



IGNIS

ASSET MANAGEMENT

Introducing Ignis

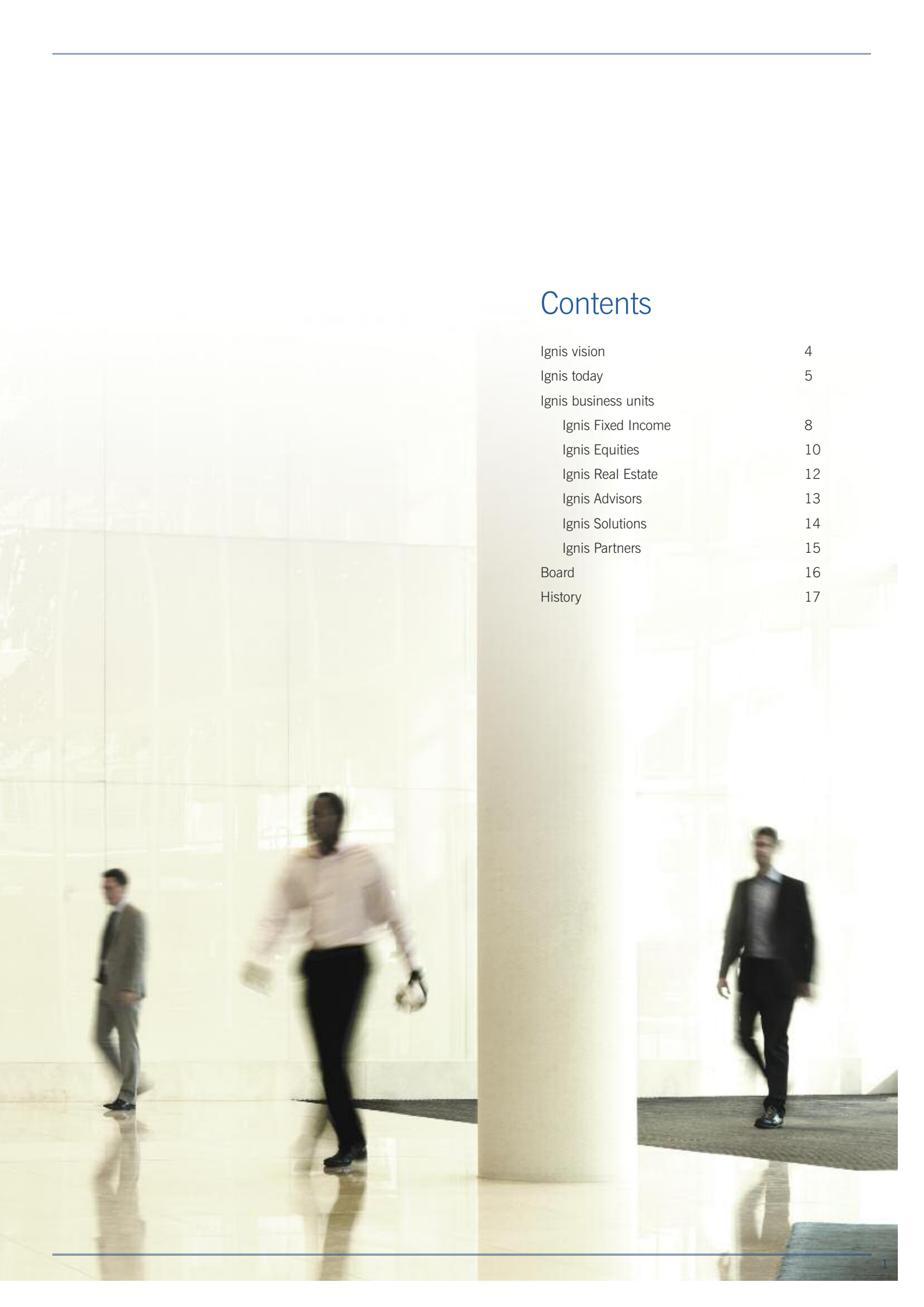


Fixed Income | Equities | Real Estate | Advisors | Solutions | Partners



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“At Ignis we recognise the need to get the fundamentals of asset management right. Our goal is to deliver performance and client service in line with, or above, our clients’ expectations and in accordance with the levels of risk they are prepared to take.

