



**EPOCH**

www.eipny.com

# Investment Update

Fourth Quarter 2008

## About EPOCH Investment Partners

**COMPANY OVERVIEW** Epoch Investment Partners was formed in April 2004 by Bill Priest, Tim Taussig, David Pearl, and Phil Clark who have over 100 years of investment experience and are actively involved in all aspects of the firm. The business was founded on their belief that a significant change in both the drivers of investment returns and the structure of investment management firms was underway. Following almost 20 years of expanding P/E ratios, interest rates bottomed in June 2003, thereby eliminating P/E ratios as the major driver of total equity returns as was the case over the 1980–2000 period. Instead, free cash flow and its intelligent use for shareholder value creation would replace earnings as the dominant explanatory variable of investment returns. In addition, shareholder yield would regain its historical role as a significant contributor to total return.

Whereas clarity of investment processes has always been relevant to investors, a similar demand is being made of an investment firm's business practices. In view of the events that occurred at the turn of this century reflecting inadequate institutional oversight at the corporate accounting and regulatory levels, greater transparency of conduct and business processes is required. As a result, Epoch chose to become a public company with all of its rigorous disclosure requirements since its inception. (NASDAQ listed, ticker EPHC). All employees are awarded equity in the firm. This widespread employee ownership is an important part of our business plan and we believe that it directly binds employees with our client's interests.

Epoch is a global firm in both mindset and product set. It is our belief that to be a successful investor in today's markets you must be aware of global competition regardless of regional assignment. Having dedicated non-US and US research efforts provides superior coverage of investment opportunities.

**INVESTMENT PHILOSOPHY** All services are created in a manner consistent with our firm's investment philosophy. At Epoch, we desire to produce superior risk adjusted returns by building portfolios of businesses with outstanding risk/reward profiles without running a high degree of capital risk. We analyze a business in the same manner a private investor would in looking to purchase the entire company and invest in those businesses we understand and where we have confidence in their financial statements. We seek businesses that generate "free cash flow" and securities that have unrecognized potential yet possess a combination of above average yield, above average free cash flow growth, and/or below average valuation.

Our goal is to produce an efficient portfolio on a risk/return basis. At the heart of portfolio construction is diversification. We diversify across attractive sectors, limit individual holding sizes, and have a strict sell discipline with low portfolio turnover. If we have identified a "good business" at a "good price," time is our ally as patient investors.

### INVESTMENT PROCESS

**Analyze the Business** - Determine the sustainability of the business, drivers of earnings, barriers to entry, and competitive advantages.

**Understand the Cash Flow Structure** - Focus on companies generating cash earnings and assess the quality and character of those earnings to determine the net cash flow from the business.

**Relate Cash Flow to Enterprise Value** - Examine relevant claims against that net cash flow and determine their necessity to maintain and grow the business. Evaluate how management will use this "free cash flow"; value the cash flow stream and compare it to enterprise value to determine the attractiveness of the investment.

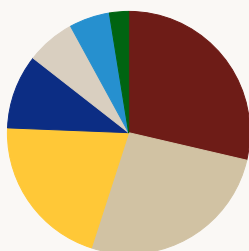
**Management Quality** - Identify management with a reputation and demonstrated ability to create shareholder value.

**Seek Unrecognized Assets** - Identify, where possible, hidden, undervalued or underutilized assets, especially in small and mid cap companies where many companies are under-researched.

The security selection and research methodology is the same for all of Epoch's equity products, however, the portfolio construction process is different, reflecting each client's mandate.

### Assets Under Management

**Total: \$ 5,348 Million**



■ U.S. All Cap Value/Balanced	\$ 1,528
■ U.S. Value	\$ 1,406
■ Global Equity Shareholder Yield	\$ 1,106
■ U.S. Small/SMID Cap Value	\$ 538
■ Absolute Return	\$ 340
■ International	\$ 292
■ Global Small Cap	\$ 137

Subtotals in millions, as of 12/31/2008  
May not total due to rounding

## Founding Partners



**WILLIAM W. PRIEST**  
CEO, CIO & PORTFOLIO MANAGER

Bill's experience includes serving as a Co-Managing Partner and Portfolio Manager at Steinberg Priest & Sloane Capital Management, LLC. Prior to that he spent 30 years at Credit Suisse Asset Management and its predecessor firm, BEA Associates, which he co-founded in 1972. Bill has an outstanding reputation as an industry CEO and portfolio manager. He is also the author of several published articles on investing and finance, including his most recent book, Free Cash Flow and Shareholder Yield: New Priorities for the Global Investor, published by John Wiley & Sons.



