



Pyrford Global Total Return Sterling Fund

Hedged into Euro

Presented by:



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About Pymford

- Established 1987 - managing €8.64bn as at 31 August 2018 for 126 investors* across separate and pooled accounts, of which 66 are UK Pension Funds
- Independent, autonomous investment boutique
- A long history of managing this type of mandate
- GAR is an important part of our business – over 50% of assets under management
- Team approach – no ‘star’ managers
- A relentless focus on generating a real return stream with low absolute volatility
- Internal research drives a value process based on investment fundamentals
- Unconstrained, long-only investors with no attention to benchmarks, consensus or peer groups
- Signatory to the UN Principles for Responsible Investment & Tier 1 signatory to the UK Stewardship Code

Investment Professionals

Name	Role	Years with Pymford	Years in Industry
Tony Cousins, CFA	Chief Executive & Chief Investment Officer	30	33
Bruce Campbell	Strategic Investment Advisor	31	48
Paul Simons, CFA	Head of Portfolio Management, Asia-Pacific	22	22
Daniel McDonagh, CFA	Head of Portfolio Management, Europe	21	21
Suhail Arain, CFA	Head of Portfolio Management, North America	10	21
Nabil Irfan, CFA	Portfolio Manager	13	18
Peter Moran, CFA	Portfolio Manager	15	15
Jun Yu, CFA	Portfolio Manager	10	18
Stefan Bain, MSc	Portfolio Manager	6	17
Roderick Lewis, CFA	Portfolio Manager	5	17
Andrew Sykes, CFA	Portfolio Manager	5	11
Henrietta Brooks	Investment Analyst	4	4
Bethan Dixon, CFA	Investment Analyst	4	4
Anneka Desai	Investment Analyst	3	3

* These figures include investors in pooled investment vehicles

Pyrford's Global Absolute Return Strategy

Three goals:

- Preserve capital (aim not to lose money in a 12 month period)
- Beat inflation by a significant margin over the long-term
- Deliver returns characterised by low absolute volatility

The results (in £):

- Only one negative calendar year in the last 23 (2002: -2.1%)
- Have almost matched inflation (RPI) +5% over the period since product inception (01 April 1994)
- Standard deviation (absolute volatility) of returns less than half that of the FTSE All Share Index from October 1998 to August 2018

Past performance does not guarantee future results

Goal: Capital preservation

“The strategy seeks to provide a stable stream of real total returns over the long term with low absolute volatility & significant downside protection”

Calendar year returns of Pyrford for investors, compared to negative equity markets

	2000	2001	2002	2008	2011	2015
Pyrford	+11.7%	+3.9%	-2.1%	+12.8%	+5.0%	+2.6%
FTSE 100	-8.2%	-14.1%	-22.2%	-28.3%	-2.2%	-1.3%
MSCI World	-6.0%	-14.3%	-27.3%	-17.4%	-4.3%	+5.5%

Percentage of rolling periods in which the composite had a positive return

September 1998 to August 2018

	1 month	3 months	1 year	3 years	5 years	10 years
Positive	69%	79%	93%	100%	100%	100%
Negative	31%	21%	7%	0%	0%	0%

Source: Pyrford International as at 31 August 2018

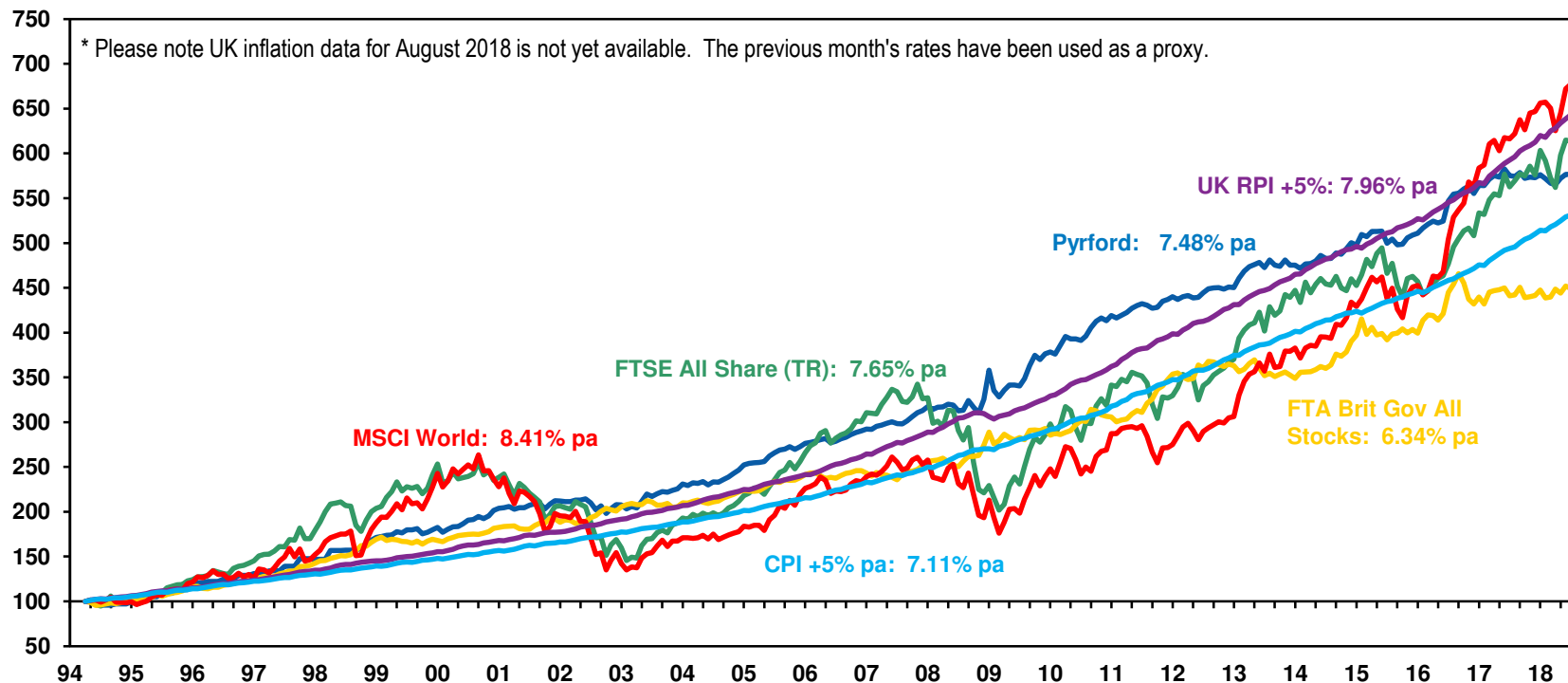
Performance shown is Pyrford's Absolute Return Strategy (Base Currency £) Composite, which comprises all fully discretionary, Absolute Return Strategy accounts with a market value greater than £7.5m, a base currency of GBP and no client restrictions or guidance. Performance is shown gross of fees. This is supplementary information. The composite focuses on absolute returns and is benchmark-agnostic.