But more than that, we want to move beyond what is expected of traditional fund management groups – we want to lead the way in developing innovative products and services to meet the future needs of a broad range of investors around the world.”



Chris Samuel
Chief Executive



ASSET MANAGEMENT

Ignis vision

Aim

- To be a leading asset management business committed to performance excellence and innovation, where talented people want to work and, most importantly, where clients want to invest their money.

Goals

- Meet or exceed investment performance expectations.
- Put clients at the heart of everything we do.
- Support our business with a well-controlled and efficient operating platform.
- Develop further as a high quality and profitable company.

Foundations

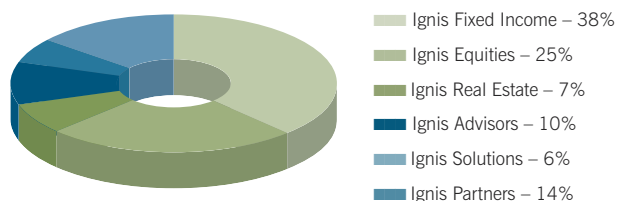
- **Innovative people** – focused on our clients and provided with the freedom to perform.
- **Partnership culture** – clear accountability; supported by working in partnership, both within the business and with our clients and counterparties.
- **Processes and technology** – to identify risks and opportunities.
- **Stability** – strong governance and control culture; part of the Phoenix Group – a modern and progressive life and investment group.



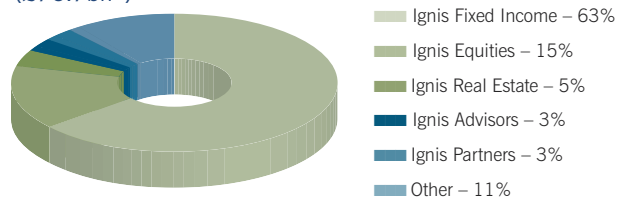
Ignis today

- £76.7bn in assets under management*
- In the top 15 asset management firms in the UK**
- Traces its roots back to 1899
- Distributes a range of global investment products and services
- Part of the Phoenix Group, providing strong financial backing and stability

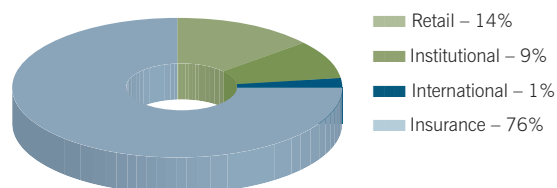
Revenue by business unit/investment capability (H1 2011)



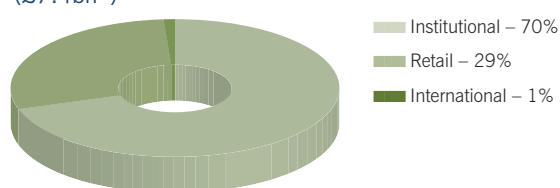
Assets under management by business unit/investment capability (£76.7bn*)



Revenue by channel (H1 2011)



Assets under management by channel – non insurance (£7.4bn#)



*Source: Internal at 30/06/11 including circa £9.5bn of collateral assets associated with our stock lending programme, which is managed by our investment teams.

**Based on assets under management at 30/06/11.

#Source: Internal at 30/06/11.

Ignis overview

Ignis provides the stability of a well-capitalised investment business with some £76.7bn* in assets under management and distributes a range of global investment services.

