



**Whitehead House
Pacific Road
Altrincham
Cheshire
WA14 5BJ**

**Tel: 0161 926 7150
tim.haynes@mercater.com
www.mercater.com**



Contents

Who are we?

What do we do?

How do we do it?

What's important?

Market overview

Benefits

Background to Mercater

Multi-manager

Our investment process

Client focus

Summary



Who are we?

Mercater is an **independent and local** Discretionary Fund Manager formed in 2003 by:

David Oakes (ex Cazenove, Henry Cook Lumsden and Aberdeen) and

Alaric Gordon (ex Henry Cook Lumsden, Brown Shipley)

Acquired Scott Lang Investment Management in 2005

What do we do?

We specialise in multi management and do not run our own OEICs –
our portfolios are independent and unbiased.

Mercater is owned by its management team.

Our investment team has more than 100 years combined experience
of multi management with blue chip firms.

Discretionary assets of £100 million +

Our **complete focus** is multi manager.



Benefits of our Independence

All funds are selected purely on **merit**.

We take no remuneration from any fund switch.

We take no trail commissions from underlying funds.

New funds can be included quickly without reference to long winded fund-committee approval.

We can be **agile and nimble** when we have to be.

How we manage funds

Investment Process – asset allocation

External quarterly review meetings. Committee comprises experts from: -

- direct equities
- investment trusts
- hedge funds
- bonds
- property

Monthly quant feed: -

- value
- trend
- sentiment

How we manage funds

Investment Process – fund selection and monitoring

Initial screening - quant screen based on performance

Manager contact - face to face / teleconference

Manager / fund assessment - questionnaire

Ongoing monitoring - weekly performance quant screen

Internal Investment Review Meetings - monthly debate

Initial screening - quant screen based on performance

North America													To 30/11/2007					
Fund Size EM	Month 12 Ranking	Month 11 Ranking	3 Month Ranking	12 Month Ranking	3 Month Contancy	Fund	12.54						Static Information Ratio					
							Std Dev	Month 10	Month 11	Month 12	CUM Last 2 Months	CUM Last 3 Months	Current	No +ve in last year	Net Cum SIB	Cum Val +ve	Cum Val -ve	
434.11	1	3	4	9	2	Fidelity American Special Situations Acc	19	14.55	-0.23	0.19	0.39	0.25	0.05	0.07	27	-0.12	1.76	-1.87
41.00	6	4	8	15	1	Rising American Growth	30	13.57	-0.69	0.19	0.01	0.20	0.12	0.11	23	-0.30	1.86	-2.16
180.76	27	2	1	1	3	Carthage US Opportunities Acc	34	15.00	0.10	0.21	-0.11	0.09	0.19	-0.02	24	0.25	2.10	-1.84
80.93	25	1	2	2	4	Carthage US Growth Acc	34	12.22	-0.62	0.27	-0.10	0.17	0.15	-0.00	21	0.15	1.74	-1.58
8.10	14	6	5	11	5	Singer & Friedlander American Growth R	45	12.29	-0.12	0.14	0.06	0.07	-0.05	0.10	24	-0.17	1.21	-2.08
772.16	14	11	6	6	7	Threadneedle's American Select CI	46	14.06	-0.12	0.05	-0.04	0.01	-0.11	0.09	27	0.11	1.90	-2.61
2.54	10	10	10	6	7	Scottish Widows American Select Growth A Acc	47	12.50	-0.29	0.12	-0.03	0.09	-0.20	0.05	21	-0.06	1.97	-2.03
19.69	23	9	6	5	6	SWF North American Smaller Companies A Acc	48	13.46	-0.26	0.16	-0.09	0.07	-0.10	0.08	25	-0.06	1.94	-2.00
22.33	21	7	7	4	6	Scottish Widows American Smaller Companies	47	13.21	-0.27	0.15	0.08	0.07	-0.19	-0.01	25	-0.04	2.03	-2.07
134.78	3	27	11	12	13	Resolution Asset American Growth Inc	61	11.81	0.18	-0.06	0.02	-0.02	-0.22	0.01	23	-0.14	1.59	-1.72
4VALUE1	17	24	15	3	13	AXA Pan-English American Growth	72	12.35	-0.50	-0.04	-0.07	-0.10	0.20	0.05	23	-0.04	1.59	-1.63
