

European Small Cap

1st Quarter, 2010

Overview

The RCM European Small Cap strategy concentrates on small and mid-sized companies across European equity markets. The strategy focuses on companies with a successful business model, a strong competitive position in attractive niche markets, strong management and sound financials. Specialist knowledge combined with the strength of RCM's research platform identifies companies in their earnings growth phase where catalysts are not yet reflected in the share price. One-on-one meetings with company management are a key focus for the strategy.

Philosophy

Based on the belief that by generating and exploiting an information advantage we seek to drive superior and consistent investment results for the benefit of our clients - a philosophy we call RCM informed. This perspective enables us to identify what we believe are winning companies with high quality franchises. Our investment professionals, working in a team-orientated meritocracy, focus on constructing portfolios offering attractive risk-adjusted returns.

Investment Approach

Our philosophy aims to add value in three key areas, namely research, portfolio construction and implementation. The investment approach is to invest in a well-diversified portfolio that comprises what we believe are strong companies selected on a bottom-up basis. Stock analysis and selection are based on extensive contact with the companies through one-on-ones and site visits.

Investment Rationale

- Small & Mid caps comprise a large proportion of listed companies: the market often overlooks this segment
- RCM believes that the opportunity to generate additional returns makes a Small & Mid cap investment particularly attractive
- RCM's strategy follows a well established bottom-up investment process with integrated risk-control, idea generation through various alpha sources and a strong focus on direct contacts with the companies
- RCM's European Mid & Small Cap team comprises six specialists with a total of more than 60 years of industry experience
- RCM combines the benefits of a boutique approach with the advantages of a high-performance, global research platform

The RCM Advantage

- Global investment infrastructure customised to provide highest quality
 - management of fundamental and quantitative information
- Innovative proprietary research platform generating bottom-up stock selection:
- Over 60 sector-based fundamental analysts.
 - Grassroots® Research with a network of circa 300 independent journalists and field force researchers, with over 50,000 industry contacts.*
- A boutique culture offering dedicated business professionals engaging with clients proactively and dynamically in partnership.

Product Profile

Number of Accounts:	12
Product Assets:	EUR 822 million
Years Managed:	12
Benchmark:	HSBC European Smaller Companies