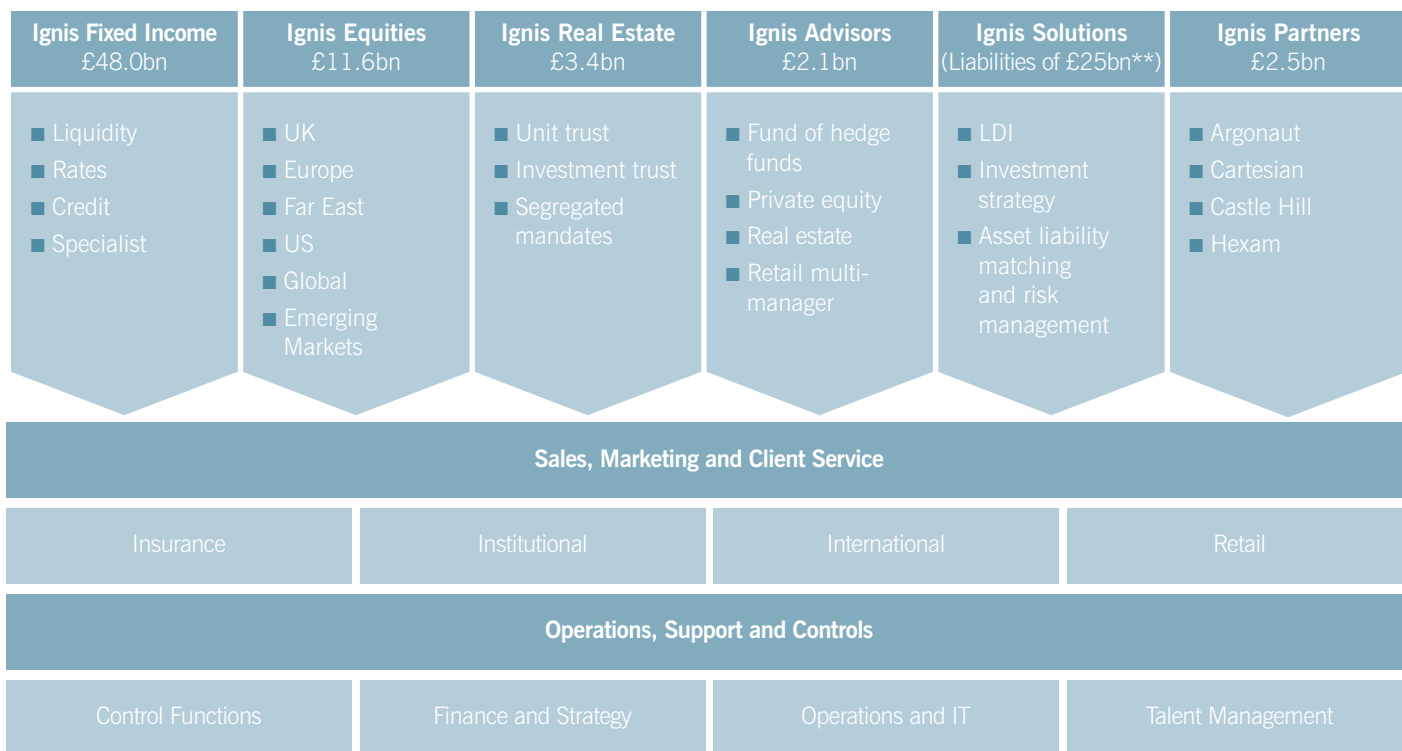
Business unit structure

Investment performance, and the risk taken to achieve it, is at the heart of the business model. Ignis believes that entrepreneurial teams operating in standalone business units are best placed to meet, or exceed, clients’ performance needs. These Ignis business units, each focused on a particular investment capability, are able to devise their own process while sharing a common pool of resources.

Products and services

Existing Ignis products include a range of UK-based unit trusts, a real estate investment trust and offshore SICAVs and OEICs. Being built alongside these are a growing number of specialist products for sophisticated clients.

These include active investment management strategies on a pooled and segregated basis covering all asset classes from high alpha products to Liability Driven Investment (LDI). They also include a fund of hedge funds, derivatives trading, strategic asset allocation and liquidity solutions.



All figures at 30/06/11.

*Source: Internal at 30/06/11 including circa £9.5bn of collateral assets associated with our stock lending programme, which is managed by our investment teams.

**Ignis Solutions is responsible for £25bn of assets managed against liability benchmarks.



“At Ignis clients come first in everything we do. The role of distribution is both to take investment ideas to clients but importantly to also bring the client’s ideas back into the organisation. We want to understand exactly what the client wants to accomplish and use our strengths and creativity to translate this into investment strategies that best meet their needs.”

