

Take Note

US GROWTH FUND (RIC II) – MANAGER CHANGE



In October 2007 we replaced Jacobs Levy with Suffolk Capital Management and Sustainable Growth Advisers (SGA).

Change Summary

- We replaced Jacobs Levy with two higher conviction managers with more concentrated portfolios.
- As a fundamental stock picker, Suffolk believes excess returns can be generated through positive earnings surprises being rewarded. The firm distinguishes itself from the other managers in the Fund due to its superior earnings estimate revision analysis combined with its focus on valuations.
- SGA aims to identify companies that focus on businesses which offer predictable, sustainable earnings and cash flow growth. It looks for sustainable growth stories and invests for the long term in quality businesses.

Suffolk at a glance

Key characteristics:	Earnings revisions and positive earnings surprises.
Parent Company	Ohio National Services majority shareholder. Suffolk employees own approx 20%.
Location:	New York.
Experience:	Lead fund manager Don Gilbert has 23 years' experience.
Founded:	1991.
AUM:	\$3.2bn across US mandates.

SGA at a glance

Key characteristics:	Consistent, defensive growth.
Parent Company	Employee-owned.
Location:	Stamford, Connecticut.
Experience:	Lead fund manager Rob Rohn has 24 years' experience.
Founded:	2003
AUM:	\$3.6bn across US mandates.

Changes to manager weights in the RICII US Growth Fund

Manager	Fund Weight (%)		Role in Fund
	Old	New	
Jacobs Levy	26	-	Quant manager, exploits market sentiment, valuation inefficiencies.
Marsico	19	21	Thematic growth, focuses on economic, social or political themes.
Wells	25	23	Focuses on rapidly growing earnings, improving fundamentals.
Turner	30	23	High growth, focuses on positive earnings and price momentum.
Suffolk	-	23	Earnings revisions and positive earnings surprises.
SGA	-	10	Consistent, defensive quality growth.

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