Key Investment Professional



Frank Hansen, CFA

CIO European Mid & Small Caps

Joined Firm: 1997

Investment Career Began: 1987

Location: Frankfurt



Andrew Neville

European & German Mid/Small Caps, Portfolio Manager

Joined Firm: 2004

Investment Career Began: 1997

Location: London



Bjoern Mehrmann

European & German Mid/Small Caps, Portfolio Manager

Joined Firm: 2001

Investment Career Began: 2001

Location: Frankfurt



Peter Kraus, CFA

European & German Mid/Small Caps, Portfolio Manager

Joined Firm: 2006

Investment Career Began: 2000

Location: Frankfurt



Solveig Stroerer

European & German Mid/Small Caps, Portfolio Management Associate

Joined Firm: 1998

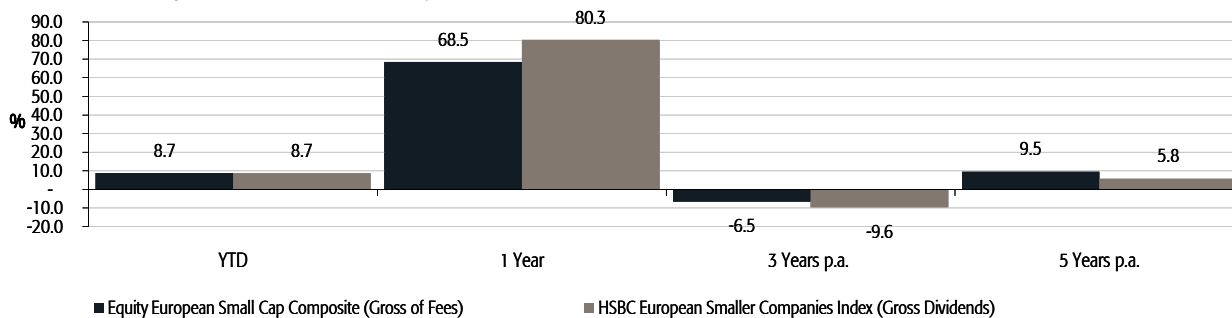
Investment Career Began: 1998

Location: Frankfurt

* Grassroots® Research is a division of RCM. Research data, used by Grassroots® Research to generate recommendations, are received from reporters and field force investigators who work as independent contractors for broker-dealers.

European Small Cap, 1st Quarter, 2010

Performance (Gross of Fees in EUR)



Source: RCM, as at 31 March 2010, EUR

Representative Account

Characteristics

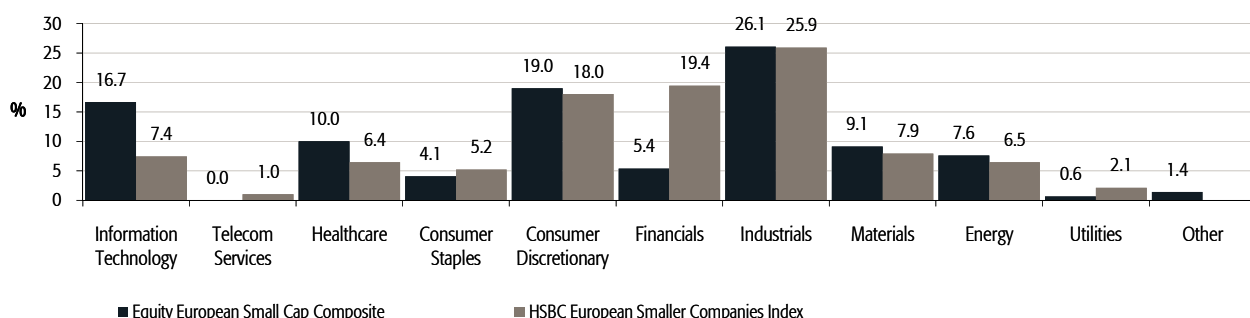
Beta	1.01
P/E (Next 12 Months)	16.3x
Earnings Growth (Next 3-5 Years)	14.1%
P/E (Next 12 Months) to Growth	1.15x
Weighted Average Market Cap	EUR 1.6 billion
Number of Holdings	97

Source: RCM, as at 31 March 2010

Top Ten Holdings

Software AG	2.0%
Weir Group PLC (The)	1.8%
Chemring Group PLC	1.7%
Fugro NV	1.7%
Hunting PLC	1.6%
DSV A/S	1.5%
Paddy Power Plc	1.5%
Dufry Ag	1.5%
Nokian Renkaat OYJ	1.4%
Tecnicas Reunidas SA	1.4%

Sector Composition (% of Portfolio and Benchmark)



Source: RCM, as at 31 March 2010

Past performance is not a reliable indicator of future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

For purposes of compliance with GIPS the "firm" is defined as RCM ("RCM"), a global investment advisory organization, consisting of several affiliated firms, which operates under the brand name RCM. The affiliated firms that comprise the Firm include, among others, RCM Europe ("RCM Europe"). RCM Europe presents the European Small Cap investment strategy in Europe, which seeks to generate positive returns over a full market cycle by investing in an integrated portfolio, comprising the best growth stocks in Europe selected on a bottom-up basis. RCM Europe claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of RCM Europe's composites and/or a presentation that adheres to the GIPS® standards, please call +44 (0) 20 78 59 90 00, or write to RCM (UK) Ltd, 155 Bishopsgate, London EC2M 3AD.

The Representative Account information is for illustrative purposes only. Portfolio holdings are subject to change without notice and should not be considered a recommendation to purchase or sell individual securities. The information is for the sole use of the addressee, who it is believed are professional clients as defined by the Financial Services Authority.

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