
INGENIOUS ASSET MANAGEMENT
WE ARE INGENIOUS

Important Information

INGENIOUS ASSET MANAGEMENT

Ingenious Asset Management is a modern investment company built on years of experience.

The company was created as a response to the traditional approach favoured by many other asset managers, aspects of which we felt had become tired and outdated.

The team is comprised of highly experienced investment professionals who wished to establish a modern investment company with a fresh approach.

As private investors too we resolved to create the investment company we would want managing our own money. A company which favoured modern investment techniques combined with a traditional approach to client service.

Our investment approach

- **Absolute returns**
  Our aim is simply to increase the wealth of all our clients.

- **Effective risk management**
  One of our strengths is our ability to understand and manage investment risk.

- **Modern investment techniques**
  We are quick to adopt and develop new investment techniques if convinced they are in our clients' best interests.

- **Excellent client service**
  We promise to communicate promptly in a clear and consistent manner.

- **Highly experienced teams**
  The members of our investment, client service and administration teams have an average of over twenty year's investment industry experience.

- **We are investors too**
  We back our judgement and invest alongside our clients.

INVESTMENT SERVICES

Our core service is the discretionary management of investment portfolios.

Account types

- Discretionary accounts
- Advisory accounts
- ISAs
- SIPPs
- Offshore accounts
- Non-sterling accounts

Having agreed your investment requirements we construct and manage a bespoke portfolio on your behalf.

We keep you informed on how we are investing your assets and meet with you regularly to discuss your ongoing requirements.

We process and settle all deals executed on your behalf and we collect any dividends or interest payments due. We also provide regular written reports and a 'tax pack' to meet your tax reporting obligations.

Many of our clients have more than one account, for example a personal account and a tax effective wrapper such as a SIPP, PEP or ISA. Our systems allow us to combine these accounts enabling us to manage them as a single portfolio for investment purposes.

Our minimum account size is £100,000.

The majority of our clients appoint us to manage a balanced portfolio. This should be viewed as a long term investment. Returns should be judged over 5 years or longer.

Key services offered

- **Discretionary accounts**
  The vast majority of our clients choose to have a discretionary account. We are also able to offer advisory or execution only accounts if preferred.

- **ISAs**
  As an Inland Revenue approved plan manager we can offer ISAs to be managed in conjunction with your personal account. We are also able to receive and manage assets you may already have in existing ISAs.

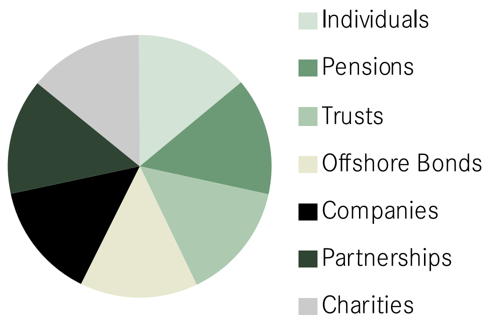
- **SIPPs**
  For individuals seeking to establish a Self Invested Personal Pension (SIPP) we can either recommend a provider or establish one on your behalf.

- **Offshore accounts**
  Through our sister company, Ingenious Asset Management International Limited, we can offer investment services to clients who wish their assets to be held and managed offshore.

- **Non-sterling accounts**
  We are also happy to manage portfolios denominated in currencies other than Sterling such as Dollars or Euros.

CLIENT TYPES

Our clients are private individuals, trusts, pensions, charities, corporates and partnerships.



Historically our clients were primarily drawn from the media and entertainment industries. However, as we have grown, this has broadened to encompass anyone seeking a bespoke solution to the long-term management of a portion of their wealth.

Our clients are typically risk averse investors who place great importance on capital preservation whilst seeking returns in excess of cash.

Another rapidly growing area of our business is the management of specialist portfolios on behalf of charities, corporates and partnerships.