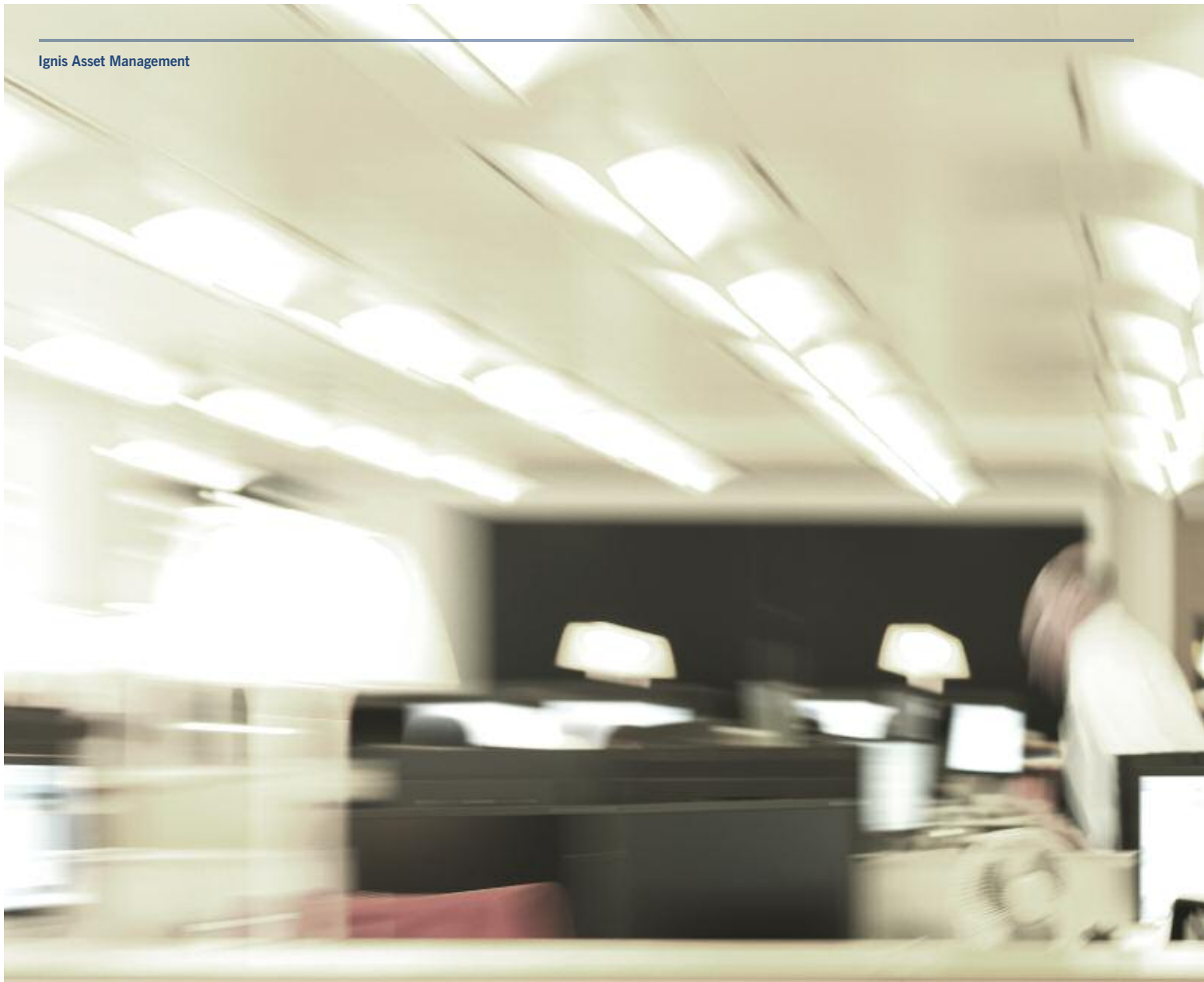


Claude Chene
Director, Global Head of
Distribution

“Ignis has a strong governance and control culture throughout the business. We are focusing our talent and experience on delivering change and continuous improvement, while maintaining a control environment in which clients can have great confidence.”



Tim Roberts
Chief Operating Officer



Ignis Fixed Income

Ignis' fixed income expertise is underpinned by two important elements: a strong team and a flexible, innovative approach. The team, led by CIO, Chris Fellingham, manages £48.0bn* of fixed income assets and comprises more than 30 investment professionals. The team focuses on a number of areas:

Liquidity

Ignis' liquidity funds are designed for qualifying investors looking for instant access to funds on a daily basis. Available in Sterling, Euro and USD, they offer a flexible and stable alternative to short-term money market deposits. The team also manages a short duration cash fund and total assets of £13.1bn*.

