

On behalf of all of us at The Boston Company Asset Management, we would like to sincerely thank you for your business and we look forward to continuing to serve you in 2008. Now that we have turned the corner on a new year, we would like to take a moment to review 2007, and share several of our key initiatives for the future.

For our firm, 2007 had its challenges. We were faced with some employee turnover in our International Core area and separately, we experienced an extended period of relative underperformance in our International Value strategies resulting from our strict adherence to their style disciplines. The convergence of these two unrelated events tested us, and now with the benefit of hindsight, we can reflect on how we successfully overcame the challenges. We ended the year with our investment processes intact, our staff energized and our firm unwavering in its mission to serve our valued client base. We believe strongly that the best firms are distinguished by their ability to triumph over adversity. In 2007, we accomplished this objective, and we are excited by our future as an investment-driven, performance-focused global equity firm.

Notable highlights for 2007:

- We enhanced our Executive Team by separating the roles of Chairman and CEO. We promoted John Truschel to Chief Investment Officer, which infused additional investment leadership at the top of our firm.
- We rebuilt our International Core Team with a talented group of investment professionals drawn from our own deep pool of resources and several new additions to the Team.
- We extensively researched the relative performance of our International Value strategies, developing a compelling case that this product set offers outstanding value and opportunity for our investors. We remain committed to the strength of our investment process and we are particularly gratified that we've begun to see a turnaround in performance in several of these strategies over the past few months.
- We revamped and revitalized our entire incentive compensation program.
- We merged with The Bank of New York and, in so doing, opened up a large global footprint on which we will grow and serve our clients.
- We broadened our investment capabilities, successfully launching our US Large Cap 130/30 strategy and focusing our product development efforts on the separation of alpha and beta.
- We delivered relative outperformance across the majority of our US strategies.
- We substantially enhanced the capabilities of our Core Research Group, increasing the team's size and scope.
- We achieved important operational advancements in our accounting and client reporting systems.
- We were named the primary equity manager for BNY Mellon Private Wealth, receiving mandates in Large Cap Core, Equity Income and Balanced.

While we are proud of these accomplishments, we are equally focused on meeting the challenges ahead with three strategic initiatives for 2008 and beyond:

1. Leverage our strengths to generate alpha for our clients
2. Invest in our people
3. Reinforce our investment-driven culture

For 2008, we will continue to leverage our strengths by focusing on long-term, solutions-based relationships with our clients. Our value proposition is all about alpha and our product development efforts are increasingly addressing its separation from beta. Whether a pension plan, an endowment, an intermediary or a shareholder in one of the mutual funds we manage, our goal is to earn your confidence everyday through the consistent delivery of alpha.

Second, the investment in our people is significant and tangible. Following last year's comprehensive review, we enhanced our incentive structure to pay top compensation for top performance. As a result, we have increased compensation for our exceptional talent to the first quartile and, in some instances, the top decile of competitive industry levels. We believe our ability to attract, develop, and retain the best investment professionals in the business is as strong as it has ever been.

Lastly, we continue to base our firm on an investment-driven culture underpinned by high levels of collaboration and teamwork. During 2007, we instituted a new performance management process that rewards those who exemplify these values. In our management approach, we are emphasizing cross-functional teams, drawing on TBCAM's diverse pool of talent. We will organize these teams around the principle that creativity and collaboration best solves the critical investment issues facing our clients and business partners.

Together we believe these initiatives will enable us to perform at our best. We are proud of our history and enthusiastic about the prospects for 2008. We feel privileged by the opportunity to serve you and thank you for your business. We wish you a happy, healthy and prosperous New Year.

Sincerely,



Corey A. Griffin
Chairman



David H. Cameron
Chief Executive Officer