Client Types

- **Individuals**
  Private investors who wish to have an account in either their own name or in joint names with their spouse.

- **Trusts**
  We manage investment portfolios on behalf of a wide range of trusts. Most commonly these are settlements on children or other family members.

- **Pension Funds**
  We manage portfolios for both personal and corporate pensions including SIPPS, SSAS's and FURBS.

- **Charities**
  We have a growing number of charities as clients. We are happy to provide tailored portfolios to meet the particular requirements of this specialist area.

- **Partnerships and corporates**
  Our partnership and corporate clients often appoint us to provide a treasury service to maximise returns on their surplus cash.

YOUR MANDATE

Our starting point is your investment mandate, the particular combination of requirements that makes your account unique.

Mandate parameters

- Risk profile
- Investment time horizon
- Income requirements
- Investment restrictions
- Tax status
- Portfolio size
- Base currency
- Future cash flows
- Estate Issues

Prior to opening your account we would wish to discuss and understand your investment objectives.

Of particular interest would be your long-term investment goals, your attitude to risk and any investment restrictions you may wish to impose.

We document these requirements and refer to this as your investment mandate.

Many clients simply require a balanced portfolio, one that is invested across a broad range of assets, seeking a return from both income and capital growth. Others have specific needs requiring a highly tailored solution.

Key elements

- **Portfolio size**
  It is important we understand the size of your portfolio relative to other investments you may have and in the context of your overall wealth.

- **Risk**
  It is critical we have a clear understanding of your appetite (or lack of it) for risk.

- **Investment time horizon**
  You may have a specific date to which the portfolio must be managed (eg retirement). Alternatively you may set the investment horizon as the time period over which you will judge our investment performance.

- **Income requirements**
  Many of our clients have specific income requirements and we construct their portfolios accordingly.

- **Investments restrictions**
  Restrictions may include maximum levels of investment in a particular asset type (eg hedge funds) or the exclusion of certain types of stock (eg tobacco companies)

- **Tax**
  Your tax position will affect the way we construct your portfolio.

INVESTMENT APPROACH

We have a rigorous investment process.

Our starting point in constructing your portfolio is your mandate. This, combined with our long-term forecasts for markets, determines your strategic asset allocation.

The investment director appointed to your account is responsible for choosing the specific stocks or funds that comprise your portfolio and any tactical deviations from the strategic benchmark.

At all times your investment director will work within the framework you have set, to limit risk, restrict certain types of investment and to meet any income requirements.

Key features of our investment process

- **Strategic asset allocation**
  This is the blend of the major asset classes (cash, bonds, equities, hedge funds and property) that we believe will achieve your long-term investment objectives.

- **Focus on wealth preservation**
  In constructing each client's portfolio our primary concern is to mitigate downside risk without compromising our ability to achieve wealth generation.

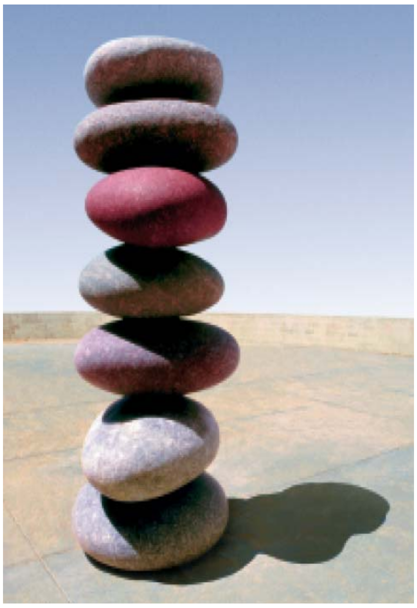
- **Efficient portfolios**
  We strive to build efficient portfolios. That is, portfolios which maximise the potential upside for the risk taken.

- **Multi-manager approach**
  No investment management company has a monopoly on outstanding people or great ideas. Our multi-manager approach allows us to blend our asset allocation and stock picking skills with proven talented specialists from other investment houses. We are not limited in the managers we can select and are able to choose from the whole market.

