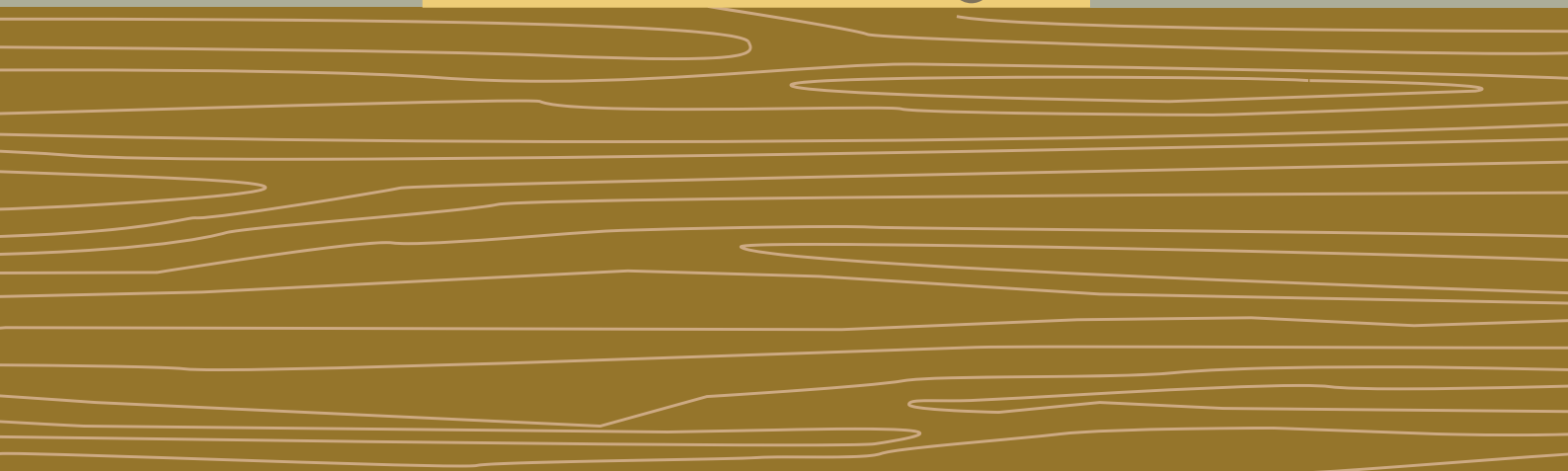


Consistent and steady growth

An investment process that measures up to your objectives

psigma



A flexible, forward-thinking and effective methodology

Bringing it all together

To help achieve your financial objectives we take a measured approach to risk and reward. That is, we set clear parameters and targets based on your individual needs, then steadily and consistently work towards those targets until we reach them. Of course, that's the simplified version. Here's a bit more detail about our unique investment process - and how it achieves success for our clients.

Designing your made-to-measure portfolio follows four distinct stages.

1 Establishing your financial objectives

Firstly, we need to establish and understand exactly what your financial objectives are. For example, what returns are you looking for? How much risk are you happy with? What is your capacity for loss? What time frame are you working to? What is your knowledge and experience of investments? How much involvement do you want in managing your investments? Are there any other considerations or factors concerning your particular circumstances?

2 Developing your investment strategy

Once we have everything we need, we can move onto the second stage - asset allocation. This involves setting the long-term strategic asset allocation designed to meet your specific objectives using both traditional asset classes (such as cash, equities and fixed interest) and alternatives ones (such as commodities, absolute return funds and property). It also involves agreeing the parameters (or tactical tolerances) within which our dynamic asset allocation process can take advantage of short-term opportunities in each asset class as and when they arise. (See 'Historical performance table')

Historical performance table

Year	Equity FTSE All Share		Strategic Asset Allocation		Tactical Asset Allocation		Inflation UK RPI
	Return %	Vol %	Return %	Vol %	Return %	Vol %	Return %
2004	12.8	5.0	9.0	3.0	8.2	4.2	3.5
2005	22.0	4.4	14.3	3.2	15.4	3.7	2.3
2006	16.8	8.6	9.3	4.8	8.7	5.8	4.4
2007	5.3	6.0	6.5	1.6	8.1	1.1	4.1
2008	-29.9	9.5	-13.2	3.2	-11.3	4.6	1.0
2009	30.1	26.3	15.0	12.5	16.3	13.7	2.4
2010	14.5	21.9	11.2	8.9	12.1	11.7	4.8
Cumulative returns	76.8	16.2	62.1	7.6	69.8	8.4	24.5
Cumulative returns p.a.	8.5	16.2	7.1	7.6	7.9	8.4	3.2

Note

1 Volatility on all classes is based on quarterly data

2 Cumulative returns based on 84 months from January 2004

The above data is taken from PIM's Managed Portfolio Service Balanced Portfolio between 2004-2010

3 Selecting the right investments

Now the third stage: investment selection. Within each asset class we use a number of highly researched and approved investment instruments. The choices that your investment manager makes will reflect your risk profile and investment objectives outlined in stages one and two.

4 Implementing your strategy

Stage four involves putting stages one, two and three into practice. There is no fixed time-scale for this or any other part of the process as it's important we take a pragmatic and common sense approach that aims to make the most of market timings.

Monitoring

Risk management throughout the investment process is vital. We continuously monitor your investment's progress through the stages, fine-tuning your strategy and portfolio in response to market conditions, significant global events, or changes in your circumstances. We also monitor asset allocations (strategic and tactical) daily, and keep you informed about both the bigger picture and the detail with regular investment reports and updates.

The value of investments and the income from them can fall as well as rise. An investor may not get back the amount of money that he/she invests. Past performance is not a guide to future performance.