

## RCM to launch 'second generation' diversified growth fund

- Developed in response to client demand for equity-like returns with lower risk.
- Aims to offer unconstrained asset allocation across a broad range of asset classes.
- Sophisticated total return risk management provides genuine downside protection.

RCM, a company of Allianz Global Investors, today announces that, pending investor approval, it plans to launch a dynamic, diversified growth fund during Q1 of this year. The fund will aim to offer investors equity-like returns with a lower level of volatility, positive real returns over a market cycle, and importantly, genuine downside protection in times of market stress.

The fund will gain exposure to a broad mix of asset classes through investing in Exchange Traded Funds (ETFs) and use proprietary processes to identify and generate strategic, unconstrained allocations across asset classes in an efficient and risk controlled way.\* Additionally the team will employ tactical asset allocation, which not only assesses the macro-economic environment, business cycle, and market technicals, but also draws on the research and resources of RCM's global investment platform. While diversification, strategic and tactical asset allocation will provide a degree of downside protection, a sophisticated, holistic total return risk management module aims to enhance this protection further by limiting downside risks.

**Phil Dawes, Head of Sales & Consultant Relations at RCM, comments:** "RCM's Dynamic Growth Fund is being launched following extensive collaboration with consultants and pension funds during the design phase of the product. Clients are looking for equity-like returns with lower risk and following intensive discussions we have designed this strategy in response to their demands. Drawing on the substantial experience and expertise of RCM Systematic, we believe we have designed the 'second generation' diversified growth strategy which offers broad diversification and real downside protection. We believe that our approach will provide for more stable and therefore superior returns for investors and will be of interest to both DB and DC pension funds."

**Herold Rohweder, Global Chief Investment Officer for RCM Systematic, adds:** "RCM's diversified growth strategy differs from that of other 'balanced' or 'absolute return' approaches in not just relying on diversification to deliver an attractive risk reward profile. Rather it adds both dynamic and tactical asset allocation, and sophisticated risk management. In the process of developing the fund, we purposefully tested the strategy through a variety of different market environments, demonstrating that it is possible to achieve a superior risk/return profile through our proprietary dynamic asset allocation process and genuine downside protection."

The new fund will be managed by RCM Systematic. Based in Frankfurt, RCM Systematic is a specialist asset management team with extensive experience of running advanced equity and multi-asset solutions. RCM Systematic was established in 1996 and totals 39 professionals managing more than 300 mandates with over £27bn<sup>1</sup> AuM. Of this nearly £20bn<sup>1</sup> is managed on a Systematic multi-asset basis including traditional balanced, protected, total return and overlay strategies.

\* The fund may also invest in other instruments including collective investment schemes, equities, fixed income securities, money market instruments, cash and derivatives such as index based total return swaps, equity based total return swaps and currency forward contracts.

- Ends -

**Notes to editors:**

1 - Source: RCM as at 30 September 09.

**About RCM Systematic**

RCM Systematic is a specialist, experienced asset management team which manages advanced equity and multi-asset solutions. The team's investment philosophy is that market inefficiencies can be exploited systematically by using well researched and disciplined investment processes, that combine fundamental knowledge and advanced risk management skills. The team also works closely with RCM's fundamental investment professionals and benefits from the additional research generated across global markets and investment disciplines. As part of RCM's global investment platform, the team benefits from the operational and technological resources that exists across the group in order to ensure efficient and effective trading, portfolio construction and risk management. RCM Systematic is headed by Global CIO Dr Herold Rohweder.

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**Awards**

- RCM named winner of Active North American Equity at Pensions & Investment Provider awards 2009. RCM US Large Cap Select Growth is managed by Scott Migliori, Co-CIO for US Equities, RCM.
- RCM named No.1 leading fund management firm for SRI Research by Thomson Reuters Extel 2009.
- Global CIO of RCM, Andreas Utermann, named CIO of the Year by Funds Europe magazine 2008.
- Winner of European Investment Trust of the Year by Investment Week magazine, 2008, for the RCM-managed Charter European Trust.

**About RCM (all data source: RCM as at 30/09/09)**

RCM is a global asset manager operating from six international offices - San Francisco, London, Frankfurt, Hong Kong, Tokyo and Sydney – with assets under management of over \$130 billion worldwide. The firm provides a range of investment management solutions to institutions and individual clients. At RCM we believe that by generating and exploiting an information advantage, we will be able to deliver superior and consistent investment results for the benefit

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of our clients - a philosophy we call RCM informed. RCM is a company of Allianz Global Investors, a pre-eminent global asset management group committed to helping clients achieve sustainable success. As a company of Allianz Global Investors, RCM offers a distinctive investment philosophy and culture, while benefiting from the scale and substantial resources of our parent; including business support, industry best-practices and financial investment. This enhances our ability to attract and retain talent, and provide superior insight and investment performance.

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