

# Investment Responsibilities

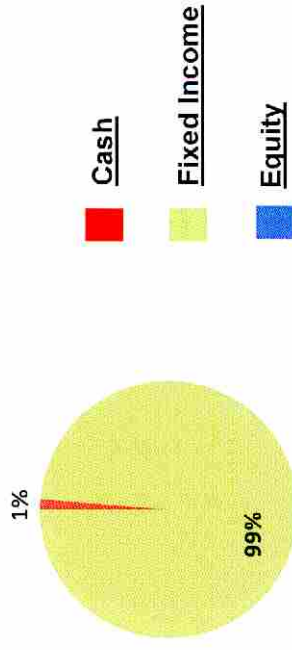
## *Fixed Income Portfolio*

- Objectives:
  - Maximize income and return relative to short-term alternatives.
  - Provide high levels of liquidity for expected and unexpected withdrawals.
  - Maintain above-average levels of credit quality.
- Maturities: Focus on short term final maturities within the 1 – 5 year range.
- Duration: Control duration management within the 1 – 3 year range.
- Quality:
  - All securities must be rated A or better by Moody's or S&P at the time of purchase.
  - Maintain an average portfolio quality of AA or better.
- Liquidity: 10% of market value is to be held in cash as a source of immediate liquidity.
- Performance: Over market cycles, evaluation versus “risk-free” sectors as measured by the Merrill Lynch 1 – 3 Year Treasury Indices.
- Comments: ***Current portfolio construction consistent with all objectives and guidelines.***

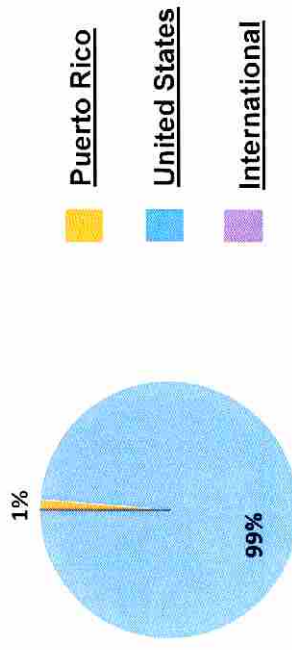
# Portfolio Review

## Asset Allocation by Asset Class & Region

Assets by Class	Total Portfolio	Distribution
Cash	\$ 155,264	1%
Fixed Income	\$ 11,926,940	99%
Equity	\$ -	0%
Alternative Investments	\$ -	0%
Portfolio	\$ 12,082,204	100%
Margin	\$ -	0%
Account Value	\$ 12,082,204	100%



Assets by Region	Total Portfolio	Distribution
Puerto Rico	\$ 155,264	1%
United States	\$ 11,926,940	99%
International	\$ -	0%
Alternative Investments	\$ -	0%
Portfolio	\$ 12,082,204	100%



*This information has been gathered for you at your request using your account statements. The figures have been extracted from your monthly statement. Best efforts have been made to reflect the true values of these figures. However, due to the element of human error, the exact accuracy cannot be guaranteed. This information is based upon the market value of the securities in your account, and is subject to daily market fluctuation. Past performance is no guarantee of future performance.*