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Goal: Beat inflation by a significant margin

Investment performance

Over 24 years 5 months (01 April 1994 – 31 August 2018)



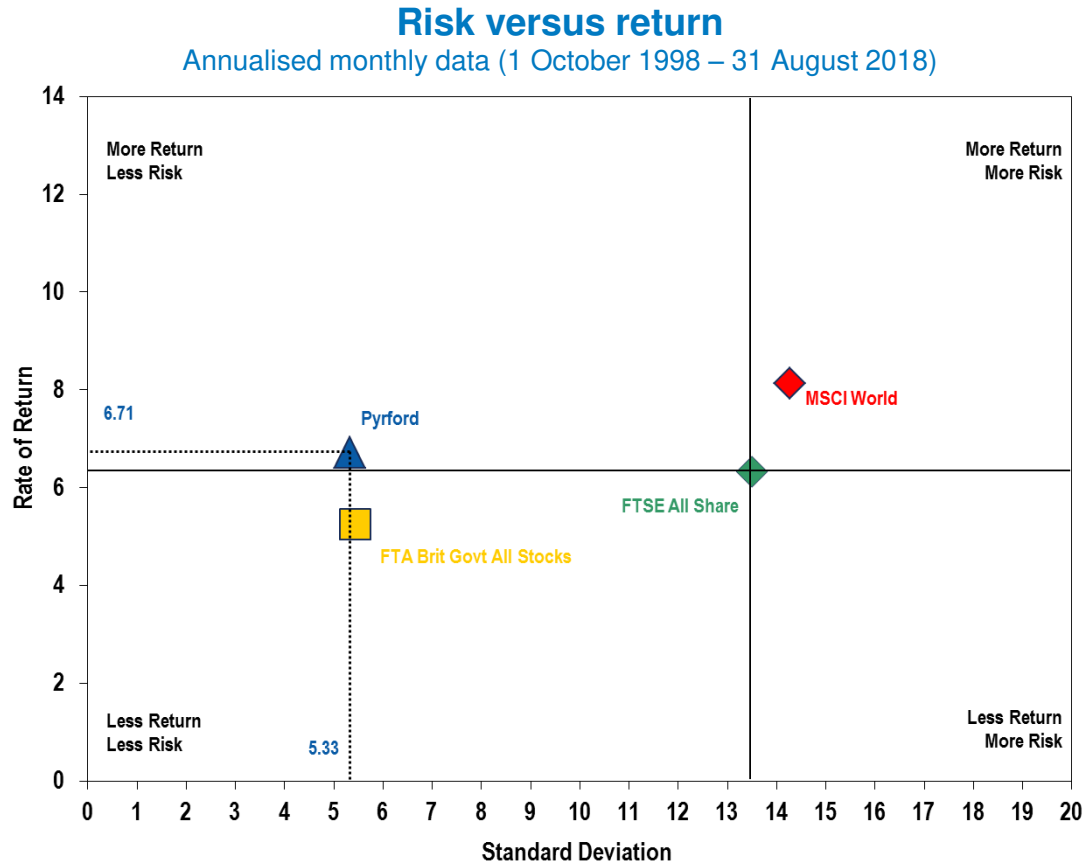
Source: Pyrford International, Office for National Statistics, FTSE and MSCI BARRA

Performance shown is for Pyrford's Absolute Return Strategy (Base Currency £) Composite, which comprises all fully discretionary, Absolute Return Strategy accounts with a market value greater than £7.5m, a base currency of GBP and no client restrictions or guidance. Performance is shown gross of fees from the inception date of 1 April 1994 to 31 August 2018. This is supplementary information. The composite focuses on absolute returns and is benchmark-agnostic, although performance has been shown against the above indices as supplemental information and for comparison purposes only.

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Goal: Low volatility returns

“Equity-like returns with bond-like volatility”



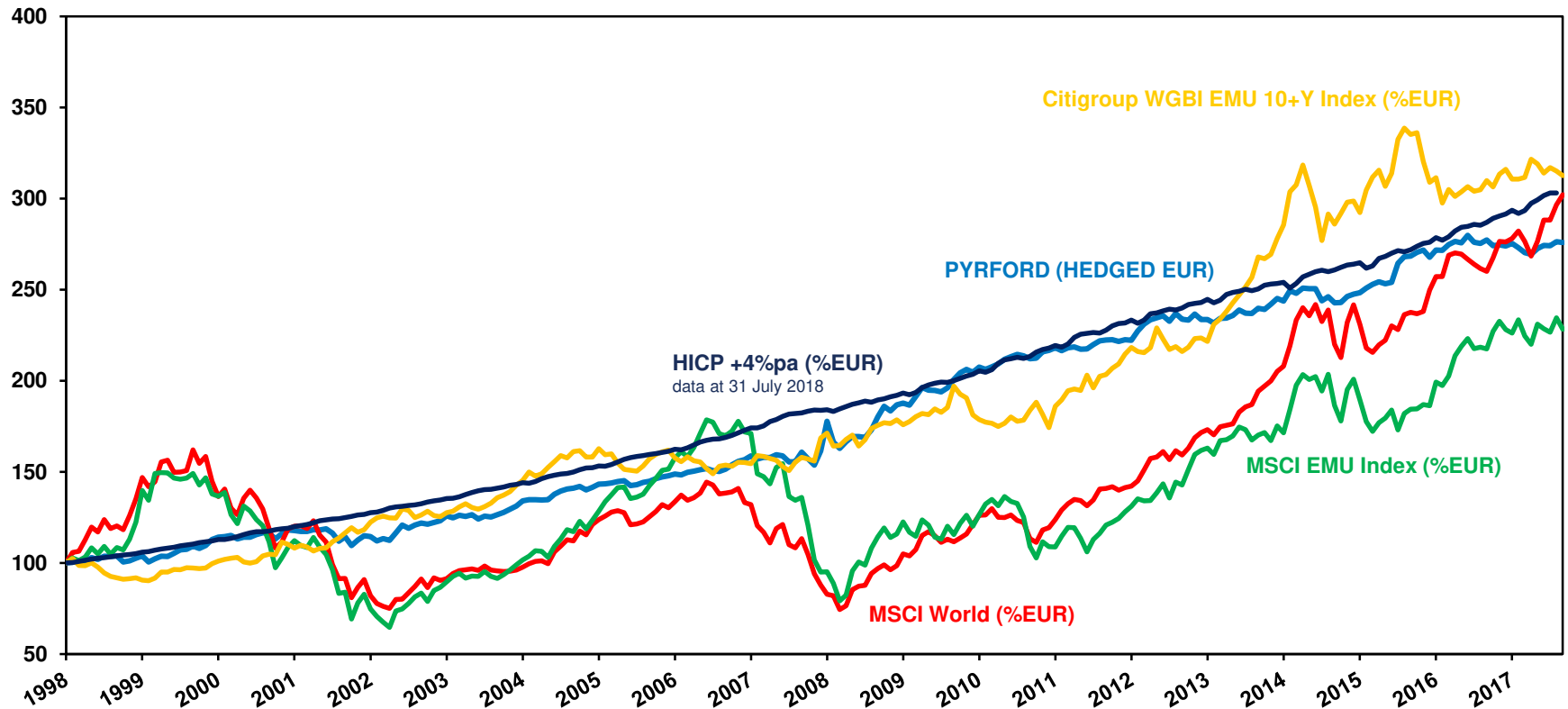
Source: Pyrford International, Office for National Statistics, FTSE and MSCI BARRA

