

# US Large Cap Core Equity Management

Third Quarter 2008

## Strategy Overview

### Key Facts

**Assets Under Management**  
\$1.2 billion

**Benchmark**  
S&P 500 Index

**Inception**  
January 1994

**Investment Vehicles**  
Separate Account, Commingled Vehicle

**Key Stats & Risk Management**

Target Alpha	1-3%
Target Tracking Error	2-4%
Typical Holdings	70-90
Turnover	60-80%

### Team

Sean P. Fitzgibbon, CFA, leads a portfolio management team of 6 investment professionals supported by 27 core research analysts and 7 quantitative analysts. The team manages \$5.0 billion in total assets.

### Objective

Using a blend of quantitative and fundamental research, our US Large Cap Core Equity strategy seeks to outperform the S&P 500 Index through enhanced security selection, while maintaining a risk profile similar to the benchmark.

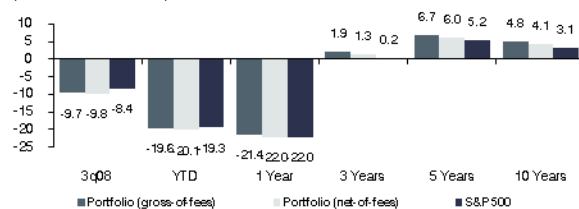
### Strategy Highlights

- Repeatable process focused on uncovering improving business momentum and attractive valuation
- Research-intensive process integrates robust quantitative modeling techniques with in-depth, hands-on quantitative analysis
- Risk management is employed to minimize unintended bets and maintain target beta and tracking error

## Performance Review

### Annualized Performance Results

(% as of 9/30/08)



### Annual Composite Performance

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Gross-of-Fees Return (%)	10.0	16.8	7.1	11.6	29.2	-20.0	-6.7	12.5	0.3	8.3
Net-of-Fees Return (%)	9.2	16.0	6.4	10.8	28.3	-20.6	-7.4	11.7	-0.4	7.6
S&P 500 (%)	5.5	15.8	4.9	10.9	28.7	-22.1	-11.9	-9.1	21.0	28.6

## Quarterly Review

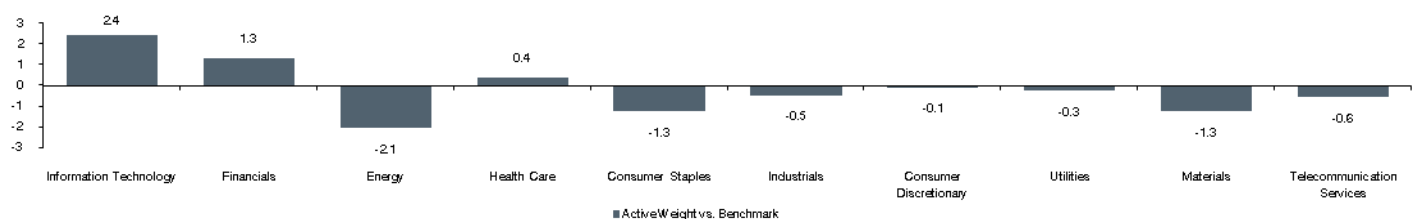
### Portfolio Characteristics

	Portfolio	Index
Price/Earnings Ratio	11.9x	12.4x
Earning Momentum	-9.4%	-13.3%
Earnings Surprise	5.7%	5.5%
Estimate Revision	-3.9%	-3.4%
Weighted Avg. Market Cap	\$72.2B	\$86.5B

### Top Five Active Holdings

Holding Name	Sector	Portfolio	Index
ConocoPhillips	Energy	3.3	1.1
Sempra Energy	Utilities	2.1	0.1
Baxter International	Health Care	2.4	0.4
Chubb	Financials	1.7	0.2
JPMorgan Chase	Financials	3.2	1.7
<b>Total</b>		<b>12.7%</b>	<b>3.5%</b>

### Active Sector Weights (% of portfolio minus % of benchmark)



All data is as of 9/30/08. Not an offer to sell, or a solicitation of an offer to purchase, any securities. Past performance is not a guarantee for future performance. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Please refer to the back page for other important disclosures.