**INVESTMENT CONSULTING SERVICES**

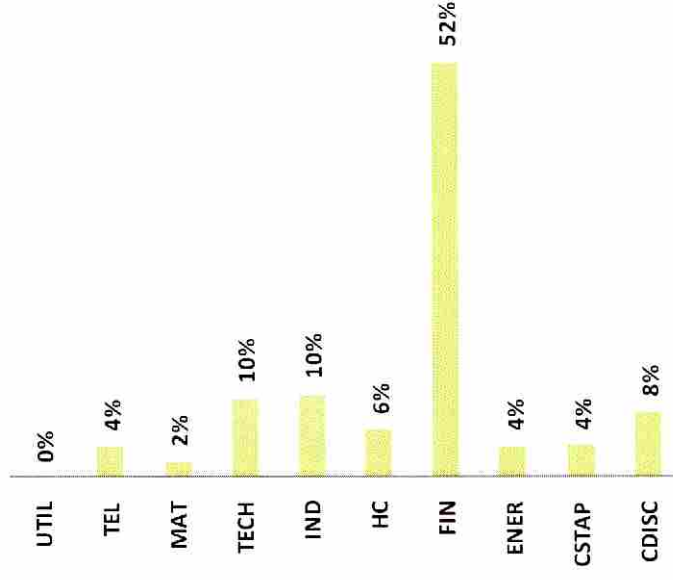
FINRA / SIPC Member



# Portfolio Review

## Distribution by Economic Sector

SECTOR WEIGHTS	Market Value	Fixed Income Allocation	Portfolio Allocation
Consumer Discretionary	\$ 979,212	8%	8%
Consumer Staples	\$ 478,348	4%	4%
Energy	\$ 468,875	4%	4%
Financials	\$ 6,173,665	52%	52%
Health Care	\$ 711,691	6%	6%
Industrials	\$ 1,239,766	10%	10%
Information Technology	\$ 1,169,334	10%	10%
Materials	\$ 237,056	2%	2%
Telecommunication Services	\$ 468,995	4%	4%
Utilities	\$ -	0%	0%
<b>TOTAL</b>	<b>\$ 11,926,940</b>	<b>100%</b>	<b>99%</b>



This information has been gathered for you at your request using your account statements. The figures have been extracted from your monthly statement. Best efforts have been made to reflect the true values of these figures. However, due to the element of human error, the exact accuracy cannot be guaranteed. This information is based upon the market value of the securities in your account and is subject to daily market fluctuation. Past performance is no guarantee of future performance.

**INVESTMENT CONSULTING SERVICES**

FINRA / SIPC Member

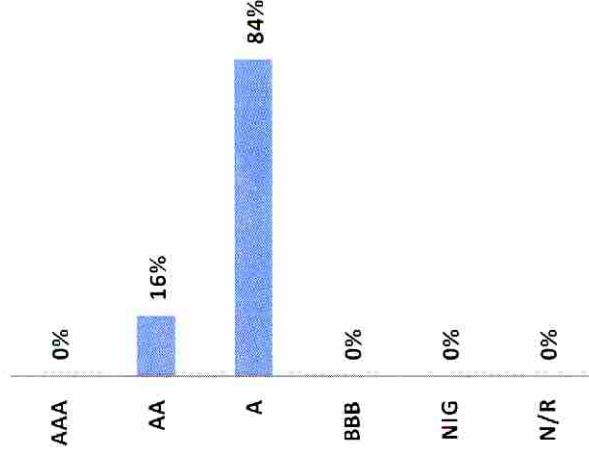


SECURITIES

# Portfolio Review

## Fixed Income Credit Quality

Credit Quality	Market Value	Distribution
AAA	\$ -	0%
AA+	\$ 485,530	4%
AA	\$ 236,097	2%
AA-	\$ 1,200,644	10%
A+	\$ 1,869,719	16%
A	\$ 3,427,333	29%
A-	\$ 4,707,617	39%
BBB+	\$ -	0%
BBB	\$ -	0%
BBB-	\$ -	0%
NIG	\$ -	0%
N/R	\$ -	0%
<b>Total</b>	<b>\$ 11,926,940</b>	<b>100%</b>



NIG: Not Investment Grade  
NR: Not Rated

This information has been gathered for you at your request using your account statements. The figures have been extracted from your monthly statement. Best efforts have been made to reflect the true values of these figures. However, due to the element of human error, the exact accuracy cannot be guaranteed. This information is based upon the market value of the securities in your account, and is subject to daily market fluctuation. Past performance is no guarantee of future performance.