**TIMOTHY T. TAUSSIG**  
PRESIDENT & COO

Tim was Chief Operating Officer of Trident Investment Management, LLC, a global hedge fund and a sub-advisor to a mutual fund for non-U.S. equity mandates. At Trident he was responsible for the firm's business, operations, and marketing requirements. Prior to Trident, he was Managing Director and Member of the Global Executive Committee for Credit Suisse Asset Management (CSAM) and Co-Head of Marketing for CSAM worldwide and its predecessor firm, BEA Associates, which he joined in 1985.



**J. PHILIP CLARK**  
EXECUTIVE VICE PRESIDENT  
& HEAD OF CLIENT RELATIONS

Phil, a 17 year veteran of Sanford C. Bernstein & Co., was National Managing Director of Bernstein's private client business where he frequently spoke at the firm's Client and Professional Conferences. Previously, he was Managing Director of Bernstein's Institutional Asset Management business and initiated and managed Bernstein's successful sub-advisory business.



**DAVID N. PEARL**  
EXECUTIVE VICE PRESIDENT, HEAD OF  
U.S. EQUITIES & PORTFOLIO MANAGER

David was a Managing Director and Portfolio Manager at Steinberg Priest & Sloane Capital Management, LLC. Previously, he held a similar portfolio management position at ING Furman Selz Asset Management. He also founded and managed Sagacity International Ltd, a long/short hedge fund. Prior to that, he was a Senior Portfolio Manager at Citibank Global Asset Management where he ranked in the top decile of his peer group.

