



STRATEGY PROFILE

International Small Cap

FOURTH QUARTER 2011



SEEKS SUPERIOR TOTAL AND RISK-ADJUSTED RETURNS FROM A DIVERSIFIED PORTFOLIO OF NON-U.S. SMALL-CAP COMPANIES

AT A GLANCE

Our International Small Cap strategy pursues long-term capital appreciation by investing in growing, attractively valued non-U.S. companies with market capitalizations below \$5 billion. It offers investors access to under-researched companies with high return potential in growing segments of non-U.S. markets. The strategy aims to exploit inefficiencies in the asset class by identifying long-term investment themes and selecting individual companies using our free-cash-flow valuation methodology. Our bottom-up security selection and risk management process leads to a portfolio of 125-175 stocks.

THE INTERNATIONAL SMALL CAP OPPORTUNITY

- Access to a diversified portfolio of companies with attractive return opportunities not necessarily available elsewhere, with many small companies either focused on a product niche or a single local or regional economy
- Minimal research coverage, creating opportunities to discover promising but overlooked companies
- Higher dispersion of returns than other equity asset classes, providing greater scope for active managers to add value
- Strong diversifier for an overall portfolio
- Active management by an investment team with an average of over 20 years of experience
- Risk management integrated with the investment process to minimize unintended risks and reduce volatility
- Record of strong relative and risk-adjusted returns since inception
- Cash-flow-oriented approach and relatively low correlation with benchmark complements other managers within an overall asset allocation plan

EPOCH'S DISTINCT INVESTMENT PHILOSOPHY AND APPROACH

The bedrock of our philosophy is that growth and applications of free cash flow represent the best predictor of long-term shareholder

return. As a result, our security selection process is focused on free-cash-flow metrics and capital allocation as opposed to traditional accounting-based metrics such as price-to-book and price-to-earnings. We look for a consistent, straightforward ability to generate free cash flow and to allocate it effectively among internal reinvestment opportunities, acquisitions, dividends, share repurchases and debt pay downs. An essential factor is the evaluation of each company's management team to confirm their commitment to transparency and building shareholder value. The companies uncovered by this process have inherently less volatility due to their ability to generate cash flow.

This strategy combines a top-down, theme-based approach with fundamental bottom-up research. Broad themes are identified (e.g., a growing middle class of consumers in emerging markets) and companies that should benefit from that theme are subject to fundamental research based on our free-cash-flow valuation methodology. We develop an investment thesis as we assess the sources of the company's long-term value creation and management's ability to nurture it. We scrutinize management's track record of allocating capital, looking for those with the discipline to use free cash flow to maximize return on investment, thereby creating shareholder value. Once a stock has been purchased, we continually revisit our thesis and sell the stock if our price target is reached, there is a change in business conditions or the company's strategy or we see another investment with a better risk-reward profile.

While the portfolio is constructed from the bottom up, decisions are made with consideration of the macro context. Epoch's Investment Policy Group, composed of senior members of our different strategy groups, provides insight and guidance on the global market environment and macroeconomic and industry trends.

We analyze risk as part of the portfolio construction process to monitor portfolio volatility and better ensure the delivery of the strategy's goals. Our chief risk officer is a co-portfolio manager on all our strategies so that portfolio managers are aware of unintended biases and the effect individual securities may have on the portfolio. The portfolio is diversified across sectors and the sizes of individual positions are limited.

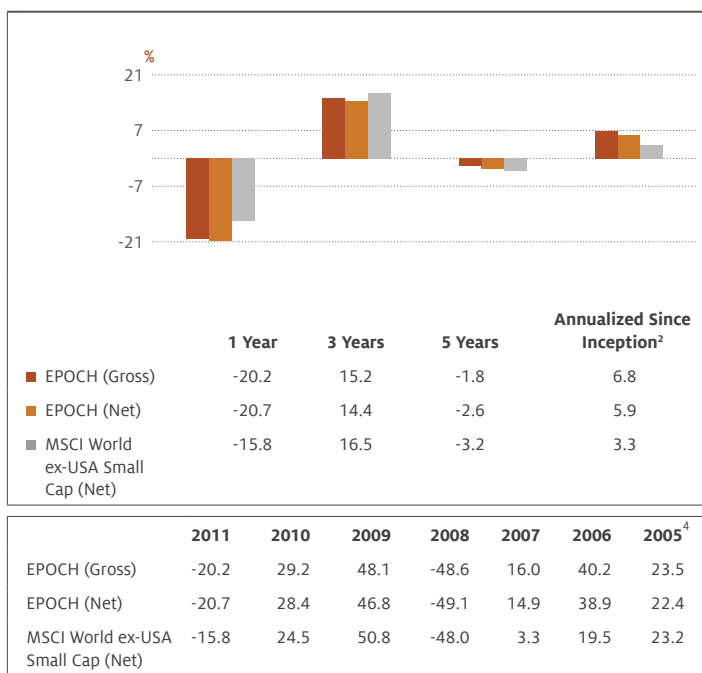
EXPERIENCED INTERNATIONAL SMALL CAP TEAM

		Years Experience
Emily Baker	Portfolio Manager	23
Eric Citerne	Portfolio Manager	21
Bill Priest	Co-Chief Investment Officer	47
Mike Welhoelter	Quantitative Research & Risk Management	26
Supported by a team of analysts with an average of 20 years experience		

