

ENTERPRISE

A PUBLICATION FOR EQUITABLE PEOPLE

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EQUITABLE AGENTS
FOR EQUITABLE
PEOPLE

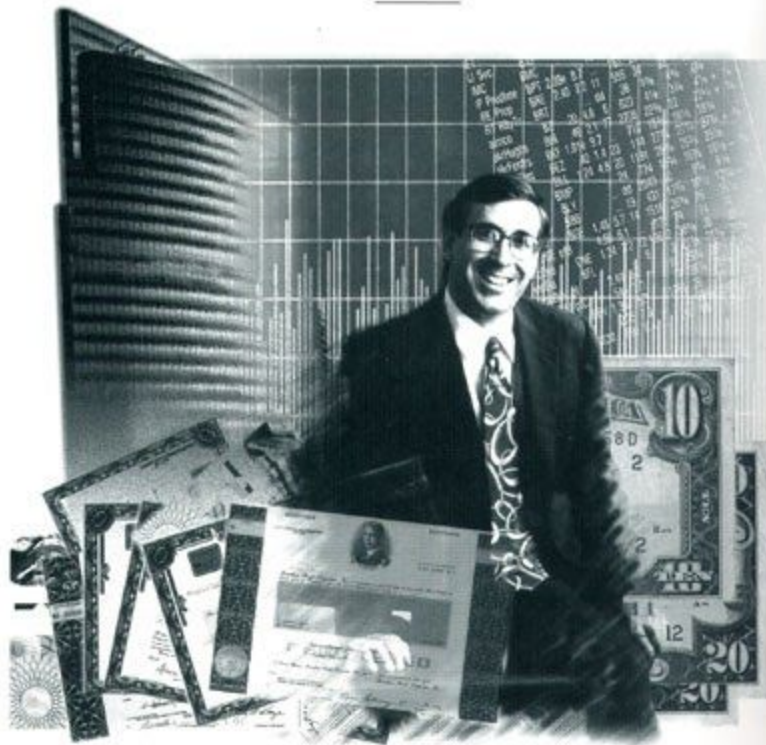
DLJ ANALYSTS—
A WINNING
"ALL AMERICA"
TEAM



They're winners — again! — in one of Wall Street's most-respected polls. The securities analysts at Donaldson, Lufkin & Jenrette have emerged as leaders in the 1993 "All America Research Team" survey conducted by Institutional Investor. Details on page 5.

MANAGING THE MONEY MANAGERS

A Look at Who and What's Behind
Equitable's Investment Portfolio



Ever think about how you'd invest a million dollars? Now try \$37 billion — with no room for guesswork. Well, that largely describes the job of Chief Investment Officer and Executive Vice President Brian S. O'Neil and his staff. They are responsible for overseeing how the assets in Equitable's General Account, which support our traditional life insurance and annuity business, are invested. It is an important function because General Account investment results affect, among other things, the profitability of the company and Equitable's activities to strengthen its balance sheet. To find out what goes into this process, Enterprise recently interviewed O'Neil.

Excerpts of that discussion appear on page 2.

and regulators.

Of course, what we do on a daily basis can and does change continually — so a strong ability to quickly adapt to change is very important in our group.

ENTERPRISE:

What is the role of the Board's Investment Committee?

A: The Investment Committee is responsible for oversight and implementation of Equitable's investment policy. Our team reports directly to this Investment Committee on matters that include investment activities, investment performance and new developments or opportunities in the marketplace that will affect our management of the portfolio. This is done through formal presentations at Committee meetings; we also are in regular contact with Committee members to respond to their individual requests for information. While the Committee is not required to provide prior approval on each specific investment, all large and complex investments as well as all restructuring must be thoroughly discussed with the Committee before Equitable can receive authorization to move forward on these investments.

ENTERPRISE:

What do you think Equitable's investment portfolio will look like five years from now?