# Performance Fourth Quarter 2008

	Inception Date	4Q 2008	Annualized Returns					Risk Statistics - Since Inception <sup>1</sup>					
			1 Year	3 Years	5 Years	10 Years	Since Inception	Std Dev.	Sharpe Ratio	Inform. Ratio	Alpha	Beta	R <sup>2</sup>
<b>US ALL CAP VALUE</b>	7/31/1994												
Epoch Gross Return		(23.6)	(36.0)	(6.2)	1.7	6.1	10.1	12.7	0.5	-	-	-	-
Epoch Net Return		(23.8)	(36.6)	(7.2)	0.7	5.1	9.1	-	-	-	-	-	-
Russell 3000		(22.8)	(37.3)	(8.6)	(2.0)	(0.8)	6.7	15.3	0.2	0.4	5.2	0.7	0.7
Russell 3000 Value		(22.4)	(36.3)	(8.3)	(0.7)	1.7	7.8	14.3	0.3	0.3	4.2	0.7	0.7
<b>US VALUE</b>	7/31/2001												
Epoch Gross Return		(21.2)	(35.8)	(4.3)	2.9	-	2.3	13.5	(0.0)	-	-	-	-
Epoch Net Return		(21.4)	(36.5)	(5.3)	1.9	-	1.3	-	-	-	-	-	-
Russell 1000		(22.5)	(37.6)	(8.7)	(2.0)	-	(1.8)	14.9	(0.3)	0.7	3.8	0.8	0.8
Russell 1000 Value		(22.2)	(36.8)	(8.3)	(0.8)	-	0.2	14.5	(0.2)	0.3	2.2	0.8	0.8
S&P 500		(21.9)	(37.0)	(8.4)	(2.2)	-	(2.1)	14.6	(0.3)	0.7	4.1	0.8	0.8
<b>US SMID CAP VALUE</b>	8/31/2006												
Epoch Gross Return		(25.8)	(37.1)	-	-	-	(12.1)	20.5	(0.8)	-	-	-	-
Epoch Net Return		(26.0)	(37.8)	-	-	-	(13.0)	-	-	-	-	-	-
Russell 2500		(26.3)	(36.8)	-	-	-	(13.9)	20.8	(0.8)	0.4	1.6	1.0	1.0
Russell 2500 Value		(24.9)	(32.0)	-	-	-	(14.4)	19.8	(0.9)	0.4	2.6	1.0	0.9
<b>US SMALL CAP VALUE</b>	12/31/2002												
Epoch Gross Return		(27.1)	(35.1)	(6.7)	0.6	-	5.2	16.2	0.2	-	-	-	-
Epoch Net Return		(27.3)	(35.7)	(7.6)	(0.4)	-	4.2	-	-	-	-	-	-
Russell 2000		(26.1)	(33.8)	(8.3)	(0.9)	-	5.8	18.1	0.2	(0.1)	0.4	0.8	0.9
Russell 2000 Value		(24.9)	(28.9)	(7.5)	0.3	-	6.8	17.3	0.2	(0.2)	(0.4)	0.9	0.8
<b>US CHOICE</b>	4/30/2005												
Epoch Gross Return		(22.8)	(35.3)	(6.7)	-	-	(2.5)	16.0	(0.4)	-	-	-	-
Epoch Net Return		(23.0)	(36.3)	(8.1)	-	-	(3.9)	-	-	-	-	-	-
Russell 3000		(22.8)	(37.3)	(8.6)	-	-	(4.5)	14.9	(0.5)	0.4	2.3	1.0	0.9
<b>INTERNATIONAL SMALL CAP</b>	1/31/2005												
Epoch Gross Return		(21.9)	(48.6)	(5.8)	-	-	0.8	21.6	(0.1)	-	-	-	-
Epoch Net Return		(22.1)	(49.1)	(6.8)	-	-	(0.3)	-	-	-	-	-	-
S&P EPAC SmallCap Index		(22.6)	(46.6)	(9.6)	-	-	(3.0)	20.5	(0.3)	0.8	4.1	1.0	1.0
MSCI EAFE Small Cap (Net)		(22.1)	(47.0)	(13.8)	-	-	(5.7)	20.6	(0.5)	1.4	7.3	1.0	1.0
<b>GLOBAL SMALL CAP<sup>2</sup></b>	12/31/2002												
Epoch Gross Return		(20.4)	(37.7)	(4.2)	3.7	-	8.7	14.6	0.4	-	-	-	-
Epoch Net Return		(20.6)	(38.3)	(5.3)	2.6	-	7.5	-	-	-	-	-	-
S&P Developed SmallCap Index		(25.3)	(43.7)	(10.0)	0.8	-	7.4	17.5	0.3	0.3	2.4	0.8	0.9
<b>GLOBAL CHOICE</b>	9/30/2005												
Epoch Gross Return		(19.3)	(35.6)	(0.6)	-	-	1.3	17.3	(0.1)	-	-	-	-
Epoch Net Return		(19.6)	(36.5)	(2.1)	-	-	(0.2)	-	-	-	-	-	-
MSCI World (Gross)		(21.7)	(40.3)	(7.6)	-	-	(6.1)	16.6	(0.6)	1.2	7.8	1.0	0.9
<b>GLOBAL ABSOLUTE RETURN</b>	12/31/2001												
Epoch Gross Return		(16.0)	(29.2)	(2.4)	5.7	-	8.5	12.4	0.5	-	-	-	-
Epoch Net Return		(16.3)	(30.2)	(3.9)	4.1	-	6.9	-	-	-	-	-	-
S&P 500		(21.9)	(37.0)	(8.4)	(2.2)	-	(1.5)	14.3	(0.3)	1.1	9.7	0.7	0.6
MSCI World (Gross)		(21.7)	(40.3)	(7.6)	0.0	-	1.1	15.2	(0.1)	0.8	7.8	0.6	0.6
Lehman U.S. Aggregate		4.6	5.2	5.5	4.7	-	5.4	4.0	0.7	0.2	9.1	0.1	0.0
<b>GLOBAL EQUITY SHAREHOLDER YIELD</b>	12/31/2005												
Epoch Gross Return		(15.0)	(31.5)	(1.5)	-	-	(1.5)	13.7	(0.4)	-	-	-	-
Epoch Net Return		(15.2)	(32.3)	(2.6)	-	-	(2.6)	-	-	-	-	-	-
S&P Developed BMI Index		(22.4)	(41.1)	(8.0)	-	-	(8.0)	17.6	(0.7)	1.1	4.5	0.7	0.9

See page 4 for Performance Disclosure. Past performance is not indicative of future results.

