

Pacific Income Advisers (PIA) Completes Lift-out of High Yield Team of Grandview Capital Management

New Capabilities Will Enable PIA to Offer High Yield Strategies

SANTA MONICA, May 11, 2010 – Pacific Income Advisers (PIA) has completed a lift-out of the entire six-person investment management team of Grandview Capital Management, LLC, a Manhattan Beach firm that specializes in high yield securities and bank loans.

According to Tim Tarpenting, Executive Vice President and Senior Portfolio Strategist, the Grandview team brings to PIA an audited 10-year high yield track record with consistent top quartile performance. The new PIA High Yield team will assist in the management of PIA Core Enhanced portfolios and be responsible for managing high yield separate accounts. PIA expects to launch a High Yield mutual fund in 3Q10 and envisions other attractive traditional and alternative product development opportunities that capitalize on the synergy between the PIA Investment Grade and High Yield teams.

Grandview Capital Management, LLC will continue to exist solely as the advisor to its existing Waterfront CLO through maturity.

Tarpenting noted that the acquisition resulted from a multi-year search by PIA to obtain high-yield capabilities, rather than assets. “We are confident in our ability to grow our assets organically and, therefore, were interested in finding a talented investment team that could assimilate into our firm culture and bring a strong investment track record,” he said.

Grandview’s investment team represents more than 75 years of professional investment experience. The three senior portfolio managers include:

Robert Sydow, who has 22 years of high yield investment management experience and heads PIA’s High Yield Dept. Before founding Grandview, Bob was a SVP and co-portfolio manager for SunAmerica Investments’ High Yield Bond Department, which grew tenfold to \$4 billion during his tenure. Previously, he served as Treasurer, Asset/Liability Manager and High Yield Portfolio Manager at First Interstate Bancorp.

Kevin Buckle, CFA, has over 19 years of investment management experience. Prior to joining Grandview Capital in 2002 as a Portfolio Manager, he was Managing Director at Willow Brook Capital, a private equity boutique, and before that was a SVP and Portfolio Manager of SunAmerica Investments, where he co-managed high yield bond, leveraged loan and structured product portfolios.

James Lisko, his 16 years of experience managing high yield and distressed debt includes his more than 10 years at Grandview Capital. Previously, he was a Senior Analyst and Portfolio Manager at JPBT Advisors and a Senior Analyst at both Western Asset Management and SunAmerica Investments, and Director of Research at Papillon Partners.

“During the mutual exploration period prior to our agreement, it became increasingly apparent that both of our organizations are client centric, have a well-defined focus and place a premium on trust, integrity and collaboration,” Sydow said.

About Pacific Income Advisers

Founded in 1986, Santa Monica-based Pacific Income Advisers is an independent, employee-owned investment advisory firm that manages \$4.5 billion (as of 3/31/10) for institutional and private clients worldwide. PIA’s “alpha thesis” is driven by the firm’s significant intellectual capital committed to risk measurement. To contact PIA, go to www.pacificincome.com.