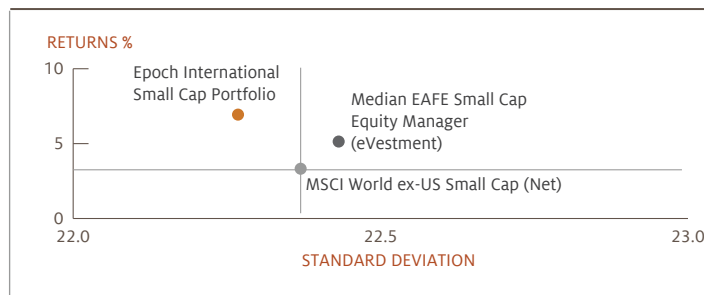
SUPERIOR RISK/RETURN PROFILE

Annualized Excess Return ^{1,2}			
vs. MSCI World ex-USA Small Cap Index			3.6%
Risk Return Metrics			
	Epoch	Universe Rank ³	MSCI World ex-USA Small Cap Index
Standard Deviation	22.1	68th	22.2
Sharpe Ratio	0.21	6th	0.05

INTERNATIONAL SMALL CAP RESULTS



SUPERIOR RISK/RETURN PROFILE²



RISK METRICS²

EPOCH vs.	Info. Ratio	Alpha	Beta	R ²
MSCI World ex-USA Small Cap	0.75	3.58	0.97	0.95
Universe Rank ³	12th	6th	64th	80th

	Upside Capture	Downside Capture
Epoch International Small Cap vs. MSCI World ex-USA Small Cap	114.0	97.8

PORTFOLIO COMPOSITION

CURRENT KEY THEMES

Global demographic changes
Energy needs
Global trade and infrastructure
Emerging consumer
Business productivity/technology upgrade

5 LARGEST HOLDINGS

	Portfolio %	MSCI World ex-USA Small Cap %
Ashtead Group PLC	2.1	0.1
Societe BIC	2.1	—
Localiza Rent A Car S/A	2.0	—
Sawai Pharmaceutical Co. Ltd.	1.8	0.1
Sysmex Corp.	1.7	—
Total	9.7	0.2

5 LARGEST COUNTRY WEIGHTS

	Portfolio %	MSCI World ex-USA Small Cap %
United Kingdom	18.8	17.2
Japan	17.4	25.7
Canada	10.5	14.2
France	6.1	3.6
Netherlands	5.3	1.7
Total	58.1	62.3

All data as of December 31, 2011 unless otherwise noted.

Source: FactSet Research Systems, Inc.; MSCI Inc. Epoch Investment Partners, Inc.

¹ Excess return is the difference between annualized return (Gross-of-Fees) since inception for Epoch International Small Cap and the MSCI World ex-USA Small Cap Index.

² Since inception - January 31, 2005. Performance for the most recent quarter is preliminary and subject to change. The risk statistics are shown for informational purposes only and are not indicative of future results.

³ Manager Universe Percentile Rank Information (as of December 31, 2011); Source: eVestment Alliance; Index: MSCI World ex-USA SmallCap Index; Universe: EAFE Small Cap Equity. Past performance is no guarantee of future results.

⁴ Data represents a partial year from January 31, 2005 - December 31, 2005.

Totals may not add due to rounding.

Investment results are presented net of fees and reflect deduction of the current highest management fee payable, withholding taxes on dividends, interest income and capital gains. The statements expressed herein are informed opinions, are as of the date noted, and are subject to change at any time based on market or other conditions. International investments involve special risks including currency fluctuation, long liquidity and different accounting methods and economical and political systems. Securities of smaller companies tend to be more volatile and less liquid than that of large companies. Information about indices allows for the comparison of an investment strategy's results to that of a widely recognized broad market index. There is no representation that such index is an appropriate benchmark for such comparison. Results for an index do not reflect trading commissions and costs. Index volatility may be materially different from a strategy's volatility and portfolio holdings may differ significantly from the securities comprising an index.

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SECTOR WEIGHTS

	Portfolio %	MSCI World ex-USA Small Cap %
Industrials	23.3	20.8
Consumer Discretionary	15.4	16.2
Energy	11.7	8.1
Health Care	11.1	5.1
Financials	10.3	18.4
Information Technology	8.3	7.7
Materials	8.1	14.2
Consumer Staples	4.0	5.9
Telecommunication Services	3.2	1.1
Utilities	1.2	2.4
Cash	3.4	—
Total	100.0	100.0

CHARACTERISTICS

	Portfolio	MSCI World ex-USA Small Cap
Weighted Avg Mkt Cap (\$M)	2,452	1,435
Weighted Med Mkt Cap (\$M)	1,910	1,252
12 Month Turnover	69%	—
Number of Equity Positions	138	2,609

Inception date:	January 31, 2005
Assets:	\$703 million
Minimum investment:	
Separate account	\$50 million
Mutual fund - MainStay Epoch International Small Cap	
Ticker: EPIEX (I Share)	\$5 million