**INVESTMENT CONSULTING SERVICES**

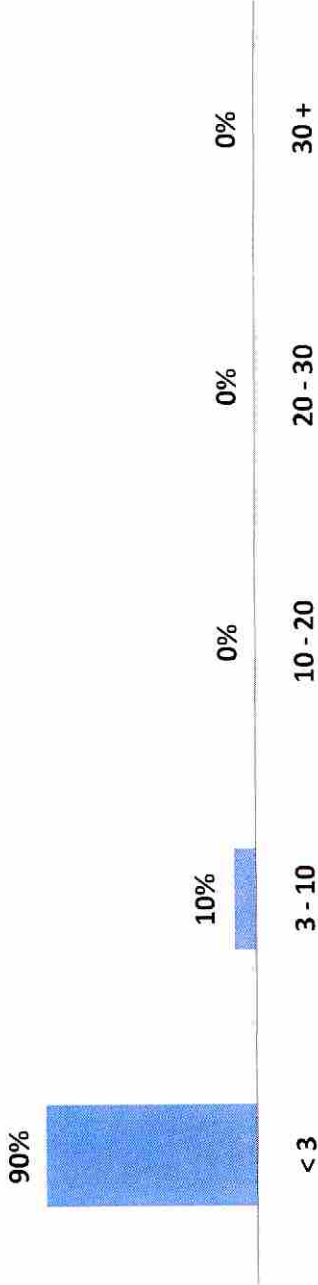
FINRA / SIPC Member



SECURITIES

# Portfolio Review

## Fixed Income Maturities



	Maturity	Market Value	Distribution	Distribution
Short	< 1 yr	\$ 5,671,742	48%	90%
	1 - 3 yrs	\$ 5,069,942	43%	
	3 - 5 yrs	\$ 1,185,256	10%	
Mid	5 - 7 yrs	\$ -	0%	10%
	7 - 10 yrs	\$ -	0%	
	10 - 15 yrs	\$ -	0%	0%
Long	15 - 20 yrs	\$ -	0%	
	20 - 25 yrs	\$ -	0%	0%
	25 - 30 yrs	\$ -	0%	0%
	30 +	\$ -	0%	0%
	Perpetual	\$ -	0%	0%
	<b>TOTAL</b>	<b>\$ 11,926,940</b>	<b>100%</b>	<b>100%</b>

This information has been gathered for you at your request using your account statements. The figures have been extracted from your monthly statement. Best efforts have been made to reflect the true values of these figures. However, due to the element of human error, the exact accuracy cannot be guaranteed. This information is based upon the market value of the securities in your account, and is subject to daily market fluctuation. Past performance is no guarantee of future performance.

**INVESTMENT CONSULTING SERVICES**

FINRA / SIPC Member



# Portfolio Review

## Summary of Income

	Summary	CORP	TOTAL
Market Value		\$ 11,926,940	\$ 11,926,940
Average Rating	A	A	A
Average Maturity	1.3	1.3	1.3
Average Duration	1.2	1.2	1.2
Average Coupon	4.433%	4.433%	4.433%
Average Current Yield	4.269%	4.269%	4.269%
Average YTM at Cost	3.065%	3.065%	3.065%
Average YTM at Price	0.714%	0.714%	0.714%
Estimated Annual Income		\$ 509,178	\$ 509,178
Estimated Monthly Income		\$ 42,432	\$ 42,432

\* Zero Coupons have been separated as a product class. All other product statistics exclude Zero Coupon bonds.

\* Coupon and dividend payments may change or discontinue. Actual income may be different than the amount estimated.

This information has been gathered for you at your request, using your account statements. The figures have been extracted from your monthly statement. Best efforts have been made to reflect the true values of these figures. However, due to the element of human error, the exact accuracy cannot be guaranteed. This information is based upon the market value of the securities in your account, and is subject to daily market fluctuation. Past performance is no guarantee of future performance.

**INVESTMENT CONSULTING SERVICES**

**FINRA / SIPC Member**



**Santander**  
SECURITIES

**ACCOUNT SUMMARY REPORT**  
Period Ending August 07, 2012

**PREPARED FOR**  
Autoridad de Desperdicios Solidos

**ACCOUNT  
NUMBER**

14E-008470

**ACCOUNT NAME**

Autoridad de Desperdicios Solidos

Boyd Watterson Asset Management, LLC

**YOUR FINANCIAL ADVISOR**

Alexandra Calderon  
Santander Securities  
Santander Tower  
Calle Tabonuco S1800  
Guaynabo, PR 00968  
787-759-5334

Prepared by:  
Lockwood®

Notice Regarding Portfolio Accounting Differences: Please note that the data shown on this report is for informational purposes and does not constitute an official tax document. The data shown on this report may differ from the data on reports generated by other sources. These differences can be explained by a number of factors, including but not limited to, the use of trade date versus settlement date for reporting purposes, the treatment of accrued income on securities, the security pricing source utilized and reports generated by different reporting systems for the same account. Please refer to your 1099 form in all instances for tax reporting purposes. If you have any questions, please feel free to contact your financial representative. Please refer to the end of the document for important information regarding this report.

