

Manager Change

RIC Pacific Basin Equity Fund

In December 2008 we replaced Fortis with Ignis Asset Management (formerly Resolution Asset Management).

Change rationale

Ignis is the latest addition to our buy list and we believe this is an attractive opportunity to add a highly ranked manager to the fund's line up. The termination of Fortis is based purely on the departure of portfolio manager Ronald Chan.

Russell research view

- Ignis has been hired to manage an Asia ex-Japan mandate. It seeks to identify growth companies with improving earnings streams. The team believes that sector and country themes, including economic trends and political developments, have an important role in driving share prices. As a result it looks to identify these themes through integrating a top-down macro-economic perspective into the stock selection process.
- A key strength of this offering lies in the team's strong dynamic. The team consists of four senior investment professionals, most of whom have been working together for more than a decade and all of whom have many years' experience working in the Asian markets. In addition, we have a high degree of confidence in Andrea McNee, CIO of International Equity and head of Asia Equities, who provides strong leadership.
- Russell's positive view on Ignis is also based on the team's ability to identify ideas at an early stage through its close contact with selected brokers. This process is enhanced by the team's expertise in challenging sell-side research by leveraging in-house expertise from the fixed income team.

Manager fit

- Ignis differs from the other Asia ex-Japan managers in the fund (Aberdeen and Rexiter) through its extensive use of top-down macro-economic analysis which forms a key framework for stock selection. Aberdeen's investment process is based on bottom-up fundamental analysis and does not incorporate a top-down view. Meanwhile, Rexiter applies greater depth to its fundamental research of stocks compared to Ignis, with less of a top-down sector and country overlay.

We particularly like Ignis' strong team dynamic and its ability to challenge sell-side research

Ignis Asset Management at a glance

Key characteristics:	Fundamental approach, emphasises sustainable growth with high quality earnings.
Parent Company:	Pearl plc.
Location:	Glasgow.
Experience:	Lead portfolio manager Andrea McNee has 25 years' experience.
Founded:	1899.
AUM:	£75bn, as at September 2008*.

*Source: Ignis

Changes to manager weights in the RIC Pacific Basin Equity Fund

Manager	Fund Weights (%)		Role in Fund
	Old	New	
Balanced Equity Management	18.5	17	Australia and New Zealand, market oriented, fundamental analysis.
MIR	17	18	Asia Pacific ex-Japan, value oriented, quant process.
Legg Mason	17	19	Asia Pacific ex-Japan, market oriented, fundamental analysis.
Aberdeen	19.5	19	Asia ex-Japan, value oriented, fundamental analysis.
Rexiter	18	15	Asia ex-Japan, growth at a reasonable price, fundamental analysis.
Fortis	10	-	Asia ex-Japan, prospective growth, quant screens, fundamental research.
Ignis	-	12	Asia ex-Japan, fundamental approach and macro view, sustainable growth.



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