<sup>1</sup> The information provided is supplemental information only and supplements the Composite presentation which is located in the Performance Disclosure section of the End Notes.

<sup>2</sup> Effective 5/2007, the benchmark was changed from the MSCI World (Gross) Index to the S&P Citigroup EMI World Index as it is more representative of the composite's investment strategy. This change has been applied retroactively.

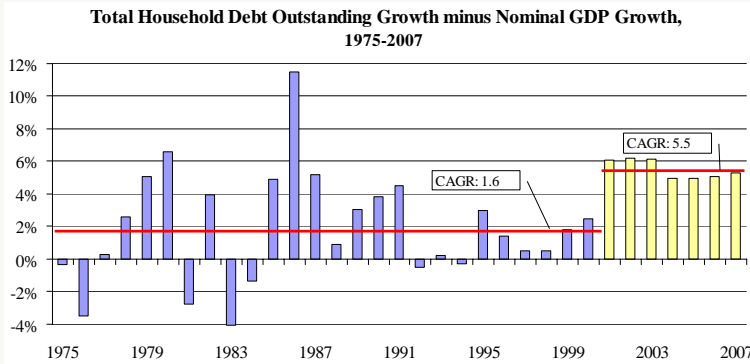
# 2008: The Year “Something for Nothing” Came to an End

By William W. Priest, CEO, CIO and Portfolio Manager

In 2008, equity markets around the world declined by 50% from their peak in October 2007, wiping out six years of equity gains, demolishing nearly \$30 trillion of equity values, and ushering in the worst equity market since the 1930's. This collapse of equity values was due in large part to the process of deleveraging: a topic we have written about on several occasions in the past year.

The leveraging process itself occurred over a span of almost two generations. During the 35-year period ending in 2007, the combined debt and equity of U.S. financial institutions rose from 10% of GDP to nearly 120%. Household debt (including mortgages) rose from 45% of GDP to nearly 100%. Figure 1 below shows the relative growth rates of this accelerated leveraging process, particularly after the turn of the millennium.

Figure 1<sup>1</sup>

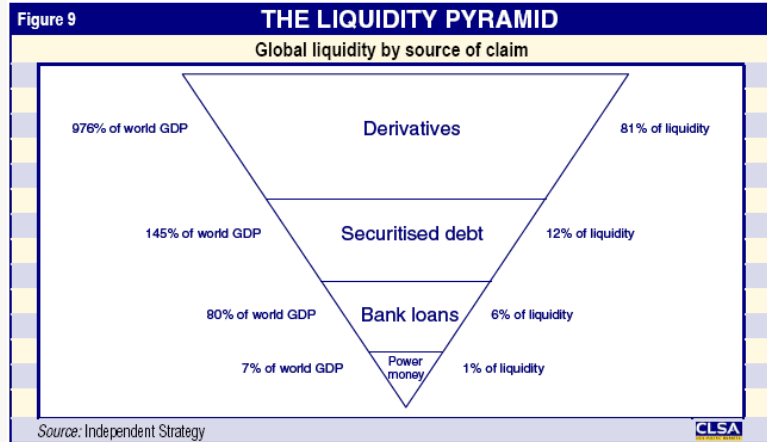


The related collapse in the savings rate of the U.S. allowed consumption to actually exceed consumer income since 2000, especially as the savings rate fell into negative territory in 2005-06. Despite this deceleration in consumer income, consumer spending remained high, as the boom in house prices allowed consumers to use home equity as the equivalent of a personal ATM machine. The financial sector of the S&P 500 reflected this activity in the real economy, climbing from 6.0% percent to 22.3% percent in the 34-year period ending in 2006, becoming the largest sector weight in the index.