# US Large Cap Core Equity Management

## Disclosure

Period	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	S&P 500 Return (%)	Number of Portfolios (#)	Standard Deviation (%)	Total Composite Assets (\$mm)	Total Firm Assets (\$mm)
1998	8.31	7.56	28.58	17	0.57	\$578	\$22,314
1999	0.29	-0.41	21.04	10	0.45	\$327	\$24,119
2000	12.47	11.70	-9.11	9	N/M	\$156	\$28,939
2001	-6.74	-7.39	-11.88	7	0.08	\$117	\$23,491
2002	-20.03	-20.60	-22.10	9	N/M	\$82	\$20,670
2003	29.16	28.28	28.69	11	0.34	\$282	\$34,300
2004	11.56	10.79	10.88	12	0.55	\$1,758	\$49,492
2005	7.11	6.37	4.91	12	0.23	\$1,386	\$59,997
2006	16.81	16.01	15.79	8	0.14	\$1,407	\$72,747
2007	9.99	9.23	5.49	6	N/M	\$1,341	\$53,308

N/M = not meaningful

### Compliance Statement

The Boston Company Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®).

### Definition of the Firm

The firm is defined as The Boston Company Asset Management, LLC (TBCAM), a registered investment adviser established in 1970 and wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. Effective January 1, 2008, The Boston Company Asset Management LLC includes the following subsidiary, The Boston Company Asset Management NY, LLC. This Composite may also include assets managed by TBCAM personnel serving as dual officers of affiliated companies other than wrap accounts managed in a dual officer capacity. As of December 31, 2007, total firm assets were \$53.3 billion of which \$24.3 billion represented assets managed in a dual officer capacity. Assets under management represent discretionary and non-discretionary assets and exclude assets over which TBCAM monitors under a safekeeping rule.

### Composite Description

The US Large Cap Core Equity Composite creation date is January 1, 1994. The Composite is composed of all fee-paying, discretionary accounts managed by TBCAM in this investment style. The US Large Cap Core Equity Composite represents an equity strategy that primarily invests in large capitalization U.S. core companies using a disciplined quantitative approach. Large capitalization companies are those with a market capitalization within the same general range as the issuers included in the benchmark. The strategy can invest in American Depositary Receipts. Prior to March 1, 2007, the US Large Cap Core Equity Composite was known as the Large Cap Core Equity Composite.

The performance presented prior to July 1, 2003 occurred while the investment personnel were employed at an affiliated firm. No material change in investment personnel responsible for the investment process occurred on July 1, 2003 when the investment personnel were integrated into TBCAM. Returns include realized and unrealized gains and losses plus income. The performance of the Composite is expressed in U.S. dollars and is net of withholding taxes on dividends and interest income where applicable. Additional information regarding policies for calculating and reporting returns is available upon request.

### Benchmark

The Composite's benchmark is the S&P 500 Index. The benchmark is used for comparative purposes only and is not covered by the Report of Independent Accountants. The S&P 500 Index is a benchmark of 500 large cap stocks generally considered representative of the U.S. equity market.

Past performance is not an indication of future performance. The list of equity holdings should not be considered a recommendation to purchase or sell a particular security. Certain securities may not remain in the portfolio at the time that you receive this report. You should not assume that investments in the securities were or will be profitable or that decisions we make in the future will be profitable. This presentation or any portion thereof may not be copied or distributed without TBCAM's prior written approval. Statements are correct as of the date of the material only.

This document may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized.

To receive a complete list and description of TBCAM composites and/or a presentation that adheres to the GIPS standards, please contact [marketing@tbcam.com](mailto:marketing@tbcam.com).

## Contact

For more information about our strategies please contact:

### Head of Institutional Distribution

Richard K. Watson  
[watson.rk@tbcam.com](mailto:watson.rk@tbcam.com)  
(617) 722-6903

### Director of Sales & Marketing

Michael P. Palermo  
[palermo.mp@tbcam.com](mailto:palermo.mp@tbcam.com)  
(617) 722-7548

### Director of Client & Consultant Relations

Daniel J. McCormack  
[mccormack.dj@tbcam.com](mailto:mccormack.dj@tbcam.com)  
(617) 722-7376

[www.thebostoncompany.com](http://www.thebostoncompany.com)

THE BOSTON COMPANY

ASSET MANAGEMENT, LLC