Performance shown is for Pyrford’s Absolute Return Strategy (Base Currency £) Composite, which comprises all fully discretionary, Absolute Return Strategy accounts with a market value greater than £7.5m, a base currency of GBP and no client restrictions or guidance. Performance is shown gross of fees since 01 October 1998 to 31 August 2018. This is supplementary information. The composite focuses on absolute returns and is benchmark-agnostic, although performance has been shown against the above indices as supplemental information and for comparison purposes only.

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Pyrford Global Absolute Return – Simulated Euro Hedged

01 January 1999 – 31 August 2018



Source: Pyrford International Ltd / MSCI / FTSE Russell / Eurostat

Please note that the hedged EUR series is supplemental information to the Absolute Return (Base Currency GB£) composite. The performance shown for this series has been simulated by deducting the theoretical hedging effect from the actual composite's returns. Please see full GIPS compliant performance disclosure at the end of this document.

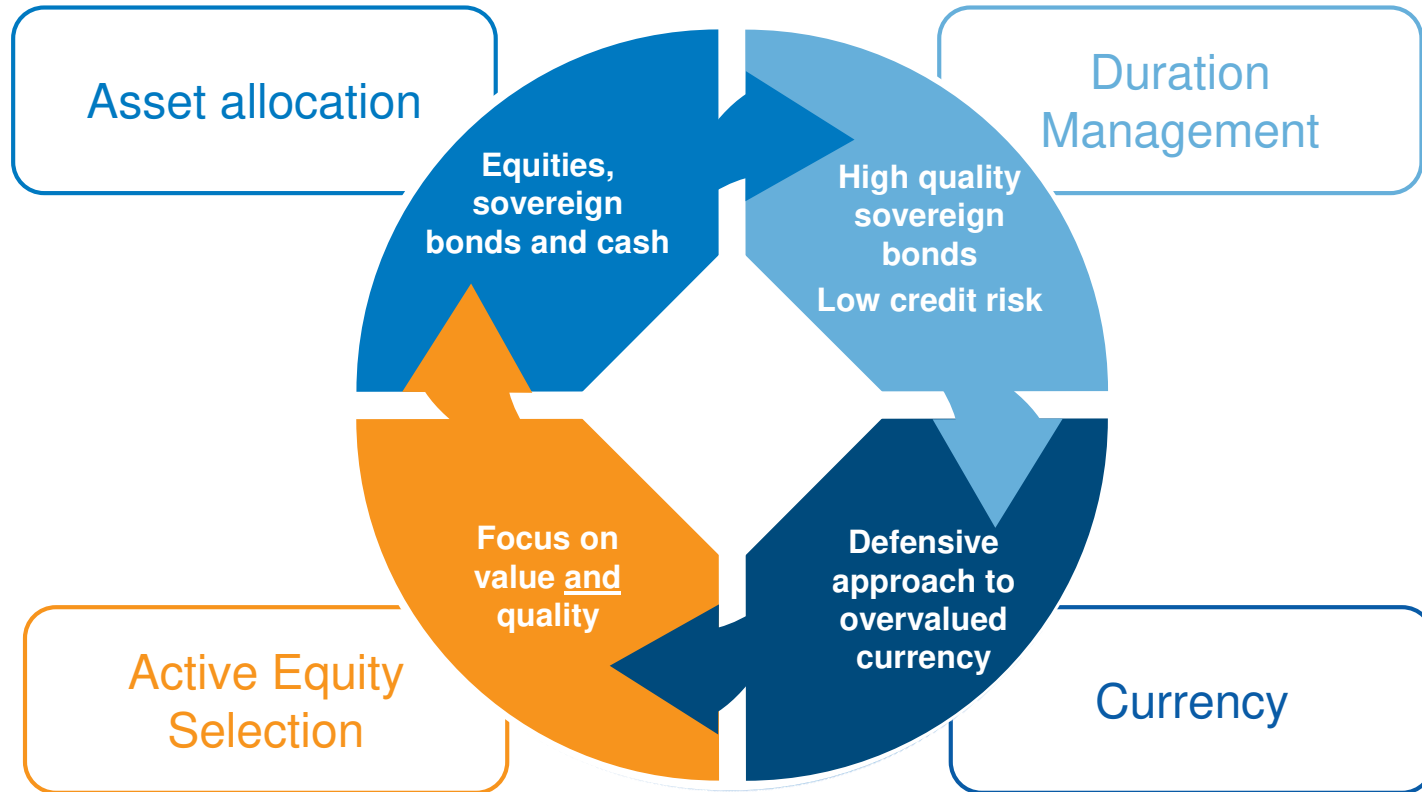
Simulated performance is based on the hedged return of Global Absolute Return (£). Performance presented is simulated past performance and it is not an indicator of future performance.

Past performance does not guarantee future results.