Rates

The Ignis rates team manages £19.0bn*. The team has developed the proprietary portfolio modelling tool ClearCurve. The Rates team also includes specialists responsible for managing Ignis' emerging market debt exposure.

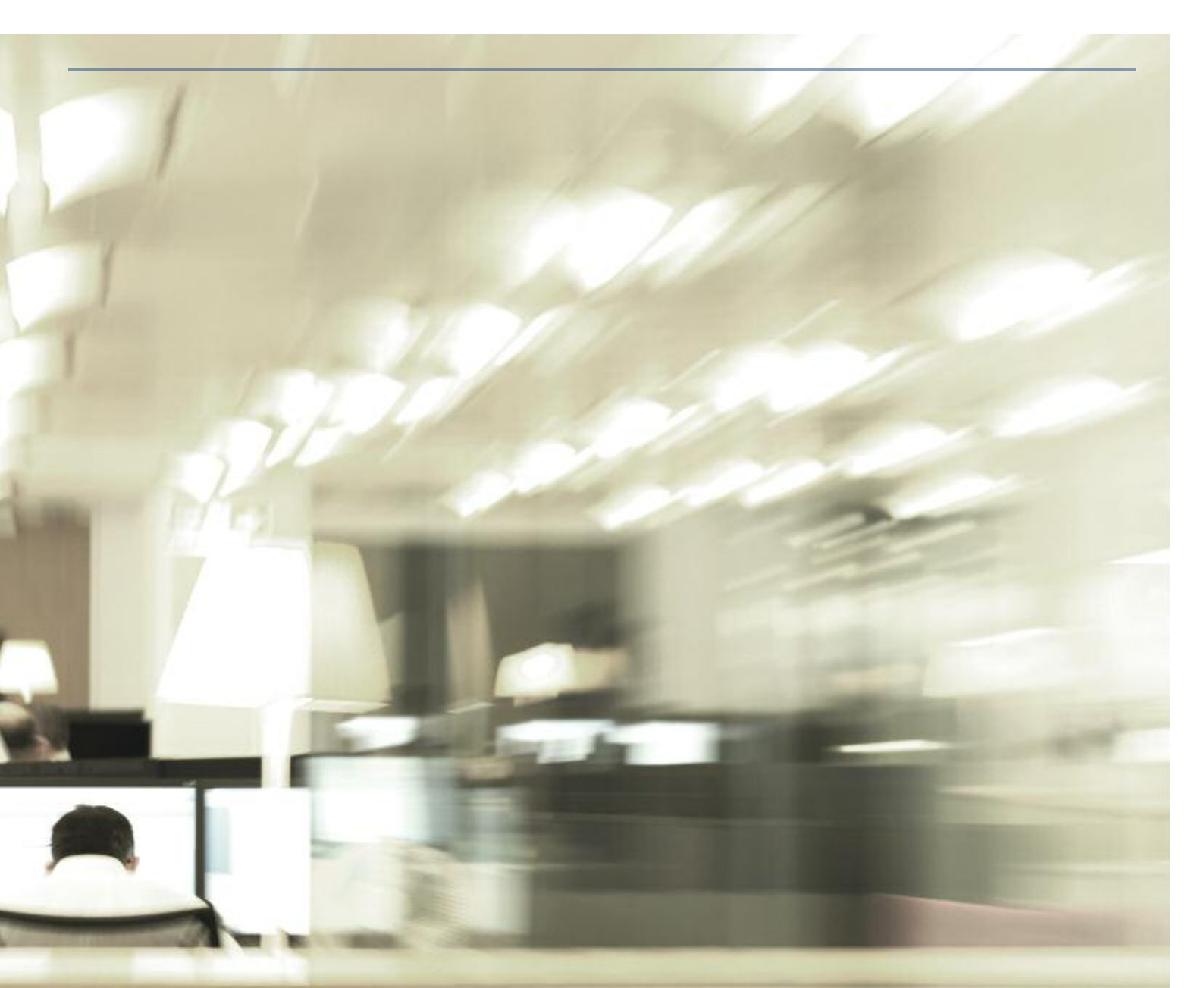
Credit

The Ignis credit team manages £11.9bn* and includes dedicated portfolio managers and research analysts. The team manages funds and specialist mandates.