- **Tailored portfolios**
  Each client portfolio is distinct and specifically built to meet that client's investment requirements.

RISK CONTROL

At Ingenious we take pride in our ability to manage risk.



We cannot eliminate risk nor do we claim to do so. However, we strive to ensure the risks taken are intended both in their nature and their magnitude. Conversely we seek to identify and eliminate unintended risks should they creep into your portfolio.

We believe investors are not so much risk averse as loss averse. This leads us to define risk simply as "the possibility of losing money". This definition aligns our approach to risk with our clients' desire to preserve wealth.

We are proactive and forward looking in our approach to controlling risk. We employ both well established and proprietary techniques for managing risk within client portfolios.

Risk management techniques

- **Strategic asset allocation**
  The long-term risk of capital erosion is primarily managed through the strategic asset allocation assigned to each client portfolio.

- **Tactical asset allocation**
  Short and medium term risks are managed through tactical deviations from the core strategic allocation.

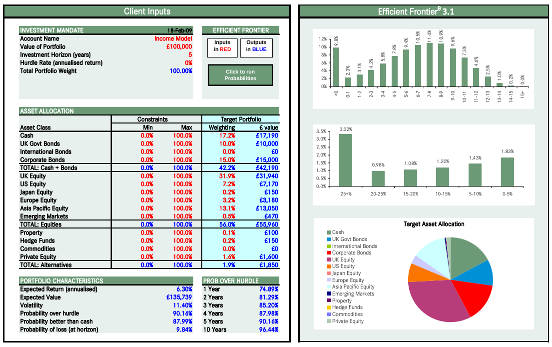
- **Investment in funds**
  Selective investment in funds, which are themselves diversified portfolios of stocks, is a powerful mechanism for reducing stock specific risk.

- **Diversification across funds**
  Still further diversification and risk reduction is achieved by holding a portfolio of funds. This dilutes the manager risk and further reduces the stock specific risk.

- **Risk measures**
  We monitor the risk profile of all client portfolios. Measures frequently used include, but are not restricted to, volatility, Value at Risk (VaR) and Sharpe ratios.

ASSET ALLOCATION

We have designed and built our own proprietary asset allocation tool, Efficient Frontier®



Asset allocation (the chosen proportions of equities, bonds, cash, hedge funds and property) is often the primary determinant of long-term investment performance. Hence each client portfolio is assigned a strategic asset allocation appropriate to their long-term investment objectives and, in particular, their risk profile.

Our proprietary asset allocation tool, Efficient Frontier®, seeks to identify the optimal blend of assets for a given risk profile. The allocation selected is designed to preserve wealth, commensurate with the client's risk profile, whilst maximising the expected returns.

Efficient Frontier®

- **An Ingenious idea**
  Efficient Frontier® is a proprietary asset allocation tool, designed and built by us and exclusively available to our clients.

- **Balancing risk and reward**
  Efficient Frontier®'s primary purpose is to determine the asset allocation most likely to achieve a client's growth objectives whilst preserving their capital with the certainty they require.

- **Asset class models**
  We have built mathematical models for each of the major asset classes and a further model to combine them efficiently. Efficient Frontier® is the name we have given to this system of models.

- **Range of risk profiles**
  We have developed a variety of model portfolios using Efficient Frontier® to capture a wide range of risk profiles. We have models for high, moderate, low and even ultra-low risk portfolios.

- **Downside risk**
  In all cases our strategic asset allocations are driven by limiting downside risk. Essentially we create portfolios that aim to preserve capital with the certainty that clients require.

- **Re-balancing**
  As markets move and risk levels rise and fall we are able to use Efficient Frontier® to re-calibrate portfolios and, if necessary, re-balance them to a new strategic asset allocation.