Investment philosophy

- A **Quality and Value-driven approach**, focused on **Capital Preservation** can contribute to a positive real rate of return to compound over the long-term
- Equities, sovereign bonds and cash
- Exposure to alternative asset classes is available via listed equities
 - Four key advantages:
 - Liquidity
 - Low transaction cost
 - Continuous price quote and full transparency
 - Positive yield
- Long only
- Focus on absolute, not relative, risk
- Low turnover

Four key return drivers

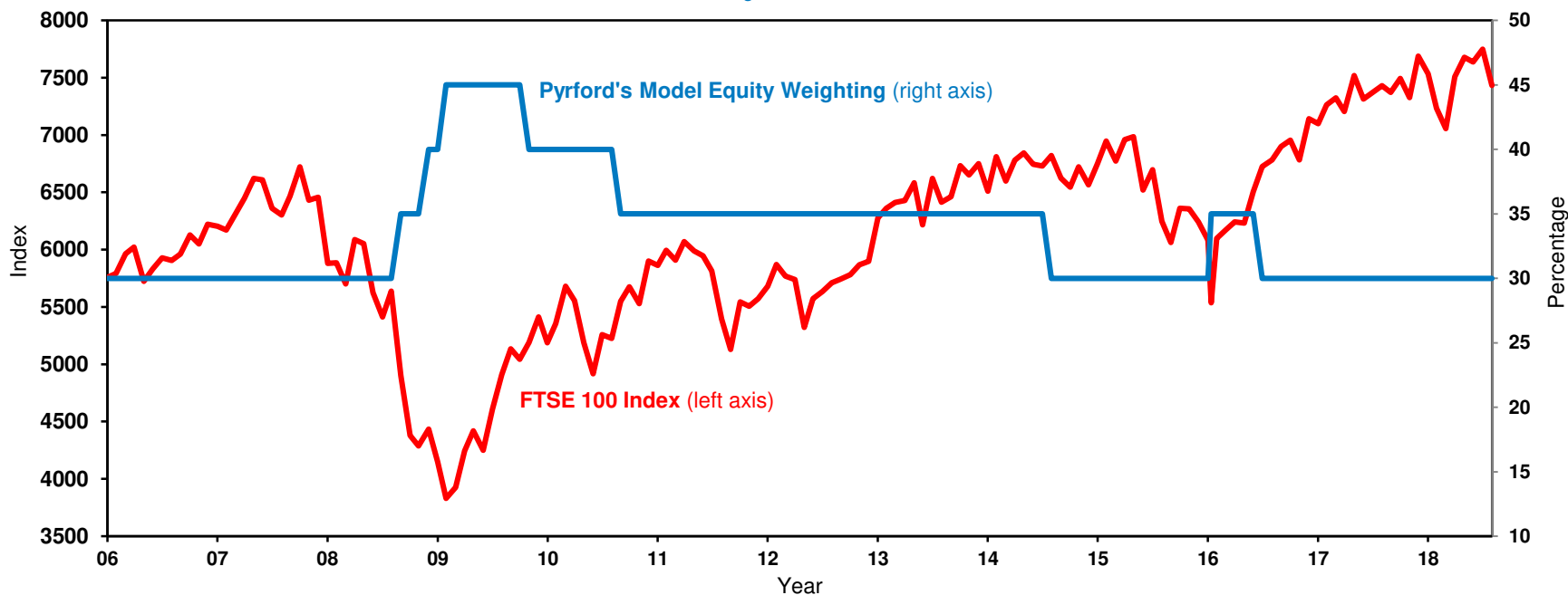


1: Top-down Asset Allocation Process

	Government Bonds	Equities
Investment Horizon	5 year total return forecast	5 year total return forecast
Calculation	Initial yield +/- capital movement	Initial yield +/- real earnings movement
Methodology	Yield curve analysis and forecast	Top-down & bottom-up analysis

Model Equity Weighting & FTSE 100 Index

31 August 2018



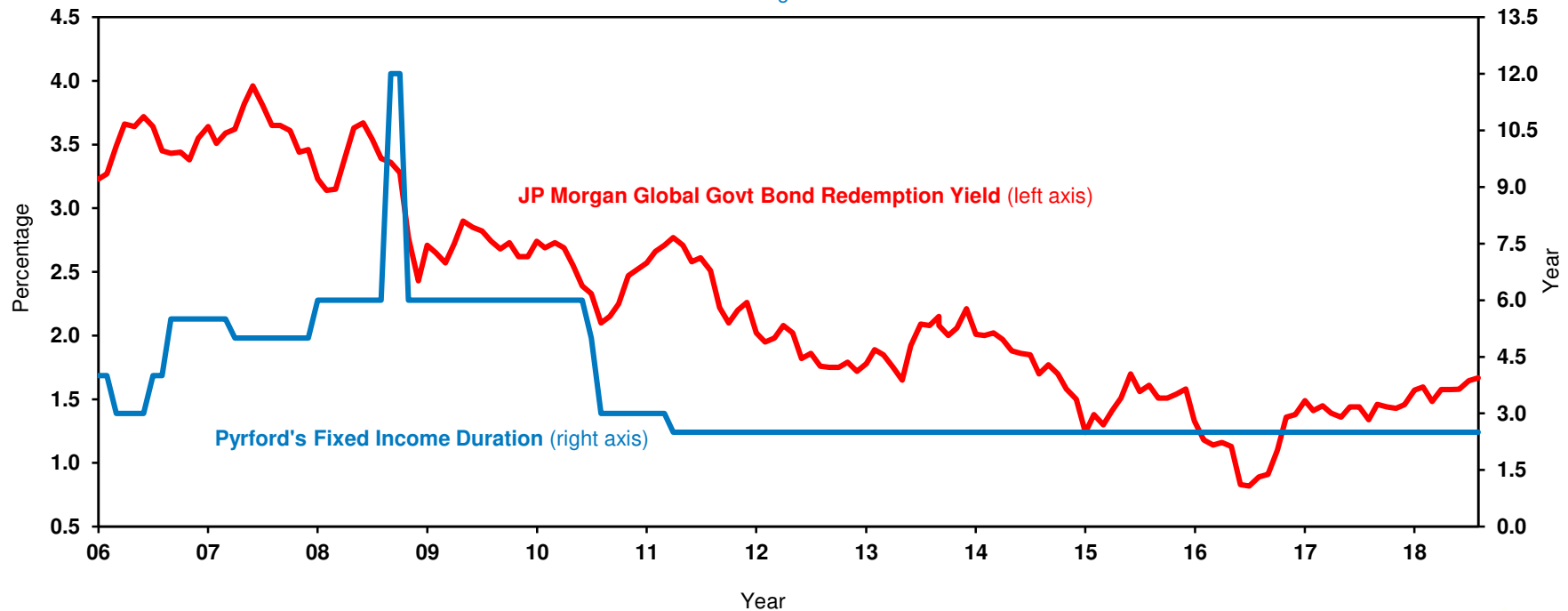
Source: Thomson Reuters Datastream

2: Duration Management - Government Bonds

- Sovereign risk only – nothing below AA
- Conventional and index-linked bonds
- Coverage: USA, Canada, UK, Switzerland, Euro-zone, Australia, New Zealand, Hong Kong and Singapore
- 5 year yield curve forecast
- Active duration management