Specialist Fixed Income

The team manages the group's asset backed securities exposure, currently £4bn, and other volatility type products. It is also responsible for stock lending and derivatives trading.

*Source: Internal at 30/06/11.



“The Ignis Fixed Income team has developed market leading portfolio management tools and processes. These are genuinely different to what is currently available elsewhere and, as well as being used extensively by the Phoenix Group, are generating considerable interest amongst institutional and retail investors alike.”



Chris Fellingham
Chief Investment Officer



Ignis Equities

Ignis equities comprises five teams managing UK, European, Far East, US, Global and Emerging Market portfolios. The team is headed by CIO Ignis Equities and Deputy Chief Investment Officer, Mark Lovett, and manages £11.6bn* of assets.

UK equities

The Ignis UK equity team, which currently manages £7.6bn*, includes a number of sector specialists, analysts and fund managers employing a bottom-up approach to investing with an emphasis on in-depth company analysis.

European equities

Managing £1.3bn*, the Ignis European equity team seeks to deliver consistent outperformance through a predominantly bottom-up investment process with company fundamentals at its core.

Far East equities

The founder members of the Ignis Far East equity team have worked together since 1996 – employing a consistent, proven investment approach. The team manages £709m* of assets and is structured on a country specialist basis with managers employing a fundamental bottom-up stock picking approach.

US equities

The Ignis US equity team manages £1.3bn* and employs a thematic, pragmatic investment process with a focus on well-managed companies with above average growth prospects.

Global equities/Emerging Markets

The Ignis Global equities and Emerging Markets team operates a large cap, value driven approach using a proprietary ranking system and collaborates with Ignis' regional equity teams.

“The Ignis equity teams operate as small specialist teams employing investment processes that suit their respective regions. At the same time there is a high level of collaboration between the teams with daily sharing of ideas to ensure we maximise opportunities across the portfolios.”



Mark Lovett
Chief Investment Officer
Ignis Equities and Deputy Chief
Investment Officer

*Source: Internal at 30/06/11.

Ignis Real Estate

The Ignis Real Estate business unit is highly experienced and well-resourced. Its core strengths include actively searching out properties and adding value to real estate portfolios, focusing on asset management and maintaining high and stable income streams in order to generate outperformance.

Ignis Real Estate manages £3.4bn* of assets in a mixture of collectives and segregated mandates. These include an authorised open ended unit trust (Ignis UK Property Fund) and a FTSE 250 listed closed ended investment trust (the UK Commercial Property Trust), together with segregated portfolios for a mixture of clients.

Gary Hutcheson is Managing Director and Chief Investment Officer of Ignis Real Estate, supported by four Investment Directors, each with in excess of 20 years' experience. The Real Estate team comprises a mixture of professionals including investment managers/asset managers who have direct portfolio responsibilities.

- Investment managers are responsible for fund strategy and construction, for buy/sell decisions and, ultimately, fund performance.
- Asset managers are responsible for maximising income returns through rent reviews, letting activity and identifying opportunities to add value within individual properties.

The investment team is supported by a dedicated research team. Ignis Real Estate also has its own dedicated operations function, which supports the wider management and expansion of the business unit.

“A consistent, disciplined approach is followed across all Ignis Real Estate portfolios. This is based on our belief that an active approach to asset management, with an emphasis on managing rental income, is essential for optimising performance.”



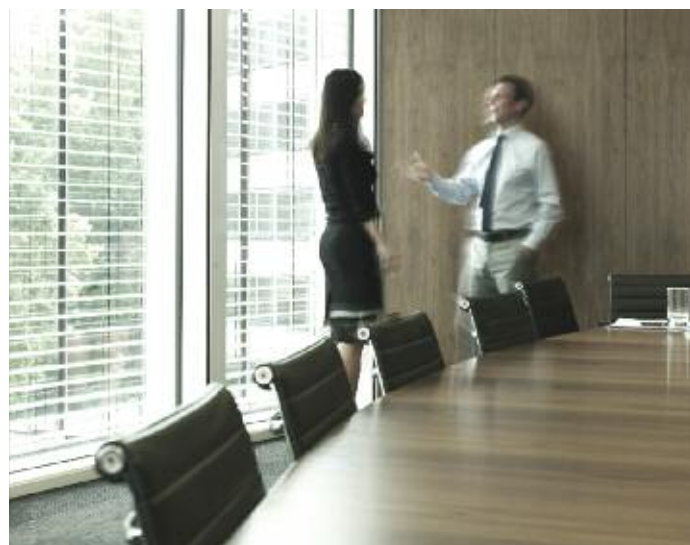
Gary Hutcheson
Managing Director and
Chief Investment Officer
Ignis Real Estate

*Source: Internal at 30/06/11.