Now that deleveraging has begun, we are in for an economic readjustment. Deleveraging denotes the liquidation, repayment, or cancellation of debt. It generally ends with a recession and a large rise in unemployment. Currently, all the stars are aligned for a deleveraging of substantial proportions. Houses are en-route to a 30% peak-to-trough decline from their peak in 2006 having fallen more than 20% already: such an ultimate decline would return home values to their 50-year trend line. With credit cards maxed out and home equity lending dead, the consumer has little choice but to go into hibernation. His equity in everything he owns – houses, cars, and other durables – has declined from 60% nearly two generations ago to 40% or so today. Similarly, his financial balance sheet reflects lower values for both real assets (his home) and his savings (his 401k). As a result, consumption will contract sharply as the consumer rebalances his needs and wants to reflect his new, lower wealth position.

Aggravating these events is the disintegration of the “shadow banking” system. Before the recent deleveraging, this system consisted of the unchecked, unregulated, and largely unmeasured credit creation mechanisms labeled as securitization and derivatives. This inverted pyramid is shown in Figure 2.

Figure 2<sup>2</sup>



As we are now aware, the world was entirely unprepared for what would happen to the top two tranches once the bubble burst. Today, the ongoing shrinkage in these upper two segments has turbocharged the deflationary situation in which we now find ourselves.

Offsetting these combined forces of deleveraging and deflation are prodigious initiatives by central banks and fiscal policy bodies around the world. At some point, these initiatives will take hold but not before the world experiences a recession. Housing prices must bottom and debt reduction must occur before the consumer can once again play a meaningful role in economic growth, and that is a few quarters away at best.

In 2008, investors were also forced to acknowledge fallibility of the following statements, all of which were once considered infallible truths: 1) emerging markets are not tied to the U.S.; 2) commodities are a new asset class; and 3) an “AAA” rating means no risk to your principal. Now that the veil has been lifted on these and other falsehoods, we are faced with a sobering new reality. But we are also met with an encouraging realization: good investing, despite the prevailing financial landscape, is really pretty straightforward. It is always, always about cash flows. Follow the cash. If a company's financial statements are too opaque to allow this, stay away from that company. Watch out for leverage: it's a real killer, as investment banks, hedge funds, private equity, Fannie Mae, Freddie Mac, Countrywide, Citibank, etc. will readily attest.

In this time of turmoil and complexity, investing will move back to the basics. Fewer hedge funds, less private equity, and an implementation of old fashioned truths will emerge. Buy companies that pay dividends, have transparent financial statements, generate free cash flow and demonstrate that their management teams can allocate free cash flow in a manner that builds shareholder value. This mantra has always been part of our investment philosophy, not only since the firm's inception, but for the entirety of our founding members' careers on Wall Street.

<sup>1</sup> Source: Flow of Funds Accounts, Federal Reserve, First Quarter 2008

<sup>2</sup> Source: Independent Strategy, CLSA

## Key Personnel

**EMILY BAKER**  
*Portfolio Manager & Senior Analyst*  
Vanderbilt University, BA, MBA  
**Years experience: 20**

**ADAM BORAK**  
*Chief Financial Officer*  
UPenn, Wharton School, BS  
**Years experience: 20**

**ERIC CITERNE, CFA**  
*Senior Analyst*  
University of Texas at Austin, BBA  
Southern Methodist University, MBA  
**Years experience: 18**

**J. PHILIP CLARK**  
*Executive Vice President & Head of Client Relations*  
Yale University, BS  
**Years experience: 28**

**DINA DICENSO, Ph.D.**  
*Analyst*  
University of Arizona, BA  
Northeastern University, MSF  
Fordham University, Ph.D.  
**Years experience: 11**

**KATHLEEN POWERS DUNLAP**  
*Corporate Plans Director*  
University of San Francisco, BS  
**Years experience: 29**

**ANDREA TASKER GLOGOFF**  
*Consultant Relations Director*  
Colgate University, BA  
**Years experience: 15**

**KENNETH N. HIGHTOWER, Ph.D.**  
*Director, Quantitative Research & Risk Management*  
University of North Carolina, BA, Ph.D.  
**Years experience: 12**

**THOMAS HU**  
*Quantitative Research*  
National Taiwan University, BS, LL.B.  
Columbia University, MS  
**Years experience: 6**

**JANET K. NAVON**  
*Portfolio Management & Senior Analyst*  
Georgetown University, BS  
Columbia University, MBA  
**Years experience: 28**

**DAVID N. PEARL**  
*Executive Vice President, Head of U.S. Equities & Portfolio Manager*  
UPenn, BS  
Stanford University, MBA  
**Years experience: 26**