A: This is easier to predict than one might expect, because regulators have established a clear course for the industry, and this includes Equitable. What we will see are more investment-grade bonds and less "enhanced return" investments, such as high yield-bonds, limited partnerships and equity real estate.

This process is going to have a profound impact on the industry, making separate accounts — with their broad array of investment choices — a more attractive investment vehicle in terms of returns than the General Account. Strategically, Equitable is well positioned for this shift to separate account products due to the company's leadership position in the sales of variable life insurance and annuities. Sales in these areas are already moving upwards and will greatly accelerate in the coming years.

When all is said and done, it's my hope that our responsibilities here in the Office of the Chief Investment Officer will become very dull (LAUGHS), that no one will ask questions about our portfolio — because then we will know we have done the job right. ■

A 'CLASSIC' CASE OF INVESTMENT STRENGTH



Wrap-fee" products — in which clients pay an annual fee covering portfolio management and transaction costs — have been growing increasingly popular among investors in recent years due to their convenience. With the birth early last year of its Classic Strategies program, Equitable is well-positioned to get a growing piece of the wrap-fee action by offering this unique asset management program. Classic Strategies, which is managed and distributed by Equico Securities, Inc., taps into the superior investment talent of Alliance Capital Management L.P.; Wood, Struthers & Winthrop; and Donaldson, Lufkin & Jenrette (DLJ).

The senior vice president in charge of DLJ's Portfolio Advisory Services, Bob Rafford, explained how Equitable stands to gain. "With Classic Strategies, Equitable agents present their individual customers with a range of investments and a level of service previously available only to institutional clients."

Classic Strategies provides clients with a private, individually owned and managed investment account. It's not a mutual fund or pooled account. Clients own the individual securities, which are held in a brokerage account carried by DLJ's Pershing Division.

Some 27 percent of Equitable's clients are candidates for Classic Strategies. "It's geared for high net-worth individuals and small institutional pension and profit-sharing plans," said Rafford. Although wrap-fee products are not for everyone, they are an important part of Equitable's business, in part due to the stability of the fee income these products generate.

Clients can choose from five investment strategies based upon financial situation, goals and risk profile. Minimum investments range from \$100,000 through Alliance to \$2 million with Wood, Struthers. In the past year and a half, more than \$50 million has been raised through Classic Strategies, and Rafford says that number will continue to grow. He attributes this to a key Equitable strength: the most highly trained and professional agents in the

industry. Indeed, Equitable has one of the industry's highest percentages of agents registered to sell securities.

DLJ Vice President Barbara Schaye agrees. "Equitable agents are top-notch financial professionals with solid client relationships," she said. "Classic Strategies helps strengthen these relationships."

Rafford pointed out that DLJ is arming agents with all they need to know about Classic Strategies. This includes providing an information kit and offering extensive one-on-one telephone support. When there's a solid lead, a DLJ representative meets with agents and prospective clients and walks them through the details. "We're prepared to do whatever it takes to help them sell it," he said.

"Doing whatever it takes" may mean seeing an out-of-state client at a moment's notice to help clinch the deal, according to Dale Miller, an account executive in DLJ's Investment Services Group in New York. One such call came from Steve Shirley, an advanced underwriter with the White Agency in Jackson, Mississippi. "Steve told me he had a prospect," said Miller, "so we both met with him face-to-face in Jackson."

By all accounts, this approach was a success. "My client now has more than a million dollars in a DLJ account, thanks to DLJ's good investment advice," said Shirley.

Miller thinks it's more than just DLJ's great returns that help to keep clients happy. "Clients demand service, and that's what we provide," he said. "They have a local agent servicing the account, an Equico account executive answering general questions, and a DLJ advisor answering investment-related questions. This is a fairly unique relationship."

For more information on Classic Strategies call Equico at (305) 638-9812, option 2. For more information on DLJ as an investment manager for Classic Strategies, call DLJ at (212) 504-3994 or 800-647-2516, extension 3994. ■