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**PARAMETRIC PORTFOLIO ASSOCIATES INTRODUCES ISAM™
MULTI-MANAGER ACCOUNT CAPABILITY**

Proprietary technology and controlled “overlay” management streamline MMA administration and offer higher levels of tax management, risk control and customization

SEATTLE, Wash. -- (July XX, 2002) – Parametric Portfolio Associates, a Seattle-based money management firm with \$5 billion under management in nearly 3,000 custom separate accounts, today announced the creation of *Integrated Separate Account Management™* (ISAM™). This new investment management product is designed to provide tax efficient and risk controlled “overlay” management within Multi-Manager Accounts (MMAs). The firm is planning rollouts with leading separate account program sponsors by year-end.

“Parametric’s family office clients have long been talking with us about ways to combine and coordinate unaffiliated managers,” said Parametric Chief Investment Officer David Stein. “*Integrated Separate Account Management* is both an opportunity for investors to improve their investment experience and for Parametric to take a leading role in establishing the next generation of tax efficient investment alternatives.”

Most current MMA strategies combine several investment styles in a single account. These investment styles (large cap growth, large cap value, small cap value) are managed by a single firm in a single account. Second generation MMAs combine specialist asset managers from different firms. Evolving MMA structures will seek to combine strategies from an even broader universe of money managers with increased customization and functionality. Parametric’s ISAM, with its integrated overlay management, makes these a reality.

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In an ISAM account, tax management, risk management and trading are centrally coordinated. This simplifies administration and increases diversification at lower account minimums. Parametric's ISAM combines the stock-selection inputs from numerous strategies into a single account and customizes the tax and risk tradeoffs for each portfolio.

"Successful MMA programs will focus on the issue of overlay management," said Parametric Chief Executive Officer Brian Langstraat. "Clients need thoughtful overlay management to ensure the benefits of coordination are realized. As a leading tax efficient manager, Parametric is well qualified to provide expert overlay management that supports program success with the full range of customization."

ISAM overlay management provides critical benefits to MMA sponsors. With ISAM, sponsors can gain cost control through consolidated trading and streamlined account administration. Since sponsors need only open and administer a single equity account per client the overall number of accounts is reduced boosting average account size. In addition, sponsors can ensure that each account is suitably balanced at all times as allocation and manager changes are more easily implemented. Sponsors can differentiate their MMA by attracting non-wrap managers to their program since ISAM removes the separate account administration hurdle.

Unlike software-based MMA overlay solutions, Parametric's ISAM overlay management encompasses the entire portfolio management process including portfolio design, implementation, trading, administration and after-tax performance reporting.

"Simply gluing multiple managers or strategies together using a technology solution is not enough and may create another example of how individually managed or separate accounts can fail to live up to their potential," Langstraat added. "ISAM is an investment product that recognizes that ongoing investment decisions, customized to each client and carried through to implementation, are required from a focused MMA overlay manager."

"The marketplace should demand a more customized and value-added approach to integrated account management beyond merely combining multiple managers into a single account," Stein added.

About Parametric Portfolio Associates

Parametric Portfolio Associates is a Seattle-based investment firm specializing in managing broadly diversified equity portfolios. Parametric's portfolio offerings enable each investor to better control taxes, risk and investment objectives. Parametric is guided by the principle that investors should evaluate any investment performance in the context of risk and net of all taxes, fees, and costs. The firm manages approximately \$5 billion in assets for high net worth individuals, families, taxable and charitable institutions. More information about ISAM™ separate accounts or Parametric Portfolio Associates is available by calling Steve Kauffman 206-694-5575 or by visiting www.parametricportfolio.com.