

Managed Portfolio Service – Medium Risk Profile



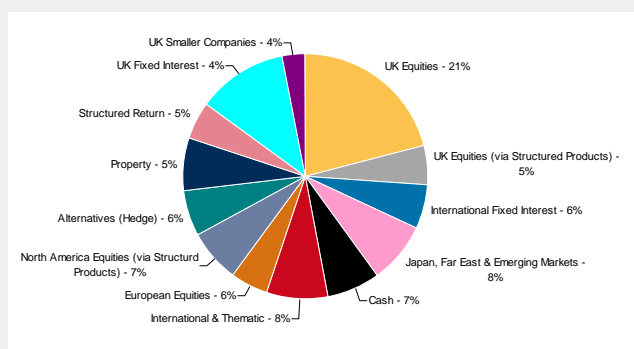
Objective

A balanced portfolio that will provide exposure to a range of UK and international investments with the aim of providing significant exposure to the higher returns of real and market investments without full market volatility on a longer term basis. Equity exposure is likely to range between 60-80%.

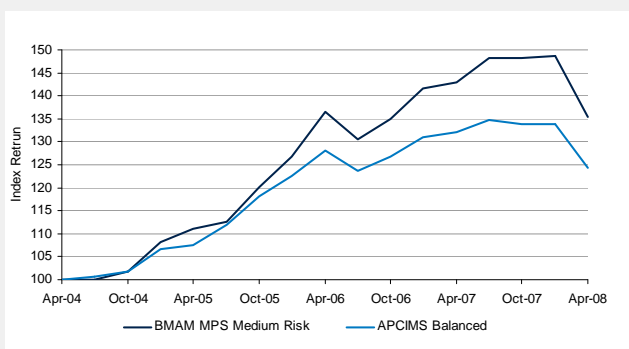
The Service

- Segregated fund of funds service managed proactively across global markets investing in asset classes via unit trusts, OEICs, structured products and investment trusts.
- Portfolio assets can be held within SIPPs and SSASs).
- Existing funds can be transferred into the service.
- No specific dealing charges applicable.
- Each portfolio is managed generically with changes affecting all clients simultaneously.

Geographical Breakdown



Performance



Source: BMAM

Managers Comment

Over the quarter the twin fears of slowing global growth coupled with rising inflationary pressures have knocked investors' confidence and resulted in further falls for both equity and bond markets. The rescue of Bear Stearns provided some temporary relief for both equity and bonds markets but this proved to be short lived, as global inflation concerns hit the headlines. Oil prices have now risen over 100% since this time last year, which has had a significant inflationary impact

Global oil prices hit an all-time high of \$143.67 a barrel driven by supply constraints, geopolitical tension in the Middle East and an increased amount of activity by investment institutions. This significant inflationary pressure has been at the top of the agenda on both sides of the Atlantic, not least due to the increase in basic food prices. At the end of the quarter, US data was released showing domestic consumption of gasoline in April was at its lowest level for six years, evidence that the higher oil price has started to have an impact on global demand. This was a view echoed throughout Europe with a significant slowdown in 2nd quarter GDP being witnessed.

This was not a good quarter for the medium risk portfolio as the exposure to commercial property and equity structured investments dragged down performance. There have been few places to hide in 2008 with bond holdings, equity holdings and structured investments all being marked down. The structured return sector has held up well and we are confident that once normality returns to markets that some of these depressed prices will quickly be reversed.

Managed Portfolio Service – Medium Risk Profile

Current Asset Allocation

Fund	P'cent	Sector
SVM Global	8.0%	Int
Martin Currie Pacific	8.0%	Jap/FE
Artemis UK Special Sits	7.0%	UK
Axa UK Select Opps	7.0%	UK
Invesco Perpetual High Income	7.0%	UK
Barcap - S&P 500 125%	7.0%	US
F&C Commercial property	7.0%	Property
Merrill Lynch 7%	6.0%	UK FI
M&G Corporate Bond (I)	6.0%	UK FI
Goldman Sachs Dynamic Opps	6.0%	Hedge
Henderson Strategic Corp Bond (I)	6.0%	Int FI
Barcap - UK Acc Growth II	5.0%	UK
Artemis European	5.0%	EU
Bar Cap Euro Ladder	5.0%	SR
Framlington UK Smaller Companies	3.0%	UK small
Cash	7.0%	
Yield	2.39%	

Contact Us

Jonathan Webster-Smith – Investment Manager

Email: jws@brooksmacdonald.com

Nathan Delaney – Investment Manager

Email: nathan.delaney@brooksmacdonald.com

Natalie Raynor-Nunes – Executive Support

Email: nrn@brooksmacdonald.com

Team Telephone No. 020 7408 5547

Taxation

Potential to utilise clients capital gains tax allowance (CGT).

Administration and Valuation

Valuations are provided every six months and access to valuations is available online at www.bm-am.com.

Charges

- Up to 4% initial portfolio establishment fee*
- 1.5% annual management charge*
- No additional dealing costs
- No set up or annual SIPP administration fee providing funds under management with Brooks Macdonald exceed £150,000 (please refer to terms and conditions for full details)
- Underlying charges may apply which will vary according to the specific assets within the portfolio

*part of which may be paid to your financial advisor





Investors should be aware that the price of units in this fund and the income from them can go down as well as up and that neither is guaranteed. Past performance is not necessarily a guide to the future. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse affect on the value, price or income of an investment. Investors should be aware of the additional risks associated with funds investing in emerging or developing markets.

The information in this document does not constitute advice or a recommendation and you should not make any investment decisions on the basis of it. This document is for the information of the recipient only and should not be reproduced, copied or made available to others.

Brooks Macdonald Group, its subsidiaries and/or their officers, directors and employees may also own and trade in the underlying assets.

Tax treatment depends on your individual circumstances and may be subject to change in the future.

Brooks Macdonald Asset Management

 111 Park Street, Mayfair, London, W1K 7JL  Tel: 020 7491 9700  email: mps@bm-am.com  www.bm-am.com

Authorised and regulated by the Financial Services Authority. Registered in England No. 3417519. Brooks Macdonald Asset Management Ltd. Company Registered Office: 111 Park Street London W1K 7JL