



## Braintree Capital Partners

With such an unprecedented series of failures in 2008, both financial and professional, we at Braintree Capital Partners would like to draw your attention to one primary investment tenet that could have altered the events of the past year. Consider Bear Stearns, Lehman Brothers, AIG, Fannie Mae, Freddie Mac, the bond insurers and rating agencies, and of course the unconscionable fraud perpetrated by Bernie Madoff: the one element missing in all these disasters was

### TRANSPARENCY

Generally speaking, investors implicitly trusted what these institutions and their representatives told them and did not perform their own due diligence.

The lessons should be familiar. We encourage investors to go back to the basics.

- **Read the documents** such as the prospectus, the financial statements, the customer statements, and the investment strategy.
- **Ask questions** until you are satisfied with the answers, or pass on the opportunity.
- **Make sure you know what and where the underlying assets are.**
- **Insist on a recognized custodian and reputable auditor.**
- **Diversify** your holdings among managers and asset classes.

At Braintree Capital Partners, we are fundamental investors who believe in due diligence, diversification, and disclosure. Our policies and procedures reflect our personal and professional commitments to transparency.

To that end, from the moment we were founded, we insisted on retaining only top notch professional service providers, even though they cost a bit more than a start-up would typically incur: renowned attorneys, custodians, fund administrators, bond evaluators, and independent auditors to tend to our Portfolio in a manner that is open to our partners.

Our Policies and Procedures Manual dictates that we conduct an annual review of our service providers and professional affiliations. We are happy to report that we have concluded that review

and have decided to continue our relationships in 2009 due to their exemplary performance and level of professionalism. While we have frequently identified these providers in our presentations, we cite them again here as a reminder of the strength of our service team:

- **Custodian/Prime Broker:** For those clients who would like to establish an independent relationship with Braintree Capital, we are on both Pershing Advisor Solutions and Charles Schwab Institutional custodial platforms.

Pershing, a member of SIPC, is the largest clearing firm in the world and is owned by Bank of New York Mellon, the largest custodian of customer securities at \$22.4 trillion. Through Pershing, Interactive Data Services (IDS) prices securities on a daily basis for the benefit of our investors. Charles Schwab Institutional, a division of Charles Schwab & Co., Inc, has \$540 billion assets under management (9/30/08). Charles Schwab utilizes Standard & Poor's Evaluation Services, a division of the McGraw-Hill Companies, as the independent valuation service for clients.

When your account resides with Pershing, Schwab, or any custodian, physical custody of your assets is held there. Under no circumstances will Braintree Capital Partners hold physical custody of any client's assets.

- **Fund Administrator:** Pinnacle Fund Administration, LLC. Using Standard and Poor's Securities Evaluations, Pinnacle reconciles S&P's monthly portfolio pricing with that of IDS and prepares our monthly NAV. Pinnacle also prepares quarterly statements and K-1s for our partners, and tracks each individual partnership interest in the Portfolio. Remember that each of our investors is a limited partner in the Family Office High Income Municipal Portfolio and, as such, has complete access to everything we and our fund administrator do on their behalf.
- **Counsel:** Foley Hoag, LLP. Foley is a leading national law firm headquartered in Boston, advising the investment community and family offices. Foley prepares all of our legal documentation and filings with state and federal regulatory agencies.
- **Compliance Adviser:** We engage ACA Compliance Group, LLC in Washington, D.C. for legal advice on best disclosure and compliance practices.
- **Independent Portfolio Auditor:** Wolf & Company, P.C. Wolf is a leading regional public accounting firm based in Boston. Its accountants provide the Portfolio and the management company with an annual audit on behalf of our respective partners. Wolf began the audit process this summer, and will be on site for a week-long review next month.

When we formed our company as a private partnership it was not by accident. We believe that our investors should be our partners, have access to the Portfolio managers, and be able to see everything we do on their behalf to carefully diversify our investments and monitor them closely.

When investing with other investment advisors, we urge you make sure you know exactly where they are investing your money. In some cases, money invested with certain Fund of Funds found its way to old Bernie.