Bond yields and duration history

31 August 2018



Source: Thomson Reuters Datastream

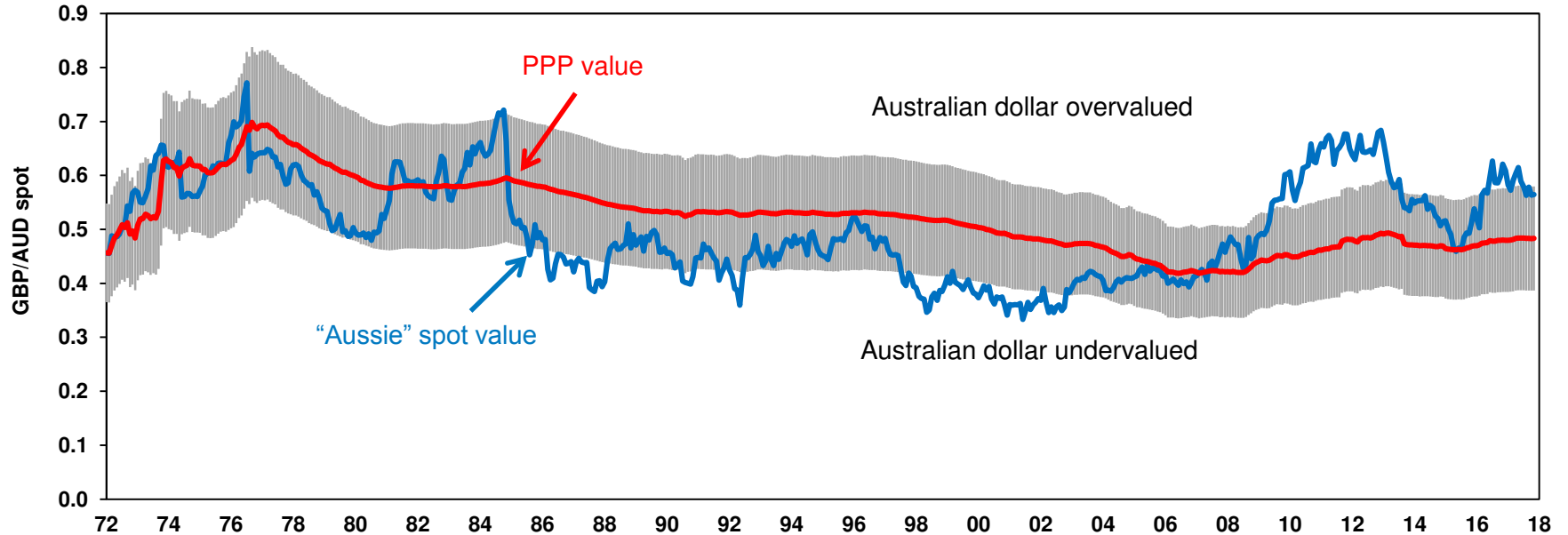
3: Currency

- Use long term Purchasing Power Parity to analyse value
- Defensively hedge currencies that are 25% overvalued – remove hedge when 5% overvalued
- If base currency is undervalued; consider selling foreign assets
- If base currency is overvalued; maximise foreign assets

Sample of GBP/AUD purchasing power parity analysis

15 August 2018

Note: Shaded area represents 25% above and below the PPP value



Source: Pyrford International / Thomson Reuters Datastream

4: Equity Selection

Data at 31 August 2018

- Absolute return focus
- Focus on Quality and Value
- Five year time frame
- All global developed markets plus those emerging markets that meet our strict requirements of institutional quality
- Not index oriented or peer group influenced
 - Zero weight in Japan throughout 1990s
 - Zero weight in European banks for more than seven years
- Top-down and bottom-up analysis
- Build portfolios that exhibit high dividend yield and high return on equity

	£GAR(equities)	MSCI World	FTSE All Share
Dividend Yield %	4.4	2.3	4.2
Return on Equity (1 Yr Av %)	19.8	12.6	13.6

Source: Pyrford International Ltd using Bloomberg

Past performance does not guarantee future results

Global Absolute Return (GBP) Model Portfolio - % allocations

As at 01 September 2018

EUROPEAN BONDS	
UK	50.33%
UK TREASURY 1.75% 22 JUL 2019	8.05%
UK TREASURY 2.00% 22 JUL 2020	8.10%
UK TREASURY 3.75% 07 SEP 2019	6.69%
UK TREASURY 3.75% 07 SEP 2020	7.10%
UK TREASURY 4.75% 07 MAR 2020	5.34%
UK TREASURY 8.00% 07 JUN 2021	4.18%
UK TREASURY 4.50% 07 MAR 2019	4.18%
UK TREASURY 1.50% 22 JAN 2021	6.69%

NORTH AMERICAN BONDS	
CANADA	4.78%
CANADIAN GOVT 3.75% 01 JUN 2019	1.59%
CANADIAN GOVT 0.75% 01 MAR 2021	1.59%
CANADIAN GOVT 0.75% 01 SEP 2020	1.59%
US	6.70%
US TREASURY 1.50% 15 AUG 2020	6.70%

ASIA PACIFIC BONDS	
AUSTRALIA	5.19%
AUSTRALIAN GOVT 3.25% 21 OCT 2018	3.60%
AUSTRALIAN GOVT 5.25% 15 MAR 2019	1.59%

TOTAL PORTFOLIO	
TOTAL BONDS	67.0%
TOTAL EQUITIES	30.0%
TOTAL CASH	3.0%
GRAND TOTAL	100.0%
MODIFIED DURATION OF BONDS	1.5

EUROPEAN EQUITIES	
EURO AREA	1.74%
AIR LIQUIDE SA (France)	0.26%
FUCHS PETROLUB (Germany)	0.24%
ROYAL DUTCH SHELL PLC 'A' (The Netherlands)	0.21%
SANOFI (France)	0.31%
SAP AG (Germany)	0.23%
TOTAL SA (France)	0.21%
UNILEVER NV (The Netherlands)	0.28%
SWEDEN	1.68%
ASSA ABLOY AB-B	0.50%
ATLAS COPCO AB	0.37%
EPIROC AB-A	0.13%
ESSITY AKTIEBOLAG-B	0.67%
NORWAY	0.87%
TELENOR ASA	0.87%
SWITZERLAND	2.25%
NESTLE SA	0.68%
NOVARTIS AG	0.56%
ROCHE HOLDING AG	0.63%
SGS	0.16%
ZURICH INSURANCE GROUP AG	0.23%

