

# Disciplined US Core Equity

1st Quarter, 2010

## Overview

RCM's Disciplined U.S. Core equity investment philosophy is to invest in undervalued companies undergoing positive change. We believe investor sentiment fluctuates more widely than underlying fundamentals and that low expectation/valuation provides more downside risk protection and more upside potential. This results in mispriced opportunities. We are able to identify these opportunities through our disciplined investment process, which is built upon stock screening and fundamental research.

## 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 Process

We believe our disciplined investment process delivers consistent out-performance vs. our benchmark, S&P 500 Index:

- Daily screening to identify new ideas that reflect our investment philosophy
- Proprietary company research and evaluation of market expectations
- Disciplined valuation modeling to forecast downside risk and upside potential
- Active stock selection by portfolio managers using fundamental research
- Bottom-up portfolio construction using risk analysis

## The RCM Advantage

- Global investment infrastructure.
- 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:	9
Product Group assets <sup>1</sup> :	US\$4,055.1 million
Years Managed:	15
Benchmark:	S&P 500 Index

## Key Investment Professionals



### Seung Minn, CFA

Senior Portfolio Manager  
CIO, Disciplined Equities Group

Joined Firm: 1998

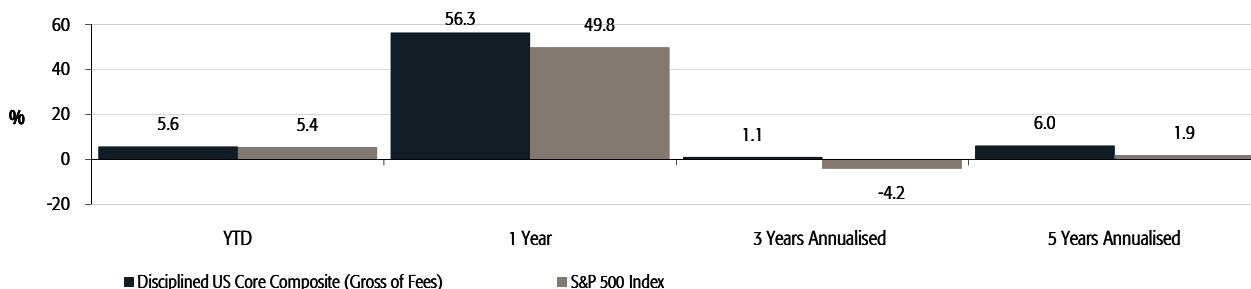
Investment Career Began: 1988

\* 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.

<sup>1</sup> The specific strategy discussed in this presentation is part of a group of similar strategies managed by the same team with the same process, but differentiated by significant client specific constraints.

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## Performance (Gross of Fees in USD)



Source: RCM, as at 31 March 2010, USD

## Representative Account

### Characteristics

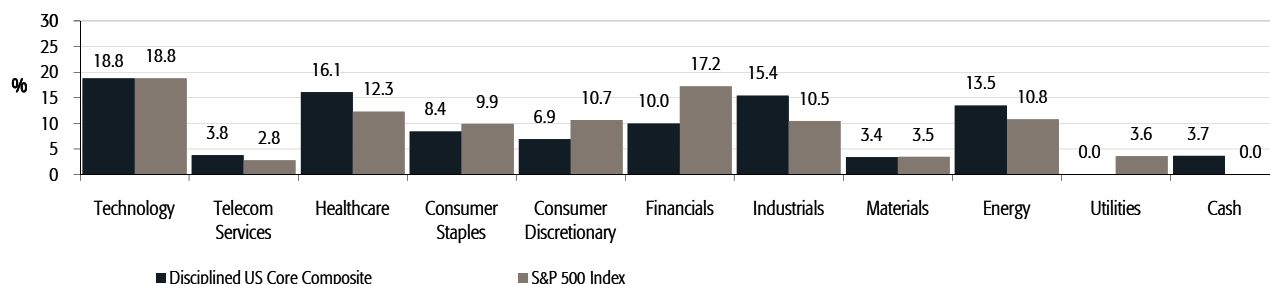
Beta	1.0
P/E (Next 12 Months)	14.1x
Earnings Growth (Next 3-5 Years)	11.1%
P/E (Next 12 Months) to Growth	1.27x
Weighted Average Market Cap	US\$91.0 billion
Number of Holdings	52

### Top Ten Holdings

Johnson & Johnson	4.6%
Boeing Co	3.9%
Wal-Mart Stores Inc	3.9%
General Electric Co	3.6%
Procter & Gamble Co	2.8%
Lockheed Martin Corp	2.8%
Cisco Systems Inc	2.8%
Chevron Corp	2.7%
Exxon Mobil Corp	2.6%
Amgen Inc	2.4%

Source: RCM, as at 31 March 2010

### 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.

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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. All data has been provided by RCM Capital. 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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