

## Defensive High Grade Pro Forma Portfolio

*American Estate & Trust provides on the following pages, an illustration of a high-grade fixed income portfolio meeting the following criteria:*

*General Requirements: Any combination of approximately 30 issues of bills, notes, and bonds*

- **Ratings**
  - A3 (A-) to AAA, with an AA average
- **Asset Classes:**
  - Agency Bonds, Commercial Mortgage Backed Securities, Domestic Corporate and International Corporate Bonds
- **Allocation**
  - 20% of AA to AAA issues are to be Agency Bonds
  - 20% max floating rate securities
- **Maturity**
  - Liberal laddering with approximately 4 to 6 year average maturity
- **Yield**
  - Average yield to maturity of 2.65% or better
- **Pricing**
  - Heavy priority and emphasis on issues which are at a discount to par, or at par
  - Anything priced above par must meet or exceed the minimum YTM
- **Specifications**
  - Straight forward bond design, floating rate okay for up to 20% of allocation
  - Secondary or new issue acceptable

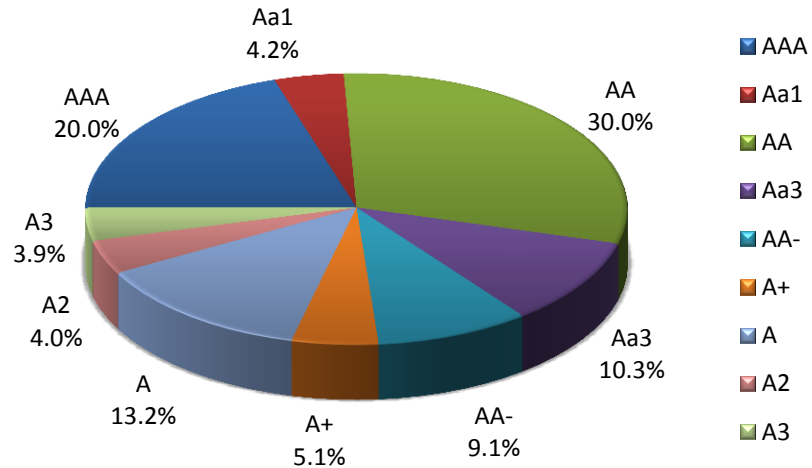
### Pro Forma High Grade Portfolio

#### Portfolio Summary

<b>Average Credit Rating</b>	AA
<b>Average Duration</b>	4.484
<b>Average Coupon</b>	4.16%
<b>Average Current Yield</b>	3.92%
<b>Average Yield to Maturity</b>	2.65%
<b>Annual Income</b>	\$4,076,530
<b>Cost of Bond Portfolio</b>	\$102,790,114
<b>Plus Initial Accrued Interest</b>	(Included in "Cost")
<b>Total Par Value</b>	<b>\$98,000,000</b>

#### Distribution by Rating

<b>AAA</b>	\$20,602,379	20.0%
<b>Aa1</b>	\$4,309,545	4.2%
<b>AA</b>	\$30,883,739	30.0%
<b>Aa3</b>	\$10,571,466	10.3%
<b>AA-</b>	\$9,393,523	9.1%
<b>A+</b>	\$5,262,218	5.1%
<b>A</b>	\$13,572,003	13.2%
<b>A2</b>	\$4,144,466	4.0%
<b>A3</b>	\$4,050,776	3.9%
	<b>\$ 102,790,114</b>	<b>100.0%</b>



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#### Distribution by Asset Class

<b>Agency</b>	\$21,246,364	20.7%
<b>CMBS</b>	\$32,799,040	31.9%
<b>Corp</b>	\$29,770,243	29.0%
<b>Intl Corp</b>	\$18,974,468	18.5%
	<b>\$102,790,114</b>	<b>100.0%</b>