EUROPEAN EQUITIES	
UK	10.50%
BP PLC	0.63%
BRITISH AMERICAN TOBACCO PLC	1.37%
GLAXOSMITHKLINE PLC	1.42%
IMPERIAL BRANDS	0.89%
LEGAL & GENERAL GROUP PLC	1.26%
NATIONAL GRID PLC	1.52%
RECKITT BENCKISER	1.00%
SSE PLC	1.16%
VODAFONE GROUP PLC	1.26%

ISRAEL	0.60%
BEZEQ THE ISRAELI TELECOM CO	0.60%

ASIA-PACIFIC EQUITIES	
AUSTRALIA	2.16%
BRAMBLES LTD	0.72%
COMPUTERSHARE LTD	0.36%
WOODSIDE PETROLEUM LTD	0.72%
WOOLWORTHS LTD	0.36%
HONG KONG	1.74%
AIA GROUP	0.47%
CHINA MOBILE LTD	0.80%
VTECH HOLDINGS LTD	0.47%
JAPAN	1.47%
ABC-MART	0.29%
JAPAN TOBACCO INC	0.37%
KDDI CORP	0.32%
MITSUBISHI ELECTRIC CORP	0.24%
SUMITOMO RUBBER INDUSTRIES	0.25%
MALAYSIA	1.11%
AXIATA GROUP BHD	0.44%
MALAYAN BANKING BHD	0.67%
SINGAPORE	2.34%
COMFORTDELGRO CORP LTD	0.66%
SINGAPORE TECH ENGINEERING	0.35%
SINGAPORE TELECOMMUNICATIONS	0.66%
UNITED OVERSEAS BANK LTD	0.68%
TAIWAN	1.17%
ADVANTECH CO LTD	0.35%
CHUNGHWA TELECOM CO LTD	0.41%
TAIWAN SEMICONDUCTOR MANUFACTURING	0.41%

NORTH AMERICAN EQUITIES	
USA	1.14%
AMERICAN EXPRESS	0.09%
CH ROBINSON	0.09%
MCDONALD'S CORP	0.22%
MICROSOFT CORP	0.26%
PHILIP MORRIS INTERNATIONAL	0.25%
T ROWE PRICE GROUP INC	0.23%
CANADA	1.23%
CANADIAN NATIONAL RAILWAY	0.37%
IMPERIAL OIL LTD	0.25%
METRO INC	0.43%
SAPUTO INC	0.18%

Source: Pyrford International

Pyrford's current views

31 August 2018

- **Quantitative Easing** is morphing into Quantitative Tightening. Key interest rates have risen in the US, UK and Canada whilst the ECB is set to reduce its rate of bond purchases. In the US the Fed has set a course for significant balance sheet shrinkage whilst maintaining steady increases in the Fed Funds rate. The unprecedented central bank actions which commenced in 2008-9 boosted equity and bond markets but did little for economic activity. In particular, productivity growth has been poor.
- Overall **debt** levels (relative to GDP) have increased in the developed and emerging economies since the financial crisis. We believe this to be the most significant threat to “healthy” economic growth going forward. The debt ratios need to be modified without triggering another financial crisis.
- **Inflation** is stirring after a long slumber. Even in Japan and the eurozone we see signs of life. Corporate profits have grabbed a greater share of GDP at the expense of employee compensation but the worm is now turning.
- **“Brexit”** has added additional uncertainty whilst the election set-back for the ruling Conservatives has weakened their negotiating position with the EU. We believe the long-term future outside the EU machine will be favourable for Britain but political infighting on both sides of the Channel will complicate matters near-term.
- A Trump-led White House has added uncertainty to the direction of the **US** and world economy. “America First” will reverse progress on global trade deals and has injected a degree of unpredictability into foreign policy. Company tax cuts may prop an already inflated US stock market but will increase the budget deficit and do little to assist the household sector.
- The **Eurozone** is enjoying a cyclical upswing but the underlying fundamental flaw remains – the inappropriateness of a single currency and short-term interest rate for 19 disparate economies. Debt levels in peripheral Europe and continued lack of competitiveness are unsustainable. Italian banks remain in a parlous situation.
- The **German** election impasse has finally been resolved and another “grand coalition has been formed although Ms Merkel's power has been significantly weakened. As a negotiating compromise the Finance Ministry was handed to her coalition partner (the SPD).
- **Asia ex-Japan** offers the best absolute value and most attractive opportunities for long-term economic growth. Demographics provide a favourable “window” over the next 20 years.
- In general, markets (both equity and bond) are expensive. Low single-digit returns are probably the best that can be expected on a medium-term **outlook**.

This is not intended to serve as a complete analysis of every material fact regarding any company, industry or security. The opinions expressed here reflect our judgement at this date are subject to change. Information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy.

Investment performance returns strategy

Data at 31 August 2018

Performance returns	Pyrford	FTSE All Share	FTA British Govt Fixed All Stocks	MSCI World Index	RPI+ 5% p.a.
1 year	0.50	4.68	-0.47	12.73	N/A
3 years	5.31	10.17	3.95	19.05	N/A
5 years	4.12	7.58	5.03	14.77	N/A
10 years	6.02	7.47	5.53	11.46	N/A

Calendar year returns	Pyrford	FTSE All Share	FTA British Govt Fixed All Stocks	MSCI World Index	RPI+ 5% p.a.
2013	5.57	20.81	-3.95	25.00	7.80
2014	4.74	1.18	13.85	12.07	6.69
2015	2.61	0.98	0.56	5.45	6.26
2016	10.48	16.75	10.08	29.01	7.61
2017	2.13	13.10	1.81	12.42	9.31

Source: Pyrford International, Office for National Statistics, FTSE and MSCI BARRA

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Investment performance returns - simulated euro hedged

Data at 31 August 2018

Performance returns	PYRFORD (HEDGED EUR)	HICP +4%pa (%EUR)	Citigroup WGBI EMU 10+Y Index (%EUR)	MSCI EMU Index (%EUR)	MSCI World (%EUR)
1 year	-0.52	N/A	0.87	4.99	12.73
3 years	4.36	N/A	3.01	6.99	19.05
5 years	3.36	N/A	7.67	9.85	14.77
10 years	5.55	N/A	7.07	5.32	11.46

Calendar year returns	PYRFORD (HEDGED EUR)	HICP +4%pa (%EUR)	Citigroup WGBI EMU 10+Y Index (%EUR)	MSCI EMU Index (%EUR)	MSCI World (%EUR)
2013	5.16	4.88	1.50	24.42	21.86
2014	4.34	3.82	28.85	5.08	20.14
2015	1.85	4.24	2.40	10.56	11.03
2016	9.47	5.18	6.56	5.20	11.39
2017	1.30	5.40	-0.29	13.44	8.10

