



MANAGER FOCUS

BROOKS MACDONALD ASSET MANAGEMENT LTD

INVESTMENT PHILOSOPHY

Our approach is to create balanced, individual portfolios, composed of the best investments from all investment media across all asset classes, in order to provide strong and consistent risk-adjusted returns over the medium and longer term.

This approach is founded on four key principles:

Asset Selection

To maximise investment returns we aim to buy the most appropriate assets. To maintain balanced returns, we need balanced portfolios. As a result, our aim is for our portfolios to combine a selection of external managers with a proven track record together with a carefully

selected mix of direct, passive and alternative assets across a managed selection of the most relevant asset classes.

Active Management

Portfolios need to be actively adjusted to take account of market conditions in a fast changing world. We therefore combine our balanced, strategic approach to asset allocation with active management of the underlying assets and tactical allocation adjustment to consistently maintain an optimal blend of assets.

Portfolio Focus

We believe that a client's portfolio should be built and managed individually by the

investment manager yet benefit fully from the investment management system created by the company. We therefore enable our investment managers to combine their understanding of a client's specific requirements with asset allocation guidance from our investment committee and investment selections from our research teams.

Focus on Quality and Clarity

In support of our investment managers and our asset selection, we buy high calibre independent research, utilise high quality external dealing, banking and custody partners and maintain best practice with regard to fees, dealing and general costs.

GEMMA GODFREY

Head of Investment Strategy

Gemma is the Head of Investment Strategy at Brooks Macdonald Asset Management. Taking the lead role in formulating economic and investment views, she is a member of both the Investment Committee and Asset Allocation Committee, who shape the framework of the investment proposition.

An official CNBC contributor, Gemma is also a leading financial commentator on the BBC and in the Daily Telegraph. Profiled by The Sunday Times on the ascent of Women in the Boardroom, she is on the Advisory Board of Templars and independently acts as a spokesperson for the Alternative Investment Management Association.

She was previously the Chairman of the Investment Committee at Credo Capital Plc. Prior to that she was a fund manager for Julius Baer and responsible for Latin American Investments at GAM. She has also spent time in investment teams at both Goldman Sachs and UBS, and is a Quantum Physicist by background.



AT A GLANCE

DISCRETIONARY AUM	£3.455 BILLION
Number of clients	6,868 (incl. MPS*)
Discretionary team	53 (+18 trainees)
Average client size	£88K (MPS clients) £800k (BPS** clients)

* Managed Portfolio Service.
** Bespoke Portfolio Service

MANAGER VIEW

This is the value that the manager places on each of the seven key areas when selecting an investment for inclusion in discretionary client portfolios.

HEADING	WEIGHTING (0-100)
People	20
Track record	15
Investment process	20
Risk monitoring	20
Fees	10
Reporting	5
Reputation	10
TOTAL	100

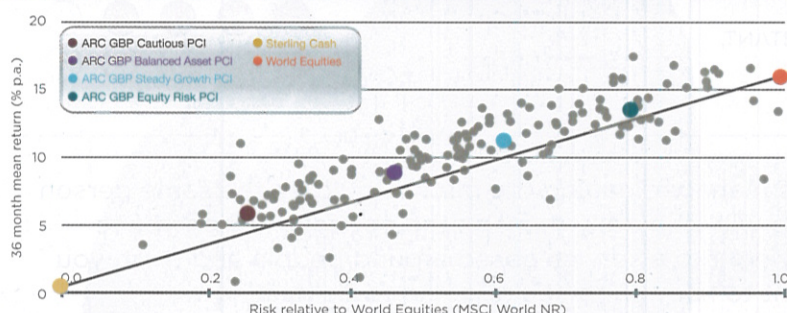
CURRENT VIEW



The ARC Private Client Indices (PCI) provide a unique insight into the actual returns being generated by investment managers, based on real performance numbers, for their discretionary private client portfolios. There are no pre-set asset allocations; no asset class restrictions; no concentration limits; and no index performances used. The ARC Sterling Balanced Asset PCI is compiled by taking the simple average of the average performance of each PCI Data Contributor providing discretionary investment management solutions, where the historic risk profile has been in the range of 40% to 60% of that experienced by world equity markets.

www.assetrisk.com/PCI

ARC STERLING PCI RETURN VS RISK (36 MONTHS)



ARC STERLING BALANCED ASSET PCI

FROM:	31-DEC-04	31-DEC-05	31-DEC-06	31-DEC-07	31-DEC-08	31-DEC-09	31-DEC-10	31-DEC-11
31-DEC-04	0.0							
31-DEC-05	13.7	0.0						
31-DEC-06	22.5	7.8	0.0					
31-DEC-07	29.7	14.1	5.9	0.0				
31-DEC-08	13.7	-0.0	-7.2	-12.4	0.0			
31-DEC-09	28.2	12.8	4.6	-1.2	12.8	0.0		
31-DEC-10	40.8	23.8	14.9	8.5	23.8	9.8	0.0	
31-DEC-11	36.6	20.2	11.5	5.3	20.2	6.6	-2.9	0.0
31-MAR-12	42.5	25.4	16.3	9.9	25.4	11.2	1.2	4.3