**THOMAS PERNICE**  
*Client Service Director*  
Stony Brook University, BA  
**Years experience: 28**

**WILLIAM W. PRIEST, CFA, CPA**  
*CEO, CIO & Portfolio Manager*  
Duke University, BA  
Wharton School, MBA  
**Years experience: 44**

**JOHN P. REDDAN, CFA**  
*Senior Analyst*  
Siena College, BA  
Columbia University, MBA  
**Years experience: 24**

**ERIC SAPPENFIELD**  
*Portfolio Manager & Senior Analyst*  
Stanford University, BA  
UCLA, MBA  
**Years experience: 23**

**DAVID J. SIINO, CFA**  
*Analyst*  
Hofstra University, BA  
Baruch College, MBA  
**Years experience: 11**

**JEFFREY SMITH, CFA**  
*Analyst*  
Princeton University, BSE  
University of Chicago, MBA  
**Years experience: 16**

**MARK H. STRAUSS**  
*Head of U.S. Trading*  
Oneonta State University of NY, BA  
Pace University, MBA  
**Years experience: 23**

**JULIAN L. SVIRSKY**  
*International Trader*  
Carnegie Mellon, BS  
**Years experience: 6**

**TIMOTHY T. TAUSSIG**  
*President & COO*  
Dartmouth College, BA  
**Years experience: 30**

**JEFFREY M. ULLNESS**  
*Sub-Advisory Relations Director*  
University of ND, BA & JD  
Georgetown University, LL.M.  
**Years experience: 23**

**KERA VAN VALEN, CFA**  
*Analyst*  
Colgate University, BA  
Columbia Business School, MBA  
**Years experience: 7**

**RICHARD WATT**  
*Global Portfolio Management*  
University of Edinburgh, MA  
**Years experience: 27**

**MICHAEL A. WELHOELTER, CFA**  
*Portfolio Manager, Quantitative Research & Risk Management*  
Colgate University, BA  
**Years experience: 23**

**CHRIS H. WOLTERS, CFA**  
*Senior Analyst*  
University of Delaware, BME  
New York University, MBA  
**Years experience: 19**

1. Presentation of the Firm—Epoch Investment Partners, Inc. became a registered investment adviser under the Investment Advisers Act of 1940 in June, 2004. Performance from 4/01 through 5/04 is for Epoch's investment team and accounts while at Steinberg Priest & Sloane Capital Management, LLC. For the period 7/94 through 3/01 Bill Priest managed the accounts while at Credit Suisse Asset Management and was the only individual responsible for selecting the securities to buy and sell. Epoch Investment Partners has the books and records supporting the performance of this track record and will provide these records upon request. Epoch Investment Partners, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

2. Composite Structure—Epoch's Composites include all tax-exempt and taxable portfolios above \$500,000 in size and are generally managed relative to applicable market index. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Portfolios within the U.S. Small Cap Value Composite are managed relative to the Russell 2000 and Russell 2000 Value Indices; portfolios within the U.S. SMID Cap Value Composite are managed relative to the Russell 2500 and Russell 2500 Value Indices; portfolios within the U.S. Value Composite are managed relative to the Russell 1000 and Russell 1000 Value Indices; portfolios within the Balanced Composite are managed relative to a blended benchmark consisting of 50% S&P 500 and 50% Lehman U.S. Aggregate Indices; portfolios within the Global Small Cap Composite are managed relative to the S&P Developed SmallCap Index; portfolios within the U.S. All Cap Value are managed relative to the Russell 3000 and Russell 3000 Value Indices (Effective 7/1/06, the U.S. All Cap Value Composite has been redefined to reflect only those discretionary accounts managed by the All Cap Value Team and following the respective All Cap Value model. As a result, all accounts which are not managed by the All Cap Value Team and have specified client risk preferences have been removed); portfolios within the Global Absolute Return Composite are managed relative to the S&P 500, Lehman U.S. Aggregate, and MSCI World (Gross) Indices; portfolios within the International Small Cap Composite are managed relative to the S&P EPAC SmallCap Index and the MSCI EAFE Small Cap (Net) Index; portfolios within the U.S. Choice Composite are managed relative to the Russell 3000 Index; portfolios within the Global Choice Composite are managed relative to the MSCI World (Gross) Index; portfolios within the Global Equity Shareholder Yield Composite are managed relative to the S&P Developed BMI Index; portfolios within the Global All Cap Composite are managed relative to the MSCI World (Net) Index. The Global All Cap Composite contained 100% non-fee-paying portfolio(s) as of December 31, 2007.