## Second Quarter 2012 Capital Market Review From Lockwood Advisors, Inc.

- In the second quarter, most major segments of the U.S. equity markets posted negative returns. The S&P 500/377 Index, which is often considered a proxy for the total U.S. equity market, returned -2.75%. Large-cap companies reported a slightly higher quarterly return than other market capitalizations. Stylistically, the returns favored value over growth across the market capitalization spectrum. Large-cap value U.S. equities were the strongest performer during the quarter.
  - The ten sectors within the S&P 500 Index posted mixed returns in the second quarter. The Telecommunications Services sector was the best-performing sector; other top-performers were Utilities and Consumer Staples. Financials and Information Technology were the trailing sectors during the quarter.
  - The returns of the major segments of the U.S. fixed income markets were generally positive in the second quarter, as the Barclays U.S. Aggregate Bond Index posted a return of 2.06%. The yields of most qualities of U.S. corporate credit decreased in the second quarter. Compared to June 2011, the changes in corporate credit yields represent decreases across almost the entire investment-grade bond spectrum. The only increase was in yields of the lowest rated bonds. The Treasury yield curve decreased across most parts of the maturity spectrum during the second quarter. The largest changes were decreases in the long end of the curve. Treasury yields have fallen across most of the curve since June 2011, and the greatest decrease has occurred in the long end of the maturity spectrum.
  - The non-U.S. developed equity markets posted negative returns in the second quarter. The MSCI Europe, Australasia and Far East (EAFE) Index (net of taxes) returned -7.13%. The equity market returns of Belgium and Denmark were comparatively strong during the quarter, while the equity market returns of Greece and Finland were particularly weak.
  - The emerging markets regions' equity returns were predominantly negative in the second quarter. The MSCI Emerging Markets (EM) Index (net of taxes) posted a return of -8.89%. The equity market returns of the Philippines and Turkey led the region during the quarter, while the equity market returns of Brazil and Russia were especially weak.
  - Global fixed income markets, as measured by the Barclays Global Aggregate Index, posted a 0.62% return in the second quarter. The yields on the sovereign debt of some of the most financially distressed European nations, like Greece and Spain, increased during the past year. Yields on the sovereign debt of other, more financially stable nations decreased.
  - S&P 500 Index, an unmanaged index, includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957, it consisted of 90 of the largest stocks. Although the S&P 500 focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also used as a proxy for the total U.S. equity market.
  - Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. Securities must have at least one year to final maturity regardless of call features and must have at least \$250 million par amount outstanding.
  - Barclays Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate and the Asian-Pacific Aggregate indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.
  - MSCI EAFE (Europe, Australasia and the Far East) Index (net of taxes) is a free-float-adjusted market-capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. As of May 30, 2011, the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The index is net because dividends are reinvested after deducting a withholding tax from dividend distributions. Since taxes are withheld from the MSCI EAFE Index (net of taxes), the performance of the MSCI EAFE Index (net of taxes) will generally be lower than that of the MSCI EAFE Index (gross of taxes).
- The statements contained herein are based upon the opinions of Lockwood Advisors, Inc. (Lockwood) and the data available at the time of the publication of this report and are subject to change at any time without notice. This commentary is for informational purposes only, is not intended to meet the objectives or suitability requirements of any specific individual or account and should not be construed as a solicitation or a recommendation by Lockwood or its affiliates to buy or sell any securities or investments. The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Index performance assumes the reinvestment of all distributions, but does not assume any transaction costs, taxes, management fees or other expenses. Indices are not available for direct investment. Past performance is not a guarantee of future results. The statistical data contained herein has been obtained from sources believed to be reliable, but we cannot guarantee their accuracy. All performance is expressed in U.S. dollars. Sources: MSCI Barra, Standard & Poor's, Thomson Financial/Vestek Systems, Moody's Investor Services, Federal Reserve Bank of St. Louis, Barclays Live and the U.S. Department of Commerce. For more information, please contact your financial advisor.



## Second Quarter 2012 Capital Market Review From Lockwood Advisors, Inc.

- MSCI Emerging Markets Index (net of taxes) is a free-float-adjusted, market-capitalization index that is designed to measure equity market performance of emerging markets. As of May 30, 2011, the MSCI Emerging Markets Index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. The index is net because dividends are reinvested after deducting a withholding tax from dividend distributions. Since taxes are withheld from the MSCI Emerging Markets Index (net of taxes), the performance of the MSCI Emerging Markets Index will generally be lower than that of the MSCI Emerging Markets Index (gross of taxes).