879.80	9	15	13	24	9	Threadneedle American CI	78	12.80	-0.22	0.02	-0.02	-0.00	-0.23	0.07	23	-0.40	1.52	-1.95
29.61	15	23	12	12	14	Merill Lynch US Opportunities Inc	78	13.83	-0.17	-0.00	-0.05	-0.04	-0.22	0.13	26	0.20	1.82	-2.03
24.75	20	17	15	17	11	Scandia Specialist American	78	12.21	0.24	0.03	-0.08	-0.05	-0.30	0.05	18	-0.32	1.53	-1.86
4VALUE1	2	35	7	22	17	Inghis & General North American Trust E Inc	83	11.53	-0.11	-0.10	0.06	-0.04	-0.14	0.02	24	-0.40	1.29	-1.69
99.35	22	36	14	7	8	Threadneedle American Smaller Companies	94	16.27	-0.05	-0.10	0.19	0.22	-0.24	0.11	27	-0.06	1.56	-1.92
1226.00	4	25	17	3	15	Fidelity American	94	22.29	-0.26	-0.05	-0.01	-0.06	-0.22	0.07	24	-0.28	1.29	-1.97
15.15	5	45	19	20	24	Jupiter North American Income Inc	113	10.38	-0.25	-0.16	0.07	-0.14	-0.29	0.03	24	0.34	1.65	-1.99
16.80	37	56	13	4	19	JOHM American Growth Retail GBF	114	14.99	0.19	-0.02	-0.14	-0.18	-0.37	0.07	24	-0.27	1.94	-2.21
27.94	32	21	21	3	22	Newton American	121	11.53	-0.23	-0.01	-0.14	-0.15	-0.40	-0.20	23	0.26	1.60	-1.86
73.38	7	37	31	2	28	Scottish Widows American Growth A Acc	121	12.70	-0.35	-0.10	0.07	-0.11	-0.45	0.11	23	-0.40	1.63	-2.03
170.03	47	16	24	5	23	North Curtis North American A	123	12.73	-0.28	0.03	-0.2	-0.16	-0.42	-0.22	25	-0.20	1.91	-2.20
120.09	4	17	28	43	42	CF Dunlop North American Inc	132	9.12	-0.48	0.02	0.02	0.04	0.44	-0.21	20	-0.99	2.03	-3.02
92.41	20	15	25	29	35	Bank of Montreal American A Acc	132	11.02	-0.31	0.03	-0.2	-0.08	-0.42	-0.26	21	-0.22	2.01	-2.64
18.04	45	29	27	27	18	Standard Life Inv American Equity Growth R	134	13.46	-0.20	-0.07	-0.19	-0.21	-0.41	0.06	22	-0.37	1.85	-2.42
361.97	46	23	23	25	21	Standard Life Inv North America Acc	135	13.56	0.19	-0.02	-0.19	-0.21	-0.40	0.05	23	-0.47	1.87	-2.34
14.15	55	5	23	30	24	New Star American Portfolio A Acc	137	11.73	-0.27	0.19	-0.23	-0.14	-0.41	-0.25	21	0.24	1.95	-2.62
17.14	22	28	38	19	32	Allison FOM US Equity A Acc	139	11.27	-0.35	0.04	0.08	0.15	-0.20	-0.21	21	-0.24	1.60	-1.94
53.73	40	9	37	23	32	Schroder US Small & Mid Cap Acc	141	10.56	-0.45	0.12	-0.2	-0.04	-0.50	0.01	24	-0.42	1.81	-2.24
41.53	12	39	33	38	29	CS US Systematic Alpha Equity R	151	11.50	-0.33	-0.12	-0.03	0.15	-0.48	0.03	22	-0.90	1.30	-2.50
16.88	30	33	27	40	19	FAC North American 1 Acc	151	11.78	-0.23	-0.05	-0.12	-0.21	-0.44	0.03	18	0.56	1.74	-2.20
145.27	26	30	30	33	31	SG American Growth Retail Acc	152	12.63	-0.28	0.08	0.11	-0.19	-0.45	0.11	22	-0.75	1.45	-2.23
34.90	11	37	34	32	30	SWF North American A Acc	153	10.95	-0.38	-0.10	-0.03	-0.14	-0.49	-0.22	21	-0.72	1.47	-2.18
269.59	34	19	36	34	30	Merill Lynch US Dynamic Inc	153	12.46	-0.37	0.31	-0.13	0.13	-0.50	0.07	21	-0.86	1.23	-2.09
21.20	42	4	38	18	24	JPM US Smaller Companies A Acc	155	13.08	-0.13	-0.14	-0.18	-0.52	-0.44	0.06	20	-1.24	1.93	-2.13
24.54	44	3	30	28	22	AEGON American Equity Acc A	157	13.10	-0.22	-0.06	-0.18	-0.26	-0.48	0.04	24	-0.61	1.47	-2.05
230.33	51	3	35	26	34	Schroder US Smaller Companies Inc	159	11.33	0.31	0.24	-0.23	-0.18	-0.49	-0.21	23	-0.40	1.92	-2.20
103.13	19	38	39	45	27	H&C American Growth Inc	178	11.88	-0.35	-0.11	-0.08	-0.16	-0.54	0.02	21	1.03	1.20	-2.25
652.50	8	40	40	41	39	Inghis Investment US Equity Acc	179	11.22	-0.37	0.13	0.07	-0.20	-0.57	0.03	22	-0.96	1.23	-2.17
22.4	3	56	4	37	33	AXA American Growth Acc R	182	11.29	-0.27	-0.26	-0.04	-0.20	-0.55	0.04	20	0.90	1.39	-2.29
576.27	30	30	42	48	41	JBS US Equity A	191	12.13	-0.42	-0.06	0.12	0.20	-0.62	0.04	21	-1.08	1.27	-2.25

