

# US Mid Cap Growth Equity Management

Third Quarter 2008

## Strategy Overview

### Key Facts

#### Assets Under Management

\$191 million

#### Benchmark

Russell Midcap Growth Index

#### Inception

April 2004

#### Investment Vehicles

Separate Account, Commingled Vehicle

#### Key Stats & Risk Management

Typical Holdings 50-75  
 Sharpe Ratio\* 0.3  
 Annualized Alpha\* 3.3%  
 Tracking Error\* 4.16%

\*Since inception

### Team

Joseph S. Chin, CFA leads a portfolio management team of investment professionals supported by 27 core research analysts and 7 quantitative analysts.

### Objective

The US Mid Cap Growth Equity strategy seeks to outperform the Russell Midcap Growth Index over a market cycle. We believe that this can be achieved by investing in companies with strong earnings and cash flow growth that meet our rigorous fundamental selection criteria.

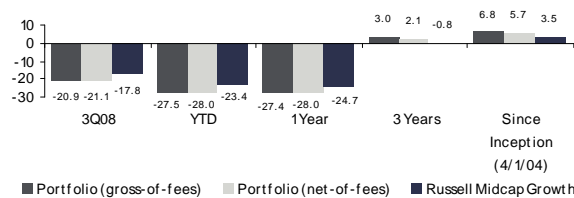
### Strategy Highlights

- The strategic reinvestment of cash flows enables companies to deliver growth in excess of investor expectation before it materializes in a company's results. We seek to invest in companies that are re-investing in their strongest or most opportunistic businesses.
- We invest the portfolio in three distinct growth companies: high growth, stable growth, and turnarounds, which can help the portfolio perform well in varying economic conditions, given how each group responds under those conditions.
- Sensitivity to risk is embodied in our initial and continual evaluation of the risk-reward scenario for each of our companies. This helps us to avoid momentum traps, forces us to focus on the upside/downside potential for each of our companies as news and facts continually impact visibility and stock prices, and effectively dampens volatility.

## Performance Review

### Annualized Performance Results

(% as of 9/30/08)



### Annual Composite Performance

|                           | 2007 | 2006 | 2005 | 4/1/04 - 12/31/04 |
|---------------------------|------|------|------|-------------------|
| Gross-of-Fees Return (%)  | 14.5 | 25.4 | 14.3 | 13.0              |
| Net-of-Fees Return (%)    | 13.6 | 24.4 | 12.7 | 11.9              |
| Russell Midcap Growth (%) | 11.4 | 10.7 | 12.1 | 10.2              |

## Quarterly Review

### Portfolio Characteristics

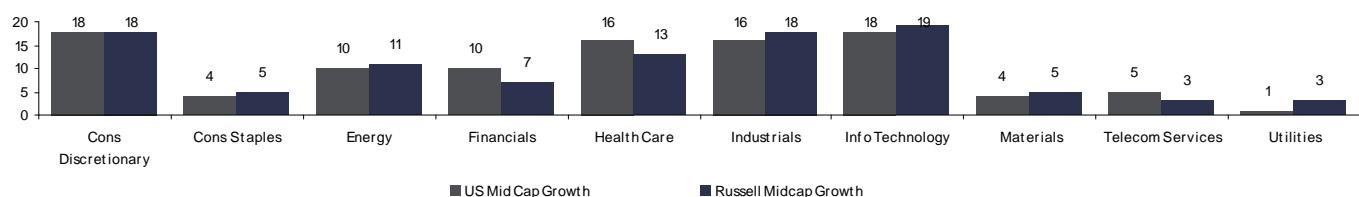
|                              | Portfolio | Index  |
|------------------------------|-----------|--------|
| Price/Earnings*              | 13.1x     | 13.6x  |
| Est. 3-5 Yr. EPS Growth Rate | 15.9%     | 14.2%  |
| P/E to Growth Rate*          | 0.8x      | 1.0x   |
| LT Debt/Capital              | 27.5%     | 35.2%  |
| Median Market Cap            | \$5.0B    | \$3.5B |
| Weighted Avg. Market Cap     | \$7.0B    | \$7.0B |

\*Next twelve months based on I/B/E/S (Institutional Brokerage Estimate System) estimates

### Five Largest Holdings

| Holding Name            | Country                | Percent      |
|-------------------------|------------------------|--------------|
| BioMarin Pharmaceutical | Health Care            | 4.1          |
| Assurant                | Financials             | 3.7          |
| Gildan Activewear       | Consumer Discretionary | 3.4          |
| Janus Capital           | Financials             | 3.4          |
| Alliant Techsystems     | Industrials            | 3.3          |
| <b>Total</b>            |                        | <b>17.9%</b> |

### Sector Weights (as a % of portfolio)



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 Mid Cap Growth Equity Management

## Disclosure

| Period            | Gross-of-Fees Return (%) | Net-of-Fees Return (%) | Russell Midcap Growth Return (%) | Number of Portfolios (#) | Standard Deviation (%) | Total Composite Assets (\$mm) | Total Firm Assets (\$mm) |
|-------------------|--------------------------|------------------------|----------------------------------|--------------------------|------------------------|-------------------------------|--------------------------|
| 4/1/04 - 12/31/04 | 13.02                    | 11.89                  | 10.15                            | 1                        | N/M                    | \$123                         | \$49,492                 |
| 2005              | 14.29                    | 12.70                  | 12.10                            | 1                        | N/M                    | \$115                         | \$59,997                 |
| 2006              | 25.36                    | 24.38                  | 10.66                            | 1                        | N/M                    | \$183                         | \$72,747                 |
| 2007              | 14.49                    | 13.59                  | 11.43                            | 1                        | N/M                    | \$338                         | \$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 Mid Cap Growth Equity Composite creation date is August 1, 2006. The Composite is composed of all fee-paying, discretionary accounts managed by TBCAM in this investment style. The US Mid Cap Growth Equity Composite represents an equity strategy that primarily invests in U.S. mid capitalization growth companies. Mid 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 non-U.S. securities and American Depositary Receipts. Prior to March 1, 2007, the US Mid Cap Growth Equity Composite was known as the Midcap Growth Equity Composite.

The performance presented prior to August 1, 2006 occurred while the investment personnel were employed at an affiliated firm. No material change in investment personnel responsible for the investment process occurred on August 1, 2006 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 Russell Midcap® Growth Index. The benchmark is used for comparative purposes only and is not covered by the Report of Independent Accountants. The Russell Midcap® Growth Index is a benchmark of the mid cap growth segment of the U.S. equity market and includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values.

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

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

### 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