The statements contained herein are based upon the opinions of Lockwood Advisors, Inc. (Lockwood) and the data available at the time of the publication of this report and are subject to change at any time without notice. This commentary is for informational purposes only, is not intended to meet the objectives or suitability requirements of any specific individual or account and should not be construed as a solicitation or a recommendation by Lockwood or its affiliates to buy or sell any securities or investments. The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Index performance assumes the reinvestment of all distributions, but does not assume any transaction costs, taxes, management fees or other expenses. Indices are not available for direct investment. Past performance is not a guarantee of future results. The statistical data contained herein has been obtained from sources believed to be reliable, but we cannot guarantee their accuracy. All performance is expressed in U.S. dollars. Sources: MSCI Barra, Standard & Poor's, Thomson Financial/Vestek Systems, Moody's Investor Services, Federal Reserve Bank of St. Louis, Barclays Live and the U.S. Department of Commerce. For more information, please contact your financial advisor.

**PORTFOLIO HISTORY REPORT**  
**August 07, 2012**  
**For Autoridad de Desperdicios Solidos**

Report is Valued in USD

Account Number: 14E-008470

Period Ending Date	Beginning Market Value	Gain/Loss	Net Contributions/Withdrawals	Ending Market Value	Your Portfolio Quarterly Returns	Cumulative Returns
12/27/2006				11,309,954		0.13%
12/31/2006	11,309,954	14,965	0	11,324,919	0.13%	0.13%
03/31/2007	11,324,919	283,802	370,000	11,978,721	2.47%	2.61%
06/30/2007	11,978,721	129,881	-144,185	11,964,417	1.10%	3.73%
09/30/2007	11,964,417	174,134	-154,891	11,983,660	1.47%	5.26%
12/31/2007	11,983,660	231,937	-182,032	12,033,565	1.96%	7.33%
03/31/2008	12,033,565	-59,782	-116,469	11,857,314	-0.50%	6.79%
06/30/2008	11,857,314	89,516	-172,189	11,774,641	0.76%	7.61%
09/30/2008	11,774,641	-711,862	4,180,233	15,243,012	-4.55%	2.72%
12/31/2008	15,243,012	600,598	-2,137,434	13,706,176	4.12%	6.95%
03/31/2009	13,706,176	104,827	-506,059	13,304,944	0.77%	7.77%
06/30/2009	13,304,944	254,467	-181,333	13,378,078	1.93%	9.86%
09/30/2009	13,378,078	119,035	-136,755	13,360,358	0.90%	10.84%
12/31/2009	13,360,358	47,162	-112,165	13,295,355	0.35%	11.23%
03/31/2010	13,295,355	19,405	-100,693	13,214,067	0.15%	11.40%
06/30/2010	13,214,067	23,355	-80,563	13,156,859	0.18%	11.60%
09/30/2010	13,156,859	46,339	-91,993	13,111,205	0.35%	11.99%
12/31/2010	13,111,205	10,020	-61,629	13,059,596	0.08%	12.08%
03/31/2011	13,059,596	24,536	-61,765	13,022,367	0.19%	12.29%
06/30/2011	13,022,367	38,757	-131,934	12,929,190	0.30%	12.63%
09/30/2011	12,929,190	-37,205	-142,938	12,749,047	-0.29%	12.30%
12/31/2011	12,749,047	41,577	-102,930	12,687,694	0.33%	12.66%

Please see important disclosures regarding performance, fees, and benchmarks at the end of this report.

**PORTFOLIO HISTORY REPORT**  
**August 07, 2012**  
**For Autoridad de Desperdicios Solidos**

Report is Valued in USD

Account Number: 14E-008470

<i>Period Ending Date</i>	<i>Beginning Market Value</i>	<i>Gain/Loss</i>	<i>Net Contributions/ Withdrawals</i>	<i>Ending Market Value</i>	<i>Your Portfolio Quarterly Returns</i>	<i>Cumulative Returns</i>
03/31/2012	12,687,694	71,970	-155,577	12,604,087	0.57%	13.31%
06/30/2012	12,604,087	8,661	-104,302	12,508,446	0.07%	13.39%
08/07/2012	12,508,446	28,877	-323,219	12,214,104	0.23%	13.65%
<b>TOTALS</b>		<u>1,554,971</u>	<u>-650,821</u>			

Please see important disclosures regarding performance, fees, and benchmarks at the end of this report.

