

June 30, 2010

Dear Clients:

In our letter to you on April 15, we committed to keep you regularly informed on the progress of our analyses related to our risk model coding error. Today we are writing to share with you the outcome of the external review initiated by our Board of Directors, and to announce organizational steps we are taking as a result of these findings.

The external review of the facts regarding the escalation and correction of the coding error is now complete. The Board has determined that Barr Rosenberg and Tom Mead, Director of Research, did not act in accordance with the firm's Escalation Policy and Code of Ethics. Specifically, the review concluded that both acted to limit dissemination of information regarding the error and to preclude discussion about its correction and communication at the proper levels in the firm. It also confirmed that Agustin Sevilla, Global Chief Investment Officer, did not act in a manner that was consistent with the firm's Escalation Policy. We are deeply disappointed in these actions, which are contrary to our firm's values and standards.

As a result, we are accelerating the management and organizational transitions previously announced. Specifically, Barr Rosenberg has resigned from the Board of AXA Rosenberg with immediate effect, rather than upon the closing of the shareholder transaction. He remains available on an exclusive consulting basis at the CEO's discretion. Tom Mead has stepped down as Director of Research and from the AXA Rosenberg Board. He will assist with the transition of his responsibilities over the coming months. Agustin Sevilla has stepped down as Global CIO, but as part of our organizational evolution, will transition to a senior research role.

We are also moving forward with implementation of an organizational framework agreed by our shareholders. AXA Rosenberg's investment and research teams will now be organized around three core functions—Research, Investment Models and Portfolio Management—enabling greater accountability and focus in each of these functions and increased collaboration among them. This structure is intended to preserve the key attributes of our investment platform and further differentiate our firm, based on the quality of our research. Each of these positions will now report directly to the firm's CEO.

To lead this new research and investment organization, we are making the following appointments:

- Co-founder Kenneth Reid will oversee the firm's long-term research activities as Head of Research.
- Kathleen Houssels, currently deputy CIO of the Americas, will assume the new position of Head of Investment Models, overseeing the operation and enhancement of our models.
- Mr. Reid and Ms. Houssels will succeed Tom Mead as co-directors of our Research Center.
- The Portfolio Management function will continue to be run by our regional Chief Investment Officers: Americas CIO Bill Ricks, Europe CIO Gideon Smith and Pan-Asia CIO Kevin Chen, with Bill Ricks also overseeing investment implementation globally as we identify a new global head of portfolio management.

Mr. Reid, Ms. Houssels and the CIO's will represent these key functions on the firm's Investment Committee, ensuring close formal interaction among the three groups.

In parallel, a top priority of our firm has been to reaffirm and fortify our processes in several areas. To that end, we have initiated a review and, where appropriate, are strengthening and improving our controls and risk management policies and procedures and reinforcing the independent oversight of our investment risk function. As part of our continuing effort to enhance the firm's control environment, an external consultant has been retained to review our software change control process and other related protocols to ensure they are robust. We have also taken steps to better ensure adherence to our Escalation Policy, Code of Ethics and other internal controls. These initiatives will be further enhanced by the appointment of a senior Chief Risk Officer with extensive investment experience, whose hire is currently being finalized.

As we have previously indicated, the analysis of any potential impact of the coding error on client portfolios is continuing to progress. As this work is completed by the external expert, assisted by our teams, we will be communicating results to clients on an individual account basis along with details on the methodology. This process will extend through the summer, particularly for more complex or customized accounts.

We would like to express our gratitude to you and all our clients who have continued to support AXA Rosenberg through this challenging time. We are confident that the changes we are making in ownership, governance, leadership and controls will enhance the robustness of our investment process and the value we bring to our clients. We thank you for your patience, and recognize and sincerely appreciate the trust you have placed in us.

Sincerely,



Stéphane Prunet
Global Chief Executive Officer
AXA Rosenberg Group LLC



Dominique Carrel-Billiard
Vice-Chairman
AXA Rosenberg Group Board



Kenneth Reid
Vice-Chairman
AXA Rosenberg Group Board