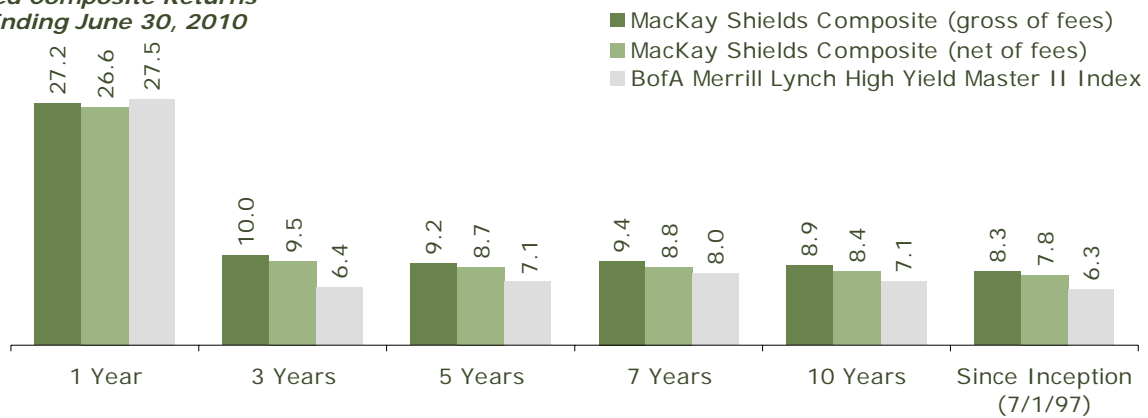


HIGH YIELD ACTIVE CORE PERFORMANCE

Annualized Composite Returns Periods Ending June 30, 2010



Composite Disclosures

Calendar Years	MacKay Shields Composite (gross of fees)	MacKay Shields Composite (net of fees)	BofA Merrill Lynch High Yield Master II Index	No. of Accts.	Composite Assets (Mil)	Firm Assets* (Mil)	Standard Deviation of Annual Returns
2010 (Thru 6/30)	4.5%	4.2%	4.7%	10	\$2,254	\$46,906	N/A
2009	50.8%	50.1%	57.5%	13	\$2,511	\$43,197	1.3
2008	-16.6%	-17.0%	-26.4%	13	\$1,195	\$28,370	0.9
2007	3.5%	3.0%	2.2%	9	\$879	\$38,094	0.3
2006	11.4%	10.8%	11.8%	12	\$1,133	\$40,074	0.8
2005	3.0%	2.5%	2.7%	13	\$1,360	\$38,329	0.3
2004	10.5%	9.9%	10.9%	11	\$1,564	\$39,208	0.2
2003	28.1%	27.5%	28.1%	6	\$636	\$6,372	0.0
2002	0.1%	-0.4%	-1.9%	4	\$340	\$4,129	0.8
2001	8.4%	7.9%	4.5%	8	\$251	\$3,475	3.1
2000	-2.1%	-2.6%	-5.1%	3	\$131	\$2,544	1.6

The High Yield Active Core Composite includes all discretionary high yield active core accounts managed with similar objectives for a full month, including those accounts no longer with the firm. As of 4/1/09, the composite definition was changed to exclude those accounts that cannot hold securities rated below CCC- and those accounts that cannot hold 144A securities. As of 4/1/10, the composite definition was changed to exclude mutual funds. Gross-of-fees composite performance reflects reinvestment of income and dividends and is a market-weighted average of the time-weighted return, before advisory fees and related expenses, of each account for the period since inception. Net-of-fees composite performance is derived by reducing the quarterly gross-of-fees composite returns by 0.125%, our highest quarterly fee. Additional information regarding the policies for calculating and reporting returns is available upon request. Performance is expressed in US Dollars. There can be no assurance that the rate of return for any account within a composite will be the same as that of the composite presented. Past performance is not indicative of future results.

The composite inception date was 7/1/97 and for the period from inception through 2/29/00 was developed at Forstmann-Leff International (FLI). Substantially all the investment decision-makers from the Fixed Income Group of FLI became employed by Pareto Partners on 2/29/00 and subsequently by MacKay Shields LLC on 10/15/04. The decision-making process remained intact and independent within Pareto and continues intact and independent within MacKay Shields. This group and process are responsible for the composite performance, therefore the current composite performance is linked to the prior FLI and Pareto composite history. The composite creation date at MacKay Shields was 10/15/04. All portfolios in the composite are fee-paying portfolios except for the period 7/1/97 through 7/31/98 when the composite included one non-fee paying account, which represented 100% of the composite as of 12/31/97.

MacKay Shields LLC, an SEC-registered investment adviser, has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The firm receives a verification from an independent accounting firm on a quarterly basis. An opinion is available on request, as are a complete list and description of the firm's composites. Indices do not incur management fees, transaction costs or other operating expenses. Investments cannot be made directly into an index. The BofA Merrill Lynch High Yield Master II Index is referred to for comparative purposes only and is not intended to parallel the risk or investment style of the portfolio in the MacKay Shields Composite. The reported standard deviation is an equal-weighted standard deviation of annual returns between accounts.

*Firm assets reflect Pareto assets prior to 2004.