If you have any questions about our policies, procedures, or professional service firms, or on any matter, please do not hesitate to call us or drop by our office. We welcome your inquiries and contributions to our partnership -- unlike the secretive Bernie Madoffs of the world.

**Braintree Capital Partners, LLC**

Arthur J. Wunder  
Barnet Sherman  
Gayl Mileszko



Braintree Capital Partners

The Principals of Braintree Capital Partners are Arthur J. Wunder, Managing Partner and Barnet Sherman, Managing Partner. Ms. Gayl Mileszko is a Partner and COO. With a combined experience of over 60 years in municipal bond investment management, sales, and trading, Messrs. Wunder and Sherman have extensive experience in analyzing, investing in, underwriting, trading, and managing tax-exempt assets.

**Barnet Sherman.** Mr. Barnet Sherman most recently was a Vice President and Portfolio Manager with Morgan Stanley Investment Management. Mr. Sherman concentrated on making investment recommendations and developing market strategy for the then \$4.6 billion Van Kampen Tax-Exempt High Yield Fund. Managing the non-rated high yield primary market investment process, Mr. Sherman evaluated over 1,000 financings, personally analyzing, negotiating, and closing over \$1 billion public, limited, and private placement offerings. The Fund enjoys a 4-Star rating from Morningstar, who also recognized it as a "Fund of the Decade: 1990-2000". Mr. Sherman is published in his field, contributing to *The Handbook of Municipal Bonds* and the *Morgan Stanley Investment Management Journal*. Smith's Ratings and Research has recognized Mr. Sherman as a First Team All-Star and he has been noted in both Who's Who in America and Who's Who in Business and Finance.

Mr. Sherman holds an undergraduate degree in honors from Syracuse University (BA 1980). He earned his Master's in Public Administration from Columbia University (MPA 1982) where he concentrated in public finance. He holds the Series 7, Series 63, and Series 65 licenses.

**Arthur J. Wunder.** Mr. Arthur J. Wunder has held senior management positions at Dillon Read, Tucker Anthony, Axa Financial, The Advest Group, and RBC Dain Rauscher. Mr. Wunder's first senior position was at Dillon Read, where he rose to the Head of Institutional Sales and Manager of the Municipal Bond Department during his 19 years with the firm. When Dillon Read was sold to UBS, Mr. Wunder joined Tucker Anthony as Head of the Municipal Bond Department and was instrumental in changing their focus from traditional High-Grade bonds to one of High-Yield. He was subsequently asked to assume the role of Head of Fixed Income where he served until the firm was acquired by RBC, Dain Rauscher. Mr. Wunder remained as Sales Manager at RBC for its High-Yield Muni products, interacting daily with investment bankers and sales personnel in the creation, structuring and distribution of municipal bond products. He was also asked to serve on the firm's underwriting committee. Mr. Wunder was recruited by the Chairman of The Advest Group Inc, a subsidiary of Axa Financial, to head their Fixed Income Division.

Mr. Wunder is a graduate of St. John's University in New York where he earned a Bachelor of Science Degree in Business Administration and Marketing. He holds Series 7, Series 63, Series 53 Municipal Principal and Series 24 Securities Principal licenses.

**Ms. Gayl Mileszko.** Gayl Mileszko is the former Director of the Massachusetts Department of Labor and a former officer and member of the board of the Massachusetts Health and Educational Facilities Authority. She was appointed by the Massachusetts Governor after two years in the executive office on his senior staff. Ms. Mileszko was previously associated with the regional investment bank Tucker Anthony in Boston and New York from 1990 to 2002. She was a vice president in public finance handling more than \$2 billion of originations for tax-exempt issuers in the Northeast. Later, she was named senior vice president in the fixed income capital markets division, where she was the chief of staff to four successive managers supervising bond trading, sales, research and investment banking staff in 60 profit centers. Ms. Mileszko was a member of the staff of the Committee on Appropriations for the U.S. House of Representatives from 1983 to 1988, serving as minority staff counsel for three Subcommittees. She began her career as a staff assistant to U.S. Representative Silvio O. Conte (Massachusetts First District) and in the White House Liaison Office of the Republican National Committee. She holds a B.A. from Yale College.

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