PORTFOLIO CONSTRUCTION

Your investment director will help you shape your own unique portfolio.

Your investment director is the person within Ingenious who knows you and your requirements best. Their role is twofold, to construct your portfolio and to communicate with you.

Their starting point is your investment mandate. From this they select the risk adjusted model closest to your risk profile. This provides an initial strategic asset allocation. This allocation will then be fine tuned by your investment director to meet your exact requirements.

Your investment director is also responsible for selecting the particular funds and stocks to be held within each asset class in your portfolio.

Furthermore, we recognise Efficient Frontierθ is a model and thus subject to the limitations all models have that seek to emulate a real life process. When appropriate your investment director will be expected to override the model to take advantage of short term tactical opportunities in the market, or to reflect real world features not captured by our models.

Finally, your investment director must constantly ensure your portfolio is appropriate for your investment profile, in particular, your tax position, investment restrictions and income requirements.

Investment director's role

- **Portfolio management**
  Your investment director will have day-to-day responsibility for all investment decisions taken on your portfolio. You will also be assigned an alternate portfolio manager to provide cover in your investment director's absence and to ensure two investment professionals are familiar with your account.

- **Risk profile**
  It is imperative we do not exceed your appetite for risk. Your investment director is personally accountable for ensuring we remain within the parameters you set.

- **Investment restrictions**
  Many clients have limitations on the type or magnitude of investments permitted in their portfolio. The investment director must ensure these restrictions are never breached.

- **Tax status**
  Your investment director will be expected to be familiar with your tax position, particularly your CGT position, and any constraints this may impose on the management of your portfolio.

- **Combining portfolios**
  You may have more than one account with us. Your investment director is responsible for managing these, when appropriate, as a single investment portfolio.

CUSTODY & SAFEKEEPING

We are able to hold and invest in a very wide range of assets on your behalf.

Assets commonly held by clients

- Cash
- Money market instruments
- Government bonds
- Corporate bonds
- UK equities
- International equities
- Unit trusts
- OEICS
- Hedge funds
- Investment trusts
- AIM stocks
- Private equities
- Foreign currencies

Our appointed custodian is Pershing Securities Limited (PSL), an affiliate of the Bank of New York Mellon. PSL is the market leading independent supplier of custody and nominee services to private investors in the UK.

All client assets are held by PSL within their nominee company. This arrangement ensures that client assets never form part of the assets of any Ingenious company. They are held entirely separately and ring-fenced within the Bank of New York Mellon's operations.

All client cash balances are held at the Royal Bank of Scotland plc in the name of Pershing Securities Limited.

Pershing Securities Limited (PSL)

- **Global custody**
  PSL has over £100 billion of assets under administration and offers clearing, settlement, nominee and custody services to over 700 financial firms in more than 7,000 locations globally.

- **Insurance cover**
  PSL provides unlimited insurance cover for all stocks held within their nominee name.

- **Efficient trading**
  PSL assumes full legal liability for all trades we undertake on your behalf including the responsibility for settlement and the transfer of the stock from buyer to seller.

- **Currencies**
  PSL allows clients to hold multiple accounts in all the world's major currencies.

- **Contact details**
  Pershing Securities Limited
  Capstan House
  One Clove Crescent
  East India Dock
  London E14 2BH
  (T) 020 7864 8000
  www.pershing.co.uk

ADMINISTRATIVE SERVICES

You will rightly judge us on our ability to efficiently administer your account as well as the investment performance we generate.

Main services provided

- Nominee company
- Dividend collection
- Processing corporate actions
- Cash payments
- Holding non-discretionary assets
- Holding non-custody stocks
- Probate valuations
- Capital gains tax calculations
- Consolidated tax vouchers

All client assets are held within a nominee company. This facilitates a highly efficient administrative service for our clients including the settling of trades, the collection of dividends and the processing of corporate actions.

