

Take Note

US EQUITY FUNDS (RIC & Russell US Equity Fund L.P.) MANAGER ADDITION



In October 2007, we added Arnhold & S. Bleichroeder (ASB) to the manager structure of these Funds.

Change Summary

- We added ASB, a high conviction, aggressive manager, which runs a concentrated portfolio.
- ASB seeks to achieve excess returns through bottom-up stock selection, often focusing on a special situation or other company event that it believes will generate or 'unlock' value for shareholders. They believe that these events taking place in undervalued companies will lead to high growth not foreseen by the market. In our view, this ability to anticipate and differentiate between attractive and unattractive restructuring opportunities is one of the firm's competitive advantages.

ASB at a glance

Key characteristics:	Event-driven market-oriented, with a value bias and an absolute return orientation.
Parent Company	Arnhold & S. Bleichroeder
Location:	New York
Experience:	Lead fund manager Colin Morris has around 20 years' industry experience.
Founded:	1803
AUM:	US\$ 13 billion

Changes to manager weights in the RIC US Equity Fund and Russell US Equity Fund L.P

Manager	Fund Weights (%)		Role in Funds
	Old	New	
ASB	-	5	Event-driven market-oriented with a value bias; absolute return orientation.
Columbus Circle	10	10	Growth manager with focus on companies in early earnings cycle stages and expected to exceed consensus expectations.
Cornerstone	10	10	Core growth; emphasises stocks with higher than average growth rates and likely to exceed consensus expectation.
ICAP	14	12	Focus on undervalued stocks with catalyst for price appreciation.
MFS	12	11	Emphasises large and quality companies trading at low valuations.
Montag & Caldwell	12	10	Defensive growth manager employing a consistent growth strategy.
Suffolk	12	12	Market-oriented manager investing in companies likely to generate positive earnings surprises.
Sound Shore	6	9	Contrarian value manager investing in out-of-favour stocks with opportunities for improving valuations.
Systematic	11	8	Value manager; focus on companies trading at low valuation and likely to exceed consensus expectation.
Turner	8	8	High growth manager, investing in stocks with favourable earnings and price momentum.
Select Holdings	5	5	Represents the 'best ideas' of the fund advisors in aggregate.

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