

Strategic Asset Allocation Service

What is the Strategic Asset Allocation Service?

The Fairbairn Private Bank Strategic Asset Allocation Service (SAAS) is a discretionary investment management service. It seeks to achieve a real (absolute) return in excess of risk-free cash interest rates over a three to five year period. Allocations are made across all of the major asset classes, including cash, bonds, property, equities and alternative investments. Performance is targeted through the strategic asset allocation of a diversified multi asset class investment. This means alterations will regularly be made to the asset class weightings to reflect changing market conditions.

Special Features

- Portfolios can be based in either sterling or US dollars
- Minimum investment level is £100,000 or currency equivalent
- Minimum withdrawal at any one time is £75,000 (providing the minimum investment level is maintained)
- Both partial and total withdrawals may require up to 90 days notice
- Excellent diversification of risk
- Offers good value for money compared to traditionally managed services

Performance

Please note, past performance is not necessarily a guide to future performance.

Sterling Hedged Model Performance vs Benchmark

												Dec-04	YTD	Since Inception*
Model Performance												1.829%	1.829%	1.829%
Cash Rate Benchmark												0.375%	0.375%	0.375%
Model Standard Deviation												%	N/A	N/A
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	YTD	Since Inception*
Model Performance	-0.295%	1.439%	-0.301%	-1.117%	1.744%	1.345%	2.157%	0.123%	1.515%	-0.704%	2.453%	1.483%	10.212%	12.226%
Cash Rate Benchmark	0.375%	0.375%	0.375%	0.375%	0.375%	0.375%	0.375%	0.354%	0.354%	0.354%	0.354%	0.354%	4.486%	4.878%
Model Standard Deviation	6.536%	5.221%	6.153%	6.417%	5.399%	5.325%	5.375%	5.314%	5.843%	5.593%	5.594%	5.686%	N/A	N/A
	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	YTD	Since Inception*
Model Performance	1.927%	0.286%	1.143%	0.109%	-1.755%	0.361%	0.575%	0.850%	0.680%	1.378%			5.649%	18.567%
Cash Rate Benchmark	0.361%	0.326%	0.361%	0.349%	0.361%	0.349%	0.361%	0.380%	0.370%	0.382%			3.659%	8.718%
Model Standard Deviation	5.928%	5.863%	5.452%	4.573%	4.807%	4.749%	4.669%	4.664%	4.643%	5.166%			N/A	N/A

Sterling Hedged SAAS Model performance as at October 2006 (based on income re-invested). Source: Fairbairn Private Bank

*Sterling Hedged Model inception date 1 December 2004

Strategic Asset Allocation Service

US \$ Hedged Model Performance vs Benchmark

												Dec-04	YTD	Since Inception**
Model Performance												0.692%	0.692%	0.692%
Cash Rate Benchmark												0.000%	0.000%	0.000%
Model Standard Deviation												%	N/A	N/A
	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	YTD	Since Inception**
Model Performance	-2.101%	2.201%	-1.894%	-0.238%	1.031%	1.310%	2.582%	-0.493%	0.955%	-1.280%	2.796%	1.151%	6.023%	6.757%
Cash Rate Benchmark	0.167%	0.188%	0.208%	0.208%	0.229%	0.250%	0.250%	0.271%	0.292%	0.292%	0.313%	0.333%	3.041%	3.047%
Model Standard Deviation	10.131%	10.117%	10.153%	9.823%	7.331%	7.065%	7.660%	8.981%	8.939%	8.878%	8.908%	8.868%	N/A	N/A
	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	YTD	Since Inception**
Model Performance	3.870%	0.553%	1.842%	0.978%	-1.683%	-0.157%	1.198%	1.575%	0.482%	2.358%			11.469%	19.003%
Cash Rate Benchmark	0.350%	0.326%	0.363%	0.370%	0.397%	0.391%	0.423%	0.425%	0.411%	0.425%			3.949%	7.116%
Model Standard Deviation	8.187%	7.780%	7.870%	6.673%	6.730%	7.340%	6.630%	7.298%	6.431%	7.197%			N/A	N/A

Model performance as at October 2006 (based on income re-invested). Source: Fairbairn Private Bank

** US \$ Model inception date 29 December 2004

Management Fees

Our fully inclusive fees for this service are as follows:

For sums in excess of £5,000,000	Negotiable
£1,000,000 - £4,999,999	0.65%
£ 500,000 - £ 999,999	0.75%
£ 100,000 - £ 499,999	0.85%

Risks

- The value of your investments and the income from them can fall as well as rise, and you may not get back the original amount invested
- Exchange rate changes may affect the value of your investments
- In view of possible exchange rate and market price movements between receiving your instruction, determining the asset weighting and placing the deals in the market, the actual amount invested may be more or less than the expected initial cash investment

How do I find out more about the new Strategic Asset Allocation Service?

Please contact a member of our Customer Services Team on (International) **+44 (0) 1624 645000** (8am - 8pm) or (UK Freephone) **0800 289936**.

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Registered address: 2 Lambeth Hill, London, EC4P 4WR. 11/06 C71