3. Composite Creation Dates—U.S. All Cap Value, Balanced, Global Absolute Return, Global Small Cap, U.S. Small Cap Value, U.S. Value: June 2004; International Small Cap: February 2005; U.S. Choice: May 2005; Global Choice: October 2005; Global Equity Shareholder Yield: January 2006; U.S. SMID Cap Value: September 2006.

4. Risk Statistics source—Epoch Investment Partners. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Sharpe ratio is a measure of absolute risk adjusted return developed by Professor William Sharpe. It divides the excess return of an account above cash returns by the Standard Deviation of the excess return to determine the reward per unit of risk. Information Ratio is measure of relative risk-adjusted return. It is determined by dividing excess return by Tracking Error. Alpha is a measurement of the expected residual return adjusted for the account Beta. Beta is a quantitative measure of the volatility of the account relative to the account benchmark. R-squared is a measure of how closely an account's performance correlates with the performance of the account benchmark, ranging from 0, indicating no correlation, to 1, indicating perfect correlation. Market Statistics source: Standard & Poors,

Frank Russell Company, Morgan Stanley Capital International, Lehman Brothers and Epoch Investment Partners, Inc. Composite-level risk statistics are calculated using monthly rates-of-return. Statistics calculated using a sample of less than 36 months can be considered a less reliable estimate of the characteristic's true value.

5. Benchmark Source—Russell Investments; MSCI Inc. (MSCI); Standard & Poor's; Barclays Capital is the source and owner of the Index data contained herein (and all trademarks related thereto), which may not be redistributed. Reference to an index does not imply that the portfolio will achieve returns, volatility or other results similar to the index. The composition of the index are provided for your information only and may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time. Indices are unmanaged. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. Investors cannot invest directly in indices.

6. Total Return Methodology and Fee Structure—Returns are presented gross and net of management fees and include the reinvestment of all income. Composite performance [Global Absolute Return, Global Small Cap, International Small Cap, Global Choice, Global Equity Shareholder Yield] is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. Returns may include the effect of foreign currency exchange rates. A fee schedule is an integral part of a complete presentation and is described in Part II of the firm's ADV, which is available upon request. Net of fee returns reflect the deduction of the highest annual management fee, payable quarterly in arrears. Net-of-fee performance reflects the compounding effect of such fees. Generally, the highest fee payable for an Epoch managed equity portfolio is 1.0% of assets, annually, with the exception of Global and Non-U.S. which is 1.1% and Absolute Return Services which is 1.5% of assets.

7. Significant Cashflow Policy—Effective January 1, 2008, our significant cash flow policy has been removed. This policy amendment will not be applied retroactively. Effective January 1, 2006, our significant cash flow policy had been redefined as in excess of 25% of the portfolio market value. This policy amendment was not applied retroactively. Prior to January 1, 2006, composite policy required the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 10% or greater of portfolio market value. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the next full month (assuming the cash flow has been fully invested - as determined by Epoch Investment Partners, Inc.). This policy is not applied to the advised Epoch mutual funds (within the U.S. All Cap Value, International Small Cap and Global Equity Shareholder Yield Composites), U.S. Choice, Global Choice and U.S. SMID Cap Value Composites. Additional information regarding the treatment of significant cash flows is available upon request.

8. Different methods can be applied to the calculation of performance data. Periods over one year are annualized. Additional information regarding policies for calculating and reporting returns is available upon request.

9. Past performance is not indicative of future results. All information is calculated in USD\$. An account could incur losses as well as gains.

10. To receive a complete list and description of Epoch Investment Partners, Inc. composites and/or presentation that adheres to the GIPS® standards, contact Jason Root at 212-303-7200, or write Epoch Investment Partners Inc., 640 Fifth Avenue, 18th Floor, New York, NY 10019, or send an email to info@eipny.com.