**CAPITAL GAINS SUMMARY REPORT**  
 January 01, 2012 - August 07, 2012  
 For Autoridad de Desperdicios Solidos

Report is Valued in USD

Account Number: 14E-008470

<b>Account Number</b>		<b>Account Tax Status</b>		<b>Short Term</b>	<b>Long Term</b>
<b>Net Realized Gains or Losses</b>		<b>Tax Deferred/Exempt</b>			
14E-008470	Boyd Watterson Asset Management, LLC			-78.40	-166,724.08
<b>Total Taxable Realized</b>				0.00	0.00
<b>Total Tax Deferred/Exempt Realized</b>				-78.40	-166,724.08
<b>Realized Total</b>				<b>-78.40</b>	<b>-166,724.08</b>
<b>Unrealized Gains or Losses</b>		<b>Account Tax Status</b>		<b>Long Term Gains</b>	<b>Long Term Losses</b>
14E-008470	Boyd Watterson Asset Management, LLC	<b>Tax Deferred/Exempt</b>		1,752.80	-384,234.07
<b>Total Taxable Unrealized</b>				0.00	0.00
<b>Total Tax Deferred/Exempt Unrealized</b>				1,752.80	-384,234.07
<b>Unrealized Total</b>				<b>1,752.80</b>	<b>-384,234.07</b>

**CAPITAL GAINS DETAIL REPORT: TAX DEFERRED/EXEMPT ACCOUNTS**  
 January 01, 2012 - August 07, 2012  
 For Autoridad de Desperdicios Solidos

Report is Valued in USD

Account Number: 14E-008470

Shares/ Units	Description	Purchase Date	Sale Date	Cost	Proceeds	Gain/Loss
<b>Short-Term</b>						
Other						
10,000	GENERAL ELEC CAP CORP MEDIUM TERM NTS 4.800% 05/01/13 B/E DTD	12/14/2011	05/03/2012	10,477.60	10,399.20	-78.40
						-78.40
<b>Total Short-Term Realized Gains or Losses</b>				<b>10,477.60</b>	<b>10,399.20</b>	<b>-78.40</b>
<b>Long-Term</b>						
Other						
230,000	AT&T INC 4.950% 01/15/13 B/E DTD 12/06/07 CLB	05/26/2011	06/29/2012	244,795.90	235,661.91	-9,133.99
500,000	BB&T CORP SR MEDIUM TERM NTS SENIOR NOTES SR A 3.850% 07/27/11	11/24/2010	07/27/2012	522,395.00	500,000.00	-22,395.00
200,000	GENERAL ELEC CAP CORP MEDIUM TERM NTS 4.800% 05/01/13 B/E DTD	05/19/2011	05/03/2012	213,268.00	207,984.00	-5,284.00
30,000	GENERAL ELEC CAP CORP MEDIUM TERM NTS 4.800% 05/01/13 B/E DTD	08/18/2011	05/03/2012	31,596.90	31,197.60	-399.30
80,000	IBM INTL GROUP CAP LLC NT 5.050% 10/22/12 B/E DTD 10/22/07 CLB	10/01/2010	07/16/2012	87,099.20	80,967.20	-6,132.00
80,000	METLIFE INC SR NT 5.375% 12/15/12 B/E DTD 12/10/02 CLB	10/13/2010	07/16/2012	86,795.20	81,442.88	-5,352.32
500,000	MORGAN STANLEY NT 6.600% 04/01/12 B/E DTD 04/03/02 CLB	11/19/2010	04/01/2012	536,425.00	500,000.00	-36,425.00
500,000	PACCAR INC MEDIUM TERM NTS MED TERM NOTES SER A 6.375% 02/15/11	12/15/2010	02/15/2012	531,145.00	500,000.00	-31,145.00
500,000	PRAXAIR INC DEB 6.375% 04/01/12 B/E DTD 03/19/02 CLB	11/24/2010	04/01/2012	537,065.00	500,000.00	-37,065.00
250,000	SBC COMMUNICATIONS CORP SR NT 5.875% 08/15/12 B/E DTD 08/19/02 C	02/22/2011	03/30/2012	268,490.00	255,097.53	-13,392.47
						-166,724.08
<b>Total Long-Term Realized Gains or Losses</b>				<b>3,059,075.20</b>	<b>2,892,351.12</b>	<b>-166,724.08</b>
<b>Total Realized Gains or Losses</b>				<b>3,069,552.80</b>	<b>2,902,750.32</b>	<b>-166,802.48</b>

Please see important disclosures regarding performance, fees, and benchmarks at the end of this report.

