

Boston Private Bank & Trust Company has concentrated over the years on providing superior investment returns, exceptional service, and a highly personalized and confidential approach. Consequently, we have developed long-term relationships with our clients.

The professional team we have built is the basis of our success. Our senior members average more than twenty years of investment industry experience and are supported by the most up-to-date technology available.

We have carefully structured our investment business so that our portfolio managers are able to work directly with their respective clients and also have the necessary time to

serve as research analysts. This is a powerful combination not often found in our business.

Investment Philosophy

We believe strongly in long-term investing. This belief is derived from experience managing portfolios for many years, through various economic and market cycles. Financial markets change constantly, but fundamental investment principles remain constant; therefore, as investment managers, we adhere to a disciplined investment philosophy. The major tenets of our investment philosophy are conservation of capital; a disciplined investment process; superior, long-term risk adjusted investment returns; portfolios tailored to individual client requirements; and a focus on tax efficiency for taxable portfolios.

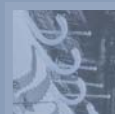
Investment Process

Equity: Our disciplined equity process employs macro-economic analysis and fundamental research. Weekly Investment Policy Committee meetings provide a critical opportunity for our seasoned equity and fixed income portfolio managers to access changes in the global economy and significant socio-political events. Because our portfolio managers are experienced investment analysts, they are skilled at correlating these macro events with crucial sector decisions through our top-down and bottom-up analysis. Each portfolio manager is assigned research responsibilities in one or more industry sectors. We augment our analysis with quality research relationships and our commitment to market information technology.

Fixed-Income: The cornerstone of our fixed-income process is to minimize portfolio volatility and meet our client's performance objectives. Critical steps in our process include a top-down, macro-economic approach; duration management; sector analysis; and a total return objective.

In our view, a fixed income portfolio must be actively managed, with a goal of generating superior long-term total rates of return. In all cases, client risk parameters are a primary consideration.

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Our active management process recognizes that the ever-changing shape of the yield curve, combined with changes in economic conditions and Federal Reserve policies, create opportunities for gains beyond coupon payments. Our success in recognizing these opportunities and capturing gains is based on a disciplined management process. This process begins with yield curve analysis to determine where portfolios will perform best. Sector weightings and portfolio duration are then adjusted for secular and cyclical trends. Quantitative yield curve and security valuation techniques round out our core style. Ongoing risk control is facilitated by our individual management process for each client's portfolio, with specific focus on their quality, liquidity, and maturity requirements.

Trust Services

Our trust powers provide added value to individual and institutional clients who seek both long-term planning and protection of assets. For this reason, we have built an experienced team in the area of trust services and currently serve as trustee or co-trustee for family trusts, retirement plans, private foundations, special-needs trusts and charitable remainder trusts.

Account Planning

We offer planning services to individual and institutional clients seeking direction and advice beyond asset management. Often this involves discussion of long-term goals, such as retirement planning, asset protection, cash flow analysis and year-end planning which can be coordinated with their portfolio management strategy.

A Focus on the Community

Our commitment to serving the needs of our community is an integral part of our investment management business and overall corporate focus. Throughout our history, we have assisted a variety of non-profit institutions and organizations achieve their financial goals.

A Tradition of Excellence

At Boston Private Bank & Trust Company, our reputation for exceptional service and a highly personalized and confidential approach stems from our dedication to forging long-term relationships with individuals, businesses and the community. It is a commitment that is deeply rooted in our day-to-day business activities.

For more detailed information about our investment management services, please contact Christine E. Lemos, CFP, Investment Management & Trust Services, at (617) 912-4276.

If you would like to receive additional publications, please e-mail us at:
investment-management@bostonprivatebank.com.

Minimum balances are required for investment accounts. Certain other terms, conditions, and fees may apply. Investment management services provided by Boston Private Bank & Trust Company are not insured by the FDIC or any other governmental agency, may lose value, and are not Bank guaranteed.