Source: Pyrford International Ltd / MSCI / FTSE Russell / Eurostat

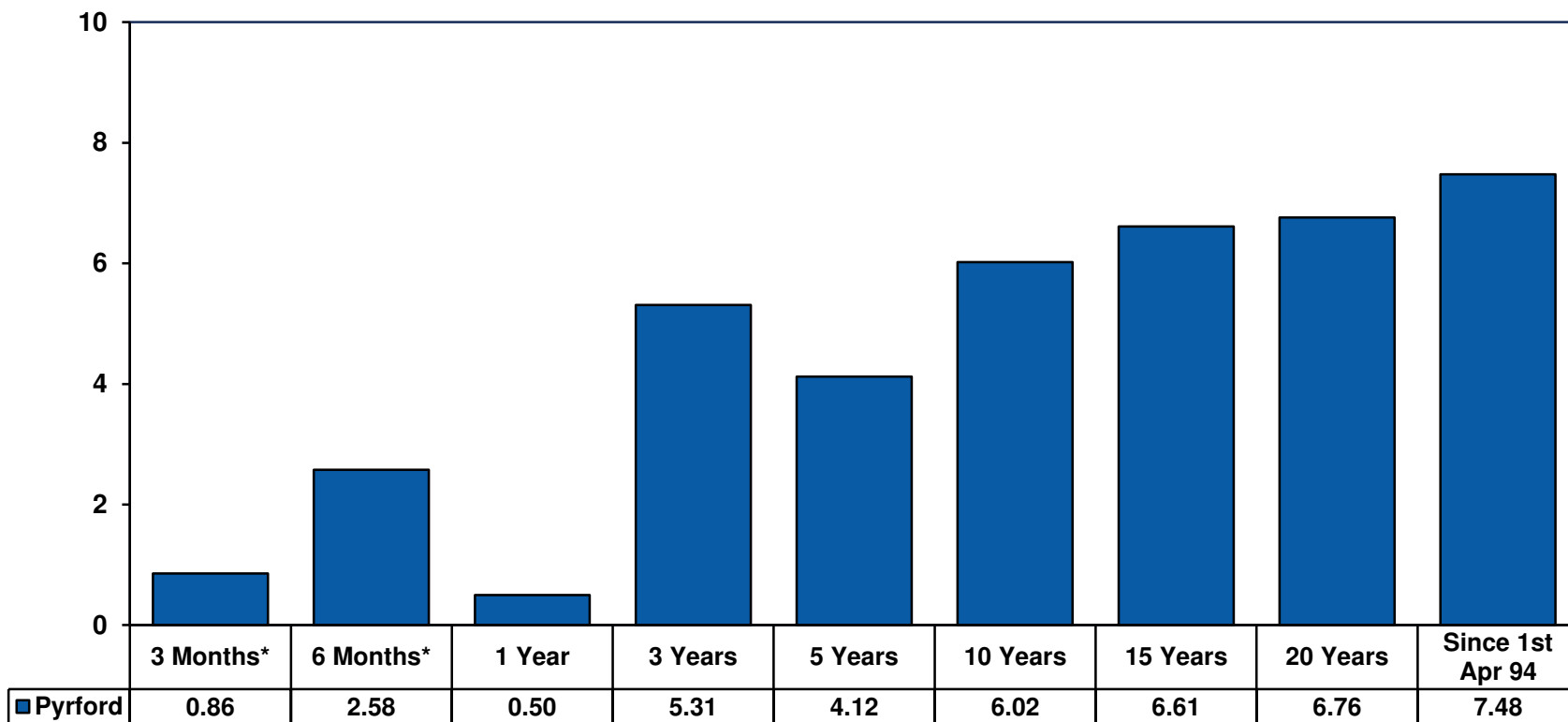
Please note that the hedged EUR series is supplemental information to the Absolute Return (Base Currency GB£) composite. The performance shown for this series has been simulated by deducting the theoretical hedging effect from the actual composite's returns. Please see full disclosures.

Simulated results do not reflect actual trading and may not reflect the impact of material economic and market factors.

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Global Absolute Return strategy performance (GBP)

Annualised returns to 31 August 2018



* Not annualised.

Source: Pyrford International / Office for National Statistics / MSCI BARRA

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Performance

Since inception as at 31 August 2018

Performance since inception

	NAV 31 Aug '18	Month ¹	3 mths ¹	1yr	3yrs	5yrs	Since Inception
Class A Acc shares (inception 21.01.09) (£)	15.45	0.00	0.59	-0.39	4.11	3.01	4.63
Class C Dist Hdg € shs (inception 15.01.18)	9.85	-0.10	0.48	n/a	n/a	n/a	-0.03
* Euro hedged	n/a	-0.10	0.30	-1.40	3.18	2.26	n/a

Calendar returns

	2017	2016	2015	2014	2013	2012	2011	2010
Class A Acc shares (inception 21.01.09) (£)	0.85	9.31	1.45	3.77	4.49	1.44	3.99	9.55
Class C Dist Hdg € shs (inception 15.01.18)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
* Euro hedged	0.04	8.31	0.70	3.37	4.08	1.01	4.09	9.38

Source: Pyrford International Ltd / State Street Global Services (Ireland) Ltd

¹Not annualised. Performance is based on the net asset value price provided by State Street. Figures show total returns of accumulation and distribution units, net of fees.

*These are simulated results. They do not reflect actual trading and may not reflect the impact of material economic and market factors. The performance shown for this series has been simulated by deducting the theoretical hedging effect from the returns of the Class A Acc (£) shares.

Past performance does not guarantee future results.

Fund information

As at 31 August 2018

Fund Information	
Investment Manager	Pyrford International Ltd, 95 Wigmore Street, London, W1U 1FD
Fund Name	Pyrford Global Total Return (Sterling) Fund
Administrator	State Street Fund Services (Ireland) Ltd
Custodian	State Street Custodial Services (Ireland) Ltd
Structure	Sub-fund of BMO Investments (Ireland) Plc, Ireland UCITS Fund
Fund Size	EUR 3,099mn
Auditors	KPMG
No of Holdings	58 Equities, 14 Bonds
Distribution Shares Yield	Class A (£): 1.84% Class I (€): 1.60% Class S (€): 1.60% Class W (€): 1.60%
<i>NB. This is an estimate of the annual dividend yield based on the most recent dividend paid</i>	
Ongoing Charges	Class A (£): 1.09% Class I (€): 0.84% Class S (€): 0.84% Class W (€): 1.59%
Ex-Ante Transaction Cost	0.11% (at 31 December 2017)
Dealing	Daily to 11:00hrs
NAV published	16:00hrs
Ex-dividend dates	01 January 01 April 01 July 01 October
Pay Dates	12 January 12 April 12 July 12 October
Fees	Class A: 1% Class I: 0.75% Class S: 0.75% Class W: 1.5%. <i>All plus expenses</i>
Minimum Investment	Class A: £0 Class I: \$1m Class W: \$50
Contact us	
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Fund Microsite	www.bmogam.com/pyrford