“Current markets and longer-term structural shifts present real opportunities for Ignis Advisors. We are particularly well placed to add value to clients through new, specialist products as well as providing multi-asset alternatives solutions that use our expertise across hedge funds, private equity, real estate and long-only funds.”



Michiel Timmerman
Managing Director and
Chief Investment Officer
Ignis Advisors



Ignis Advisors

Ignis Advisors is a specialist Fund of Funds team with capabilities spanning the alternative investments spectrum. The Advisors range currently includes a successful Fund of Hedge Funds, Real Estate and Private Equity fund investments and retail Multi-Manager funds. Managing £2.1bn*, the Ignis Advisors team is led by Michiel Timmerman.

The Ignis Advisors team is made up of highly experienced portfolio managers and sector specialists. While structured as a standalone business unit, the team can also work closely with the other Ignis investment managers in areas such as asset allocation and hedging. Robust legal and risk control checks are adhered to at all times and high levels of transparency are provided for clients. As a dynamic Fund of Funds team, Ignis Advisors is able to offer bespoke products and services to institutional clients, including consultative work and mandates tailored to individual requirements.

*Source: Internal at 30/06/11.



Ignis Solutions

Ignis has extensive experience of working in partnership with the Phoenix Group to manage assets alongside liabilities. This provides a unique perspective from which to develop innovative new approaches to address the longstanding and evolving challenges facing institutional clients. Ignis Solutions specialises in Liability Driven Investment (LDI), Asset Liability Management (ALM) and related risk mitigation.

Ignis Solutions is responsible for £25bn* of assets in a range of strategies managed against liability benchmarks. The team works in partnership with clients to help address their specific circumstances, from the de-risking and deficit-reduction requirements of a defined benefit pension scheme to the capital management concerns of a with profits life fund.

“Ignis Solutions is able to package Ignis’ capabilities to meet the specific needs of our clients. Liability Driven Investment is in increasing demand and the differentiated investment approaches of our teams, particularly in the fixed income space, lend themselves perfectly to meeting these needs.”



Laura Brown
Head of Ignis Solutions

*Source: Internal at 30/06/11.

Ignis Partners

Ignis Partners provides entrepreneurial fund managers with a more independent legal structure and the support of a large organisation through the early stages of their business development. The ownership between Ignis and the fund management partners aligns the interests of the team with those of its investors, with performance a key driver in the success of the business.

Argonaut (European equities)

Founded in May 2005, Argonaut has £1.1bn* in assets under management. The partners are focused on uncovering the very best investment opportunities in Europe and manage relatively concentrated portfolios.

Cartesian (UK equities)

Founded in December 2005, has £222m* in assets under management. The Cartesian team manages high conviction, concentrated portfolios selected from across the entire UK equity universe.

Castle Hill Asset Management (Credit)

Founded in February 2010, Castle Hill seeks to leverage its fundamental research approach and deep industry contacts with a tactical trading overlay. Castle Hill manages £1.2bn* of assets.

Hexam (Emerging Markets)

Hexam was launched in July 2006. The team, which manages long-only retail and institutional products, focuses on wealth creation through high alpha strategies and concentrated portfolios within the emerging markets asset class. Hexam has £1.0bn** of assets.



“Ignis has a significant interest in a series of asset management businesses at various stages of development. Some still benefit from the support Ignis offers while others have moved to their next stage of growth.”



Ian Paterson Brown

Corporate Development
Director and Managing Director
Ignis Partners

*Source: Internal at 30/06/11. **Source: Hexam Capital at 30/06/11.

