

Take Note

US EQUITY FUNDS (RIC AND RUSSELL US EQUITY L.P.) – MANAGER CHANGE

In June 2007 we added Cornerstone Capital Management to the Funds and terminated Ark.

Change summary

- We have a favourable view of chief investment officer and portfolio manager Tom Kamp, new to Cornerstone, and this has given us the confidence to invest early in this new product.
- Cornerstone focuses on identifying companies with accelerating revenue growth. It distinguishes itself from the other growth managers in the Funds due to its use of a more flexible range of valuation measures and its willingness to pay more for a stock it considers to be fair value, i.e. a contrarian.

Cornerstone at a glance

Key characteristics:	Growth-oriented, short-term contrarian.
Location:	Minneapolis, Minnesota
Experience:	Tom Kamp joined Cornerstone in February 2006 after 13 years with Alliance Capital Management.
Founded:	1993
AUM:	\$200m across all mandates.

Changes to manager weights in the US Equity Funds (RIC and Russell US Equity L.P.)

Manager	Fund Weight (%)		Role in Fund
	Old*	New	
Ark	10	0	Growth Oriented – steady growth and earnings momentum
Montag & Caldwell	12	12	Growth Oriented – consistent growth
Turner	8	8	Growth Oriented – high price momentum, long-term growth
MFS	12	12	GARP Oriented
Suffolk	12	12	Top-down Market Oriented
ICap	14	14	Value Oriented – Top-down and bottom-up
Sound Shore	6	6	Value Oriented – Bottom-up Contrarian
Systematic	11	11	Value Oriented – Quant screens
Select Holdings	5	5	Best Ideas
Columbus Circle	10	10	Growth Oriented – high price momentum, short-term growth
Cornerstone	0	10	Growth-oriented – short-term contrarian

* After Columbus Circle was hired in December 2006 its allocation rose from 7% to 10% in Q1 2007.

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