 1, 2012, the net of fee returns were calculated using a highest fee of 1.75%. The net returns were restated to reflect the highest applicable wrap fee incurred in client accounts. The highest wrap fee may change over time. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year. Each wrap program is considered one account for the purposes of calculating composite dispersion. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The wrap fee schedule is as follows: The maximum allowable wrap fee for a Market Duration MACS account is 2.82%. Complete wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Wrap fees incurred by clients may vary.