Introducing the Ignis board



Clive Bannister
Chairman

Clive Bannister joined the Phoenix Group in February 2011 as Group Chief Executive and Chairman of the Ignis board. Prior to this, he was Group Managing Director of Insurance and Asset Management at HSBC. Clive joined HSBC in 1994 and held various leadership roles in Planning and Strategy in the Investment Bank (USA) and was Group General Manager and CEO HSBC Group Private Banking.



Chris Samuel
Chief Executive

Chris was appointed CEO of Ignis Asset Management in August 2009. Prior to joining Ignis, Chris held board positions at Gartmore, Hill Samuel Asset Management and Cambridge Place Investment Management. Before his move into asset management Chris, who qualified as a Chartered Accountant with KPMG, spent 10 years in senior finance roles with Prudential-Bache in London, Toronto, Tokyo and New York. Chris is a member of the Executive Management Committee of the Phoenix Group.



Claude Chene
Global Head of Distribution

Claude was Chief Executive and Chairman of AllianceBernstein Ltd before joining Ignis in October 2011. Prior to joining AllianceBernstein in 1998, Claude held similar distribution positions in New York with UBS Asset Management, Chase Investors Management Corp. and Irving Trust Company. Claude is currently Chairman of the IMA's Institutional Business Committee and a member of the IMA Board.



Chris Fellingham
Chief Investment Officer

Chris joined Ignis in January 2010 having previously worked for George Soros' London asset management business where he was CEO/CIO from the first quarter of 2008. Prior to this Chris spent 12 years at BlackRock/Merrill Lynch Investment Management/Mercury Asset Management where he was Head of London Fixed Income. Previously, Chris spent 10 years at Royal Insurance, again as Head of Fixed Income.



Ian Paterson Brown
Corporate Development Director and Managing Director of Ignis Partners

Ian joined Ignis Asset Management in November 2006 as Chief Operating Officer and a member of the Board of Directors. He was previously Chief Financial Officer at F&C Asset Management until May 2006 and before that held various senior positions at Ivory & Sime, which acquired F&C in 2004.



Tim Roberts
Chief Operating Officer

Tim has been Chief Operating Officer of Ignis Asset Management since January 2010. Prior to joining Ignis, he was a management consultant at McKinsey from 1993-2009, where he was a partner for 10 years and served clients around the world in the financial services sector. Before joining McKinsey, Tim worked as an investment banker at Warburg for five years.



Jonathan Yates
Non-Executive Director

Jonathan joined the Phoenix Group in May 2010 as Group Finance Director and Non-Executive Director of Ignis. Prior to working in the Phoenix Group, he was Chief Executive of Life Assurance Holding Corporation Limited (LAHC) and its subsidiary Windsor Life (between 2004-2009). Jonathan is a qualified actuary and a member of the Phoenix Group Holdings Board of Directors.



Ignis – history

1899

The roots of the company can be traced back to the Foreman and Staff Mutual Benefit Society, a small friendly society formed in 1899. Following a series of mergers, the company eventually became Foreman and Staff Assurance, later FS Assurance, mainly operating within Glasgow's engineering industry.

1983

The insurance industry markets more investment products and FS Assurance forms its own investment management company.

1990 – 1999

FS Assurance merges with Britannia Building Society in 1990, is renamed Britannia Life and grows further through the nineties, both organically and through acquisition. By 1999 Britannic Group plc has acquired a controlling interest and the company becomes Britannic Asset Management with some £19bn under management.

2005 – 2006

Britannic Group merges with Resolution Life and the following year Britannic Asset Management becomes Resolution Asset Management. The assets of Resolution Life and the Abbey National Life businesses are successfully taken on, bringing funds under management to approximately £59bn.

2008

Resolution plc is acquired by Pearl Group, creating the UK's largest life company consolidator. Resolution Asset Management is rebranded as Ignis Asset Management in November.

2009

Chris Samuel is made Chief Executive and the company is further strengthened with the merger of Axial Investment Management – launched in 2006 to provide Pearl with its own asset management, manager selection and asset-liability management capability. The merged entity, retaining the Ignis name, has around £71bn under management.

2010 – 2011

Ignis introduces the business unit structure, strengthens the management team and moves into new premises in the City of London. Ignis' parent company, Pearl, changes its name to the Phoenix Group.



ASSET MANAGEMENT

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