

## Global MultiCap Update | 8/31/11

### *Lee Munder Capital Group – Announcing Benchmark Changes from MSCI World Index to MSCI All Country World Investable Market Index for the Global MultiCap Portfolio*

We are changing the benchmark for the Global MultiCap portfolio from the MSCI World Index to the MSCI All Country World Investable Market Index (“MSCI ACWI IMI”) commencing this quarter. We will begin by reporting both benchmarks for the balance of 2011, but will report exclusively the MSCI ACWI IMI commencing in 2012.

There are two important reasons for the change of benchmarks. First, the MSCI ACWI IMI includes the emerging markets countries while the MSCI World Index includes only the “developed markets”. We believe that investors will benefit from the inclusion of emerging markets in their portfolio long term, and while we have been actively investing in emerging markets for the Global MultiCap portfolio since its inception, we felt our benchmark should reflect that the emerging markets are a long term commitment in our strategy. While the number of countries measured in the benchmark increases from 24 “developed” markets to 45 markets of both developed and emerging classifications, the weighting of the 21 new emerging countries is less than 14% of the MSCI ACWI IMI, a significant but not overwhelming change in composition.

Our commitment to smaller and medium capitalization stocks in Europe and Asia for the long term is the second reason for the benchmark change. The MSCI World Index, originally created in the late 1970s as a general reference for the major country stock markets of the world, attempted to measure the largest and most liquid companies available to foreign investors. The index provider, Capital International of Switzerland at that time (and now US based MSCI Barra), were more interested in an index with liquidity and consistency than in creating a comprehensive index of all capitalization sizes of stocks. It is difficult to believe now, given the importance and vitality of small companies in the US economy, but for many years small cap European and Asian stocks were poor and uncompetitive stepchildren to the larger, often state sponsored and protected, big cap companies, and were of little interest to global investors. All of that has changed, and we believe that small companies in Europe and in Asia will matter in the next 5 to 10 years much more than they have in the past 30. While it may be wishful thinking to hope that non-US small cap stocks will achieve the high water mark established by US small cap stocks in growth and dynamism starting in the late 1970s and continuing today, but trends continue to be supportive.

The MSCI World Index is rapidly declining as a meaningful measure of global equity opportunities. In the past, changes to the classification of developed and emerging countries had significant impact on capital flows from the United States and major developed market investors. Today, as GDP per capita (the main factor of differentiation) of emerging countries continue a three decade long ascent, and as progress continues in investment transparency and protection (albeit more slowly now than in the 1990s), the distinctions established by the creators of the original index are becoming historical artifacts.

This change will have little impact on the day to day management of the portfolio, and will not otherwise impact the objective of the strategy.

Please let us know if you have any questions.

# Benchmarks at a Glance

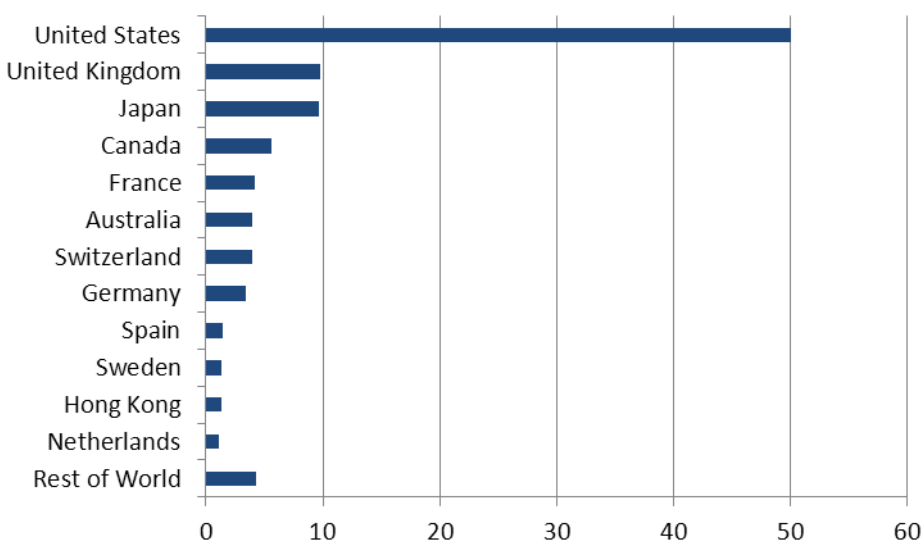
## Performance as of 8/31/11

Description	YTD	1 Year	3 Year	5 Year
MSCI World Index - Net	-3.90	14.46	-1.28	-0.21
MSCI AC World IMI - Net	-4.78	14.36	0.09	1.01

	MSCI World Index	MSCI ACWI IMI
No. of Countries	24	45
No. of Securities	1635	9075
Price/Earnings	14.4	15.1
Yield	2.60%	2.50%

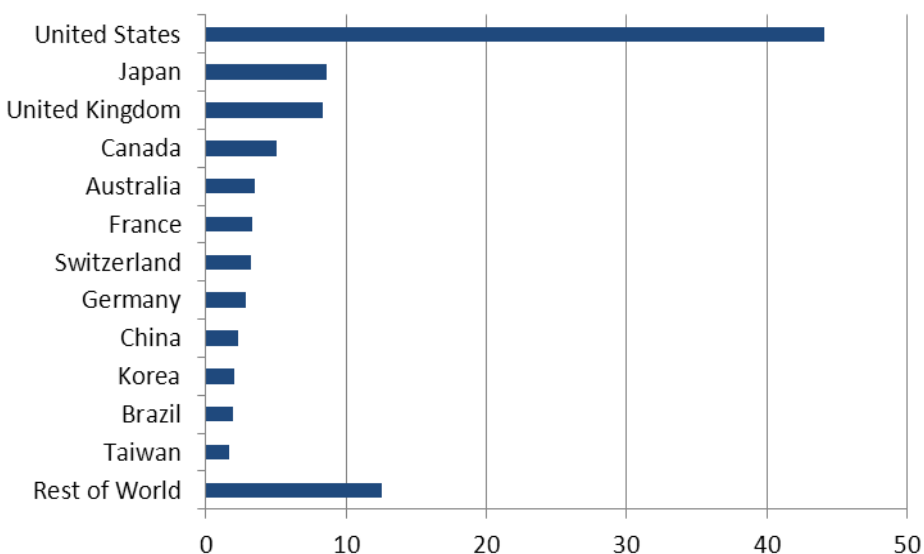
Source: FactSet

## MSCI World Index Country Weights as of August 31, 2011



Source: FactSet

## MSCI ACWI IMI Country Weights as of August 31, 2011



Source: FactSet

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