**CAPITAL GAINS DETAIL REPORT: TAX DEFERRED/EXEMPT ACCOUNTS**  
 January 01, 2012 - August 07, 2012  
 For Autoridad de Desperdicios Solidos

Report is Valued in USD

Account Number: 14E-008470

<i>Description</i>	<i>Sale Date</i>	<i>Proceeds</i>
<b>Principal Paydown</b>		
FEDERAL HOME LN MTG CORP PARTN CTFS POOL # M80960 "GOLD" 5.0	01/17/2012	70,449.53
FEDERAL HOME LN MTG CORP PARTN CTFS POOL # M80960 "GOLD" 5.0	02/15/2012	72,962.99
<b>Total Principal Paydown</b>		<b>143,412.52</b>

## DISCLOSURES

This document provides personalized investment information and is not intended to meet the objectives of anyone other than the individual specified in this document. The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Call your financial professional for performance current to the most recent month-end.

All returns are presented on a time-weighted basis unless indicated. All returns are presented net of all fees, including consultant's fee, manager's fee and transaction costs except individual mutual fund returns, which are net of all internal fund expenses and transaction costs. The Managed Account shown on this report may not be the account from which the quarterly fee is deducted and therefore, the performance data provided would not reflect the deduction of fees. Performance returns are annualized for periods greater than one year. A dollar-weighted version of the returns is available upon request. Please contact your financial advisor with this request.

If you requested that historical data (performance history or cost basis), which predates your Program Sponsor relationship, be included in this report, that data is included on a "best efforts" basis as an accommodation to you, and is collected from information provided by you or your financial advisor. It may be incomplete, or inaccurate. Accordingly, Lockwood can make no representation as to the accuracy of that historical information or any calculations based on it.

The rate of return for the current manager on accounts that have undergone a manager change begins at the month end following the actual change date. Rates of return for the account in its entirety (including all previous managers) are also provided on the Account Summary.

If non-managed accounts or data on accounts not held at your main custodian are included in this composite report, information on those accounts is included only in the Portfolio Summary and Capital Gains reports.

Net Contributions/Withdrawals consist of all receipts and deliveries of securities to the account for the specified period. Accrual amount indicates income that has been applied to the total value of the account, but is not reflected on your custodial statement.

### Benchmark Definitions:

The Barclays Intermediate Government/Credit Bond Index features a blend of U.S. Treasuries, U.S. Agencies, and U.S. investment-grade corporate bonds limited to maturities of no more than 10 years.

Certain benchmark values are not available on a daily basis. As a result, benchmark returns will not be included in the Performance Summary if the daily values were not available on the date of this report.

The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Indices are not available for direct investment. Index performance assumes the reinvestment of all distributions but does not assume any transaction costs, taxes, management fees or other expenses.

An investment advisory disclosure document that describes our firm's investment advisory services and those of any investment advisors managing your account is available to you at no cost. Please contact your financial advisor or Lockwood to request these documents.

Lockwood offers access to non-advisory products and/or services and for non-advisory accounts. Lockwood receives performance information from third parties. Performance information received from third parties is not verified by Lockwood nor does Lockwood assume responsibility for the accuracy or completeness of information provided by third parties.

**Please contact your financial advisor if there have been any changes to your financial situation or investment objectives, or if you wish to impose any reasonable security or industry restrictions related to the management of your account or modify any existing restrictions.**

# Cash Flow Reports

## Trailing Performance Report

	DATES					Since Inception
	Trailing Quarter	Trailing 1-Year	Trailing 2-Years	Trailing 3-Year	Trailing 5-Years	
Begin Date	4/30/12	7/31/11	7/31/10	7/31/09	7/31/07	12/31/06
Ending Date	7/31/12	7/31/12	7/31/12	7/31/12	7/31/12	7/31/12
	RETURN					
Length of Period	3/12	1	2	3	5	5 7/12
Return On Investment	0.36%	1.06%	1.64%	3.13%	8.62%	10.88%
Annual ROI	1.44%	1.06%	0.82%	1.03%	1.67%	1.87%
	AMOUNT					
Beginning Account Value	\$ 12,359,221	\$ 12,777,536	\$ 12,957,826	\$ 13,156,491	\$ 11,684,891	\$ 11,324,919
Deposits (Cash & Securities)	\$ -	\$ -	\$ -	\$ 30	\$ 4,647,930	\$ 5,067,342
Withdrawals (Cash & Securities)	\$ (175,000)	\$ (680,738)	\$ (936,065)	\$ (1,321,510)	\$ (5,152,312)	\$ (5,462,188)
Net Contributions	\$ (175,000)	\$ (680,738)	\$ (936,065)	\$ (1,321,479)	\$ (504,382)	\$ (394,846)
Beginning Account Value + Net Contributions	\$ 12,184,221	\$ 12,096,798	\$ 12,021,760	\$ 11,835,012	\$ 11,180,508	\$ 10,930,073
Dividends, Interest & Other Income	\$ 140,798	\$ 627,575	\$ 1,225,962	\$ 1,728,228	\$ 3,161,396	\$ 3,475,540
Net Other Activity	\$ (15,482)	\$ (62,439)	\$ (126,822)	\$ (192,578)	\$ (320,086)	\$ (364,418)
Change in Account Value	\$ (80,928)	\$ (433,324)	\$ (892,290)	\$ (1,142,052)	\$ (1,793,209)	\$ (1,812,584)
Ending Account Value	\$ 12,228,610	\$ 12,228,610	\$ 12,228,610	\$ 12,228,610	\$ 12,228,610	\$ 12,228,610