For many of our clients the portfolio we manage for them is an important source of income. For these clients we offer flexible arrangements for remitting cash from portfolios.

Some clients choose to lodge non-discretionary assets with us, for example, shares in a family company, to take advantage of our administrative services.

We also offer a number of other administrative services including the valuation of assets not held in our custody system, the calculation of potential CGT liabilities and probate valuations.

We are always happy to discuss any particular administrative requirements you may have.

Cash payment services

- **Regular income payments**
  If required we can pay investment income to your bank account on a regular basis. Income can be remitted monthly or quarterly. Alternatively we can remit all income on your account as soon as it exceeds a specific amount.

- **Regular cash withdrawals**
  We are happy to set up a standing order on your account whereby a fixed sum is paid to you on a regular basis.

- **Ad hoc payments**
  You may of course request a payment from your account at any time providing sufficient cash is available. The payment can be made either by electronic transfer or cheque. If insufficient cash is available we will realise assets to raise the monies required.

- **Payments to third parties**
  On your written instructions we may also make payments to third parties.

CLIENT COMMUNICATION

We promise to communicate clearly and respond quickly.

We offer a comprehensive reporting service for our clients.

We provide regular investment reports containing statements, transaction summaries, up to date valuations and investment commentary.

We are always happy to discuss individual requirements and are able to construct bespoke reports.

Furthermore, your investment director will meet with you regularly to report on our performance, answer your questions and discuss your ongoing requirements.

Reporting to you

- **Valuations**
  Most clients request quarterly valuations of their portfolios. We can also provide these more frequently or less frequently if preferred.

- **Statements**
  You will receive regular statements detailing all movements across your accounts.

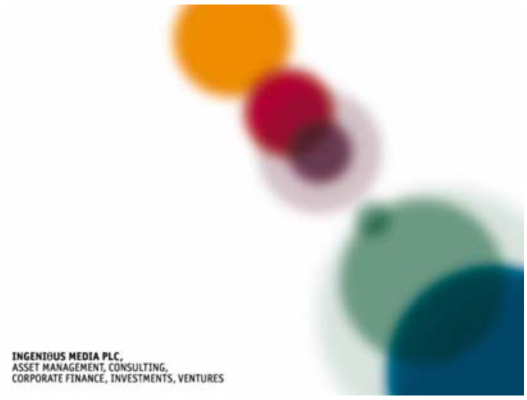
- **Contract notes**
  If required these are dispatched within 24 hours of any trade we execute on your portfolio.

- **Tax pack**
  We provide comprehensive tax information to meet your tax reporting obligations. This will include a CGT statement and an Inland Revenue approved, consolidated income tax voucher.

- **Reports for your advisers**
  We are happy to provide copies of any or all of our reports to your nominated advisers.

- **Call us**
  You are always welcome to contact your Investment Director to discuss your portfolio or to answer any other questions that you may have.

ABOUT INGENIOUS



Ingenious, is a specialist investment and advisory business with five principal operating subsidiaries; Asset Management, Consulting, Corporate Finance, Investments and Ventures.

As market leader in media investment and strategy, Ingenious provides the full range of services to companies in the media sector, from strategic and corporate finance advice to private equity funding, as well as providing innovative investment solutions for the private investor.

Ingenious group divisions

- **Ingenious Asset Management**
  Discretionary portfolio management for individuals, companies, trusts, pension funds and charities.

- **Ingenious Corporate Finance**
  Advice on corporate sales, fund raising and all aspects of disposals and corporate restructuring.

- **Ingenious Consulting**
  Strategic, financial and operational advice to media businesses.

- **Ingenious Investments**
  Creates, manages and distributes an extensive range of investment offerings in the media and entertainment sectors.

- **Ingenious Ventures**
  The venture capital arm of Ingenious, investing in high growth companies throughout the media and entertainment sectors.

CONTACT US

Find out more

To obtain further information on our services, request account opening forms or simply find out more please contact us at:

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