How we manage

Investment Process – analysis

Focus on last 12 months data from quant screen

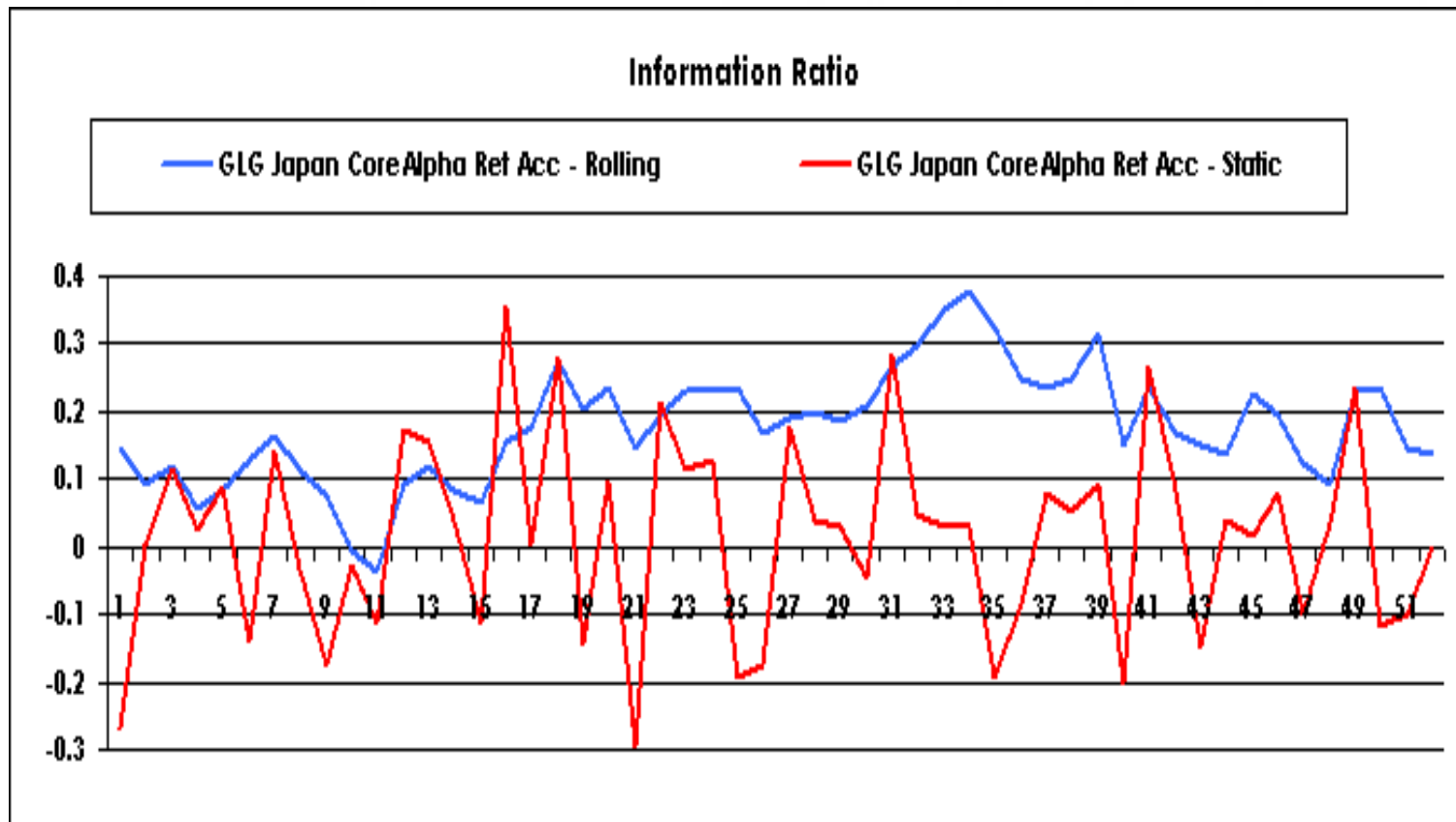
Greater focus on last 3 months

Interested in managers' skill to enhance returns over benchmark

Rolling Information Ratio 'Dashboard'

Premium placed on Consistency rating

Investment Process – the dashboard



Client Focus

Investment Process – portfolio construction

Client mandate

Risk profile

Yield required

Buy List' of available funds

Style - Cap size, Value/Growth, Specialist, Themed

Summary

Highly experienced team

Client focused

Highly evolved, repeatable, robust investment process

Performance focused, not driven

Key Benefits - IFA

Time, costs, resources saved

Compliance risk reduced

Robust, repeatable, rigorous investment process

Local, accountable, accessible service

Constant monitoring of portfolios

Speedy, agile, nimble reaction to markets

Variety of remuneration options

Online access to daily valuations



Key Benefits - Client

Portfolio tailored to individual needs

Independent fund selection

Reduced paperwork, administration, hassle

Transparent, competitive costs

Robust repeatable rigorous investment process

Local, accountable, accessible service

Constant monitoring of portfolios

Speedy, agile, nimble reaction to markets

Reduced risk

Online access to daily valuations



Investment Team

Alaric Gordon – Chief Executive Officer
Simon Coates & Co
Chase Manhattan
John Siddall & Son
Henry Cooke Lumsden / Brown Shipley

Kevin Bright – Fund Manager
Nat West
Hoare Govett
Plan Invest
Henry Cooke Lumsden / Brown Shipley

Fiona Williamson – Investment Assistant
Rensburg
Scott Lang Investment Management

David Oakes – Chief Investment Officer
Henry Cooke Lumsden
Cazenove Fund Management
Aberdeen Asset Management

Jimmy Lang – Investment Adviser
Barclays Bank
Union Discount Company of London
Oppenheimer Fund Management
Scott Lang & Co.



Legal Information

