

# PRIVATELY MANAGED ACCOUNT SOLUTIONS

## About Privately Managed Accounts

In a privately managed account, you directly own the individual securities that comprise your portfolio. You select a specialized Investment Management Firm to implement your investment decisions in a portfolio customized to meet your specific investment needs and goals.

## Choice of Privately Managed Account Solutions

We provide a choice of two Privately Managed Account Solutions to meet your diverse needs. Each solution has unique features and provides varying degrees of asset allocation, tax efficiency and customization.

## Benefits of Privately Managed Accounts

- **Customization:** A privately managed account provides complete portfolio customization, taking into account existing securities in a portfolio, or excluding certain industries that may be found objectionable.
- **Tax Efficiency:** The cost basis of a privately managed account is based on the investor, so the selected Investment Management Firm can pursue a range of tax management strategies to address specific tax considerations.
- **Transparency:** Privately managed accounts provide “transparency,” or complete knowledge of every security held in the portfolio. This promotes greater ongoing understanding of the selected investment strategy.

Individually Managed Accounts	Consolidated Managed Accounts
<p>Offered through a selection of <i>Best of Class</i> Investment Management Firms, these style-specific managed accounts are designed to meet a particular investment need or objective. They are managed by specialized Investment Management Firms who focus solely on their investment style.</p>	<p>\$500,000 MINIMUM</p> <p>A privately managed asset allocation solution that combines multiple Investment Management Firms into a single, customized account. This solution is designed to provide an efficient and cost effective way to coordinate multiple, style-specific investment portfolios, ensuring that complete diversification is implemented within one consolidated account. (See back page for more details.)</p>

An investment in privately managed accounts is subject to risk. The value of an investment and the return on invested capital will fluctuate over time, and, when sold or redeemed, an investment may be worth less than its original cost.

# INDIVIDUALLY MANAGED ACCOUNTS STRATEGIST

Two leading investment consultants, Callan Associates and Rocaton Investment Advisors, provide research used to identify Investment Management Firms with the demonstrated expertise required to meet your specific private account management and portfolio design objectives.

Both Callan and Rocaton look beyond performance numbers to identify Investment Management Firms with sound, repeatable investment processes; extensive research resources; and senior management teams committed to unbiased investment recommendations.

Callan provides research, decision support and advice to over 500 institutional clients responsible for over \$3 trillion in assets. The first step in their consulting process is to develop an extensive profile of the “ideal” Investment Management Firm for each investment mandate. Next,

they search their extensive proprietary database to find candidates who best fit the profile. Further analysis narrows the search to the most suitable candidates, who then undergo a complete capabilities review.

Rocaton was founded in 2002 by a team of highly experienced investment professionals to focus exclusively on investment consulting. They currently advise clients with over \$300 billion in assets under management. In addition to their extensive qualitative analysis of potential Investment Management Firms, Rocaton performs in-depth reviews of the firm’s consistency of performance, and relative and risk-adjusted returns.

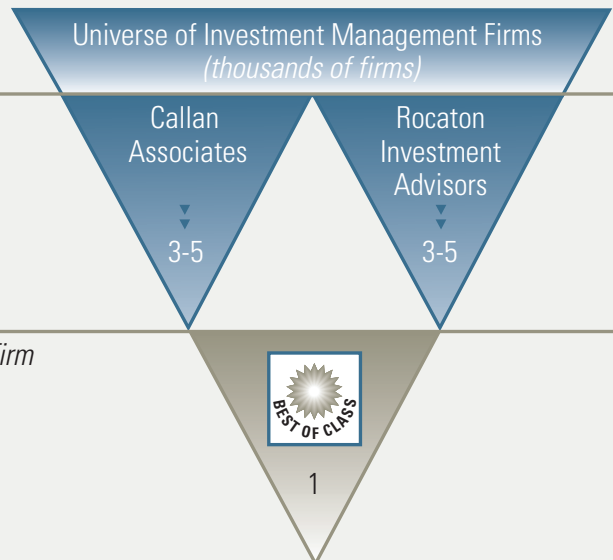
The Investment Management Firm selection process helps leverage the unique methodologies of both Callan and Rocaton. The result is a roster of *Best of Class* Investment Management Firms that can be engaged on your behalf to help build your personal investment portfolio.