Fund codes by share class		
ISIN		Bloomberg
I Acc	IE00BDZS0H68	PGIEHAC ID
S Acc	IE00BDZS0K97	PYGSEHA ID
W Acc	IE00BDZS0L05	PYGWEHA ID



Absolute Return Strategy Composite £ - Disclosures

Period/ Calendar Year	Gross Composite Return for the Period %	Composite 3-Yr Ann. Std Dev (%)	Number of Accounts in Composite at period end	Composite Assets at period end (£ m)	Total Firm Assets at period end (£ m)	% of Total Firm Assets	Returns %				Total Strategy**		
							Dispersion (Range) (%)	High	Low	Median	Number of Accounts in Strategy at period end	Total Strategy Assets at period end (£ m)	% of Total Firm Assets
9m to end 1994	(0.4)	-	3	64	304	21.1	-	(0.2)	(0.4)	(0.3)	-	-	-
1995	21.4	-	2	70	361	19.4	-	21.9	20.4	-	-	-	-
1996	8.3	-	2	76	507	15.0	-	8.3	8.2	-	-	-	-
1997	12.3	-	2	85	706	12.0	-	12.4	11.9	-	-	-	-
1998	16.6	-	2	100	687	14.6	-	16.6	16.4	-	-	-	-
1999	6.8	-	2	107	763	14.0	-	6.8	6.5	-	-	-	-
2000	11.7	-	1	36	565	6.4	-	-	-	-	-	-	-
2001	3.9	5.1	1	38	816	4.7	-	-	-	-	-	-	-
2002	(2.1)	6.1	1	41	825	5.0	-	-	-	-	-	-	-
2003	11.4	6.3	1	49	1,191	4.1	-	-	-	-	-	-	-
2004	9.2	6.1	2	73	1,405	5.2	-	-	-	-	-	-	-
2005	9.6	4.4	4	247	1,520	16.3	-	9.7	9.1	9.6	-	-	-
2006	5.7	3.2	4*	305	1,572	19.4	-	5.9	5.6	5.7	10	493	31.4
2007	8.6	2.6	1	81	1,503	5.4	-	-	-	-	11	642	42.7
2008	12.8	7.1	1	94	1,397	6.7	-	-	-	-	11	806	57.7
2009	5.7	8.9	1	100	1,600	6.2	-	-	-	-	11	810	50.6
2010	10.7	9.1	1	149	1,994	7.5	-	-	-	-	11	1,027	51.5
2011	5.0	6.2	1	337	2,258	14.9	-	-	-	-	11	1,251	55.4
2012	2.3	3.2	2	1,061	4,468	23.7	-	-	-	-	15	2,269	50.8
2013	5.6	3.0	2	1,672	6,911	24.2	-	-	-	-	16	2,975	43.0
2014	4.7	3.2	1	2,155	8,149	26.4	-	-	-	-	13	3,270	40.1
2015	2.6	3.9	1	2,206	7,513	29.4	-	-	-	-	12	3,199	42.6
2016	10.5	4.1	1	2,378	7,826	30.4	-	-	-	-	12	3,919	50.1
2017	2.1	4.1	1	2,920	7,756	37.6	-	-	-	-	10	3,687	47.5
YTD 2018	0.9	3.5	1***	2,773	7,735	35.9	-	-	-	-	10	3,427	44.3

Source: Pyrford International Ltd

*Three accounts moved from unrestricted to restricted composites due to changes in investment guidelines.

**Number of accounts and total assets for all Absolute Return Strategy mandates have been shown here as supplemental information. These figures include the value of any Absolute Return Strategy accounts that have some form of investment restrictions and/or a base currency other than sterling.

***As at August 2018, the composite comprised one pooled account containing 75 individual schemes. **Past performance does not guarantee future results.**

Disclosure

Pyrford International Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Pyrford International Ltd has been independently verified for the period January 1, 1994 to September 30, 2016 by Grant Thornton UK LLP. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Verification does not ensure the accuracy of any specific composite presentation.

Notes to the performance presentation

Pyrford International, a wholly owned subsidiary of the Bank of Montreal, is an investment management firm based in the United Kingdom providing international asset management services for its clients. Pyrford is part of BMO's Wealth Management group which provides wealth management services in North America, Middle East, UK, Asia, Australia and Europe. As of August 31, 2018 Pyrford International Ltd had total assets under management and administration and term investments of £7,735m. For the purpose of measuring and presenting investment performance, all discretionary fee paying accounts of Pyrford International Ltd are allocated to a composite and a complete list and description of the composites is available on request. Additional information regarding the firm's policies and procedures for calculating and reporting performance returns is available upon request.

The Pyrford International Ltd "Absolute Return Strategy (Base Currency £) composite" comprises all fully discretionary, Absolute Return Strategy (Global Balanced) accounts with a market value greater than £7.5m, a base currency of £ and no client restrictions or guidance. The composite focuses on absolute returns, and is benchmark-agnostic. The composite was first created on April 1, 1994.

All returns are calculated in £ terms on a time-weighted basis. Effective May 1, 2013, portfolio returns are calculated daily. Prior to this date, portfolio returns were calculated using the Modified Dietz method. Quarterly valuations were used from April 1, 1994 to June 30, 1994 and monthly valuations from July 1, 1994 to April 30, 2013. Effective January 1, 1999, monthly composite returns are calculated by weighting each account's monthly return by its relative beginning market value. Prior to this date, composite returns were calculated on a quarterly basis by weighting each account's quarterly return by its relative beginning market value.

Where there are more than four accounts in the composite over a full year, dispersion is measured as the asset weighted standard deviation of asset weighted portfolio returns of all accounts in the composite for the full year.

The three-year annualised standard deviation measures the variability of the composite returns over the preceding 36-month period. The standard deviation is not presented prior to 2001 because monthly composite returns were not available and is not required for periods prior to 2011.

The accounts in this composite are unleveraged and any derivatives that may be employed are used solely for currency hedging purposes.

Performance results are presented gross of management and custodial fees, but net of transaction costs and before taxes (except for non-reclaimable withholding tax). The standard management fee schedule for segregated management is as follows: 0.55% per annum on the first £75 million, and thereafter 0.30% per annum.

There have been no significant events within the firm (such as ownership or personnel changes) which have materially impacted the historical investment performance.

All requests for further information should be sent to Nicholas Miller: nicholas.miller@pyrford.co.uk

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