Issued on behalf of Mercater Capital Management.

Opinions constitute our judgment as of this date and are subject to change without warning.

The officers and employees of Mercater Capital Management may have positions in any securities mentioned herein.

This document shall be governed by and construed in accordance with the law of England and Wales and is subject to the exclusive jurisdiction of the English Courts. The information, products and services referred to in this publication are not directed at any person or entity in any jurisdiction or country outside the United Kingdom.

The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment.

Past performance is not necessarily a guide to future performance. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down.

In the case of some investments, you should be aware that there is no recognised market for them, and that it may therefore be difficult for you to deal in them or for you to obtain reliable information about their value or the extent of the risks to which they are exposed.

Certain investments carry a higher degree of risk than others and are, therefore, unsuitable for some investors. It may be possible to lose all your initial capital in certain types of investments. Before contemplating any transaction, you should consider whether you require financial advice, which we would be pleased to provide upon request.

The information in this document is not intended as an offer or solicitation to buy or sell securities or any other investment or banking product, nor does it constitute a personal recommendation.

This presentation is aimed at professional advisers and should not be relied upon or taken as a recommendation by retail clients.

Mercater Capital Management is authorised and regulated by the Financial Services Authority. Registered in England and Wales No.2223293. Registered Office: Whitehead House, Pacific Road, Altrincham, Cheshire, WA14 5BJ. Telephone: 0161 926 7150. Fax: 0161 926 7155.