\* Annual ROI is the annualized rate of return that compounded monthly will produce the return of the investment obtained from the given cash flows throughout the period. This information has been gathered for you at your request. The figures have been extracted from your monthly statements. The statistics contained herein are believed reliable, but are not necessarily complete and cannot be guaranteed. Best efforts have been made to reflect the true values of these figures and statistics. However, due to the element of human error, the exact accuracy cannot be guaranteed.

INVESTMENT CONSULTING SERVICES

FINRA / SIPC Member



SECURITIES



# Cash Flow Reports

## Account Distributions

DATE	ACTIVITY	TRANS NET AMOUNT	TOTAL
4/9/2007	FEDERAL FUNDS SENT	144,184.78	
7/6/2007	FEDERAL FUNDS SENT	165,690.64	
10/5/2007	FEDERAL FUNDS SENT	182,031.59	
<b>TOTAL 2007</b>			<b>491,907.01</b>
1/10/2008	FEDERAL FUNDS SENT	116,468.99	
4/7/2008	FEDERAL FUNDS SENT	172,189.00	
7/9/2008	FEDERAL FUNDS SENT	109,388.14	
7/16/2008	FEDERAL FUNDS SENT	215,345.00	
8/18/2008	FEDERAL FUNDS SENT	73,800.00	
10/23/2008	FEDERAL FUNDS SENT	214,344.23	
11/20/2008	FEDERAL FUNDS SENT	418,059.43	
12/5/2008	FEDERAL FUNDS SENT	1,505,030.63	
<b>TOTAL 2008</b>			<b>2,824,625.42</b>
2/6/2009	FEDERAL FUNDS SENT	395,773.79	
2/23/2009	FEDERAL FUNDS SENT	110,284.73	
4/14/2009	FEDERAL FUNDS SENT	181,332.55	
7/9/2009	FEDERAL FUNDS SENT	136,754.56	
11/30/2009	FEDERAL FUNDS SENT	112,165.37	
<b>TOTAL 2009</b>			<b>936,311.00</b>

DATE	ACTIVITY	TRANS NET AMOUNT	TOTAL
1/31/2010	FEDERAL FUNDS SENT	100,723.70	
4/8/2010	FEDERAL FUNDS SENT	80,562.93	
7/9/2010	FEDERAL FUNDS SENT	91,992.62	
10/13/2010	FEDERAL FUNDS SENT	61,628.74	
<b>TOTAL 2010</b>			<b>334,907.99</b>
1/11/2011	FEDERAL FUNDS SENT	61,764.90	
4/11/2011	FEDERAL FUNDS SENT	131,933.73	
8/3/2011	FEDERAL FUNDS SENT	142,938.39	
10/19/2011	FEDERAL FUNDS SENT	102,930.12	
<b>TOTAL 2011</b>			<b>439,567.14</b>
1/13/2012	FEDERAL FUNDS SENT	155,577.14	
4/17/2012	FEDERAL FUNDS SENT	104,292.11	
7/13/2012	CHECK PD.#0005182418	175,000.00	
<b>TOTAL 2012</b>			<b>\$ 4,252,843.43</b>

### DISTRIBUTIONS

**INTEREST INCOME DISTRIBUTION \$ 3,475,539.70**

This information has been gathered for you at your request, using your account statements. The figures have been extracted from your monthly statement. Best efforts have been made to reflect the true values of these figures. However, due to the element of human error, the exact accuracy cannot be guaranteed. This information is based upon the market value of the securities in your account, and is subject to daily market fluctuation. Past performance is no guarantee of future performance.

**INVESTMENT CONSULTING SERVICES**

**FINRA / SIPC Member**

