

PRESS RELEASE

Martin Currie Investment Management agrees to buy Sofaer Capital European long/short equity business

European hedge fund included in the acquisition

Martin Currie Investment Management Limited (Martin Currie) today announces that it has agreed to acquire the Sofaer Capital European long/short equity business. Sofaer Capital currently manages approximately \$280 million of assets, of which \$140 million is the Sofaer Capital European Hedge Fund and \$140 million two separate accounts. It is expected that the two principals who manage this fund, Michael Browne and Steve Frost, will join Martin Currie on 1 July 2010. Charlotte Dagg, the investment analyst working on the fund, is expected to join later in the year.

It is expected that the Sofaer Capital European Hedge Fund will be managed by Martin Currie with effect from 1 July 2010. Michael Browne and Steve Frost have worked together on European equities for over 20 years and have co-managed the Sofaer Capital European Hedge Fund since 1 January 2001.

The fund has delivered an annualised return of 8.0%, compared with the MSCI Europe benchmark's -0.6%, and has protected clients investments well during the downturn with an annualised Sharpe ratio of 0.67. The team has delivered consistent long and short alpha throughout its history, with a best calendar-year return of + 27.5% in 2006 and a worst calendar-year return of -4.5% in 2008.

Commenting on the sale, David Helm, chief executive of Sofaer Global Research (UK), said:

"We have been giving consideration to the scaling down of our operations from the UK for some time and this transaction effectively delivers that. Furthermore, the sale of the Sofaer European Hedge Fund to Martin Currie also delivers continuity for our investors which we feel is very important. We are therefore very pleased with this transaction.

We will be maintaining a research capability in London, although withdrawing from European fund management. Essentially, the group is reverting to its roots in Hong Kong where Michael Sofaer started managing hedge funds in 1983. The remaining Asian and Global Funds will all be managed and administered from our office in Hong Kong henceforth. We have seen steady inflows into our funds and we are committed to building on the solid performance we have demonstrated over the years."

Commenting on the acquisition, Willie Watt, chief executive of Martin Currie, said: "We have a strong and vibrant business with a culture that has proven to be very attractive to our employees. Our independence and employee-owned model have also proven exceptionally valuable to our clients as we have continued our programme of investment in our business through the turmoil of the financial crisis. We view the market dislocation as an opportunity to attract the world's best talent. This

acquisition enables us to further strengthen our expertise in European equities, fill an obvious gap in our long/short equity business and add substantial assets under management to our hedge-fund business.”

Allan MacLeod, managing director, added: “We are delighted to welcome Michael Browne, Steve Frost and Charlotte Dagg to our team. They have a very strong long-term record in long/short European equities. Given the additional resources at their disposal at Martin Currie, we are sure that this record will not only continue but improve.”

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Biographical information

Michael Browne joined Sofaer Global Research, together with Steve Frost, in September 2000, to manage the Sofaer Capital European Hedge Fund. Michael started his career in 1986 at BZW Investment Management and by 1994 was assistant director in the European equity team, managing unit trusts and pension funds. In 1994, Chase Asset Management appointed him managing director to re-launch their European asset-management business; in 1998 he was appointed head of international equity fund management. He recruited Steve to Chase Asset Management in early 1997, and they co managed the European funds, including the five-star-rated Chase Vista European fund. In June 1998, he started an internally funded European-equity hedge fund at Chase, with Steve as co-manager.

Steve Frost joined Sofaer Global Research in September 2000 to manage the Sofaer Capital European Hedge Fund. Steve started at BZW Investment Management in 1988. Here, he worked in the same European equity investment team as Michael from 1989, managing unit trusts and pension funds. In early 1997 he moved to Chase Asset Management to work with Michael again. At Chase, Steve was the co-manager of the European mutual funds as well as manager of the Emerging European fund. In June 1998 he started an internally funded European-equity hedge fund, with Michael as co-manager.

Charlotte Dagg joined Sofaer Global Research as investment analyst for the company’s pan-European equity fund in early 2003. A qualified ACA, she had spent seven years at KPMG, latterly working on a range of LBOs, MBOs and takeovers. Since joining Sofaer, she has become a senior analyst, specialising in the consumer sectors.

Notes to editors:

Martin Currie is a specialist active equity manager. From our headquarters in Edinburgh, we manage £11.79 million (US\$ 17,898 million)* for clients worldwide, including financial institutions, charities, foundations, pension funds and investment trusts.

We have over nine years’ experience running hedge funds, with assets under management of US\$1.2 billion as at 1 April 2010. We currently manage six single-strategy equity long/short funds covering Japan, Greater China, Global Resources, Global Energy, Global Financials and Global TMT. We also manage a diversified equity long/short fund – Omnium – which invests in our entire hedge-fund range.

We are a private company, owned and managed by our employees, and are committed to remaining independent. We believe this aligns our interests directly with our clients and is the best foundation for a specialist investment management business in attracting and retaining talented people.

We describe Martin Currie as ‘The Big Boutique’. In practice, this means having the solidity, professionalism and robustness of process of a large company, combined with the distinctiveness, client focus and personal ownership of a small company. We employ 45 investment professionals, offering a blend of internally developed staff and experienced external appointments. Our investment teams are supported by a robust operational platform with experienced and talented people

responsible for the processes around dealing, middle office third-party relationships, investment risk management, legal and risk & compliance.

*As at 31 March 2010

Notes to editors

Sofaer Capital, one of the longest-established hedge-fund managers, was founded by Michael Sofaer in Hong Kong in 1986. The firm today manages over \$600 million across six fundamental equity long/short strategies, and has a highly experienced Asian, European and Global investment team. Most of the firm's investment professionals and staff of 26 people are based in London and Hong Kong. The Sofaer Asian and Pacific strategies were launched in 1989, and the Sofaer Capital European Hedge Fund was launched in June 1998. January 2006 saw the launch of the Sofaer Capital Natural Resources Hedge Fund, followed by the launch of the Sofaer Capital Emerging Markets Hedge Fund in March 2007.

The transaction allows Sofaer Capital to focus on the Asian, Natural Resources and Global offerings from its established office in Hong Kong, while maintaining a research capability in the UK.

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