## Selection Process to Identify *Best of Class* Investment Management Firms

*Define investment goals based on portfolio objectives*

*Engage two leading investment consultants to search the manager universe to select finalists*

*Best of Class Investment Management Firm is selected from finalists*



## BEST OF CLASS PRIVATE ACCOUNT MANAGEMENT FIRMS

In constructing Privately Managed Account Solutions, we can select from a wide array of leading Investment Management Firms.

Below is our roster of *Best of Class* Investment Management Firms:\*

<b>Best of Class Investment Management Firms</b>		
<b>U.S. Equity Managers</b>	Large Cap Value	Davis Advisors
	Large Cap Value	NFJ Investment Group
	Large Cap Growth	Atlanta Capital Management
	Large Cap Growth	Wellington Management Company**
	Large Cap Growth	TCW Investment Management
	Large Cap Core	Parametric Portfolio Associates
	All Cap Core	Parametric Portfolio Associates
	Mid Cap Growth	Nicholas-Applegate
	Mid Cap Value	Advisory Research
	Small/Mid Cap Growth	Copper Rock Capital Partners
<b>Specialized Equity Managers</b>	Real Estate Securities (REITs)	Adelante Capital Management
<b>International Equity Managers</b>	International Core/Growth	Clay Finlay
	International Core/Value	Oppenheimer Capital
<b>Fixed Income Managers</b>	Municipal Fixed Income	Nuveen Investments
	Total Return Fixed Income	PIMCO
	Intermediate Fixed Income	ING Investment Management

\*The Investment Management Firms noted as *Best of Class* represent Investment Management Firms determined to be *Best of Class* using research provided by Callan Associates and Rocatton Investment Advisors that were available in the program as of June 30, 2008. This list may not reflect *Best of Class* Investment Management Firms added to the program after June 30, 2008, or any subsequent changes in the ratings of the *Best of Class* Investment Management Firms listed. Some Investment Management Firms noted may have subsequently closed their portfolio to new investment. Current information on the specific *Best of Class* Investment Management Firms recommended for your portfolio will be provided as part of an Investment Proposal.

\*\* Not available as a manager for Individually Managed Accounts.

# CONSOLIDATED MANAGED ACCOUNTS

AN INSIDE LOOK AT COMPLETE ASSET ALLOCATION IN ONE ACCOUNT



Portfolio Strategists	Asset Allocation Options	Best of Class Investment Management Firms	Portfolio Overlay Management
-----------------------	--------------------------	---	------------------------------

Three Portfolio Strategists offer a wide-array of customized investment options for every Risk/Return Profile.



Portfolio customization is maximized through two different approaches to asset allocation.

**Strategic**

The target asset mix is constructed using historical asset class performance statistics, and the asset mix stays relatively constant.

**Tactical**

The asset mix shifts whenever the Portfolio Strategist determines there are market opportunities that potentially can boost overall return and reduce risk.

Portfolio Strategists select from a group of leading, Best of Class Investment Management Firms to implement portfolio asset allocation.

As Overlay Manager, Parametric combines all the various investment strategies into one single account, comprehensively assessing tax, risk and customization decisions.



**Key Benefits of Consolidated Managed Accounts:**

**Customization** - direct ownership of individual securities provides opportunities to restrict portfolio holdings, customize portfolios and monitor overlap in portfolio holdings.

**Coordination** - complete account coordination, including tax lot management, account rebalancing, risk control and management of account restrictions.

**Simplicity** - multiple Best of Class Investment Management Firms are integrated into a single custodial account, with one monthly statement, one annual 1099 and no client trade confirmations.

**Lower Cost** - integrated account management and trading structure reduces overall cost of the portfolio.