

IFSL BMAM Structured Growth Fund

2nd Quarter 2010

Objective

To achieve long-term capital growth through a portfolio of structured growth investments, such as zero dividend preference shares, structured notes and other defined return investments including collective investment schemes and transferable securities.

Manager's Comment

We had seen further improvement in the price of structured assets as equity markets consolidated on better than expected corporate and economic news and gross redemption yields of well covered assets reduced accordingly. However, the more recent drop in equity markets as well as the increase in volatility has had an effect on the pricing of certain structured assets which has led to a number of investment opportunities. Whilst the primary market has been quieter recently there have also been some new launches which are offering compelling return profiles.

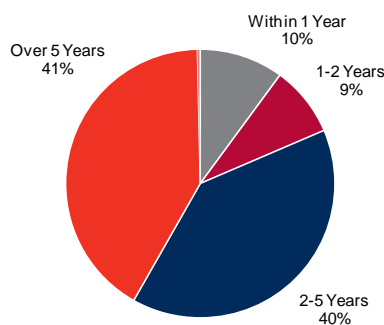
We have been taking advantage of some of these positions and it has been possible to capitalise on them due to the fund taking on a significant amount of new subscriptions. Examples of recent acquisitions include the Barcap 9.5% Synthetic Zero purchased on a GRY of almost 10% and the Morgan Stanley 2015 Autocall offering a no growth GRY in the region of 13%.

With interest rate rises seemingly still some way off and markets being volatile, demand for defined capital return investments does remain strong. We feel that the fund is currently well positioned and we will look to take advantage of further opportunities as they are presented.

Top Ten Holdings

Fund	%
Jupiter Second Split ZDP	6.37
Close UK 2012	6.23
M&G High Income ZDP	6.22
JZ Capital ZDPS	6.03
Barcap 9.5% Synthetic ZDP	5.31
JMP Private Equity	5.02
F& C Private Equity	4.59
Utilico 2016	3.99
M&G Equity Investment ZDP	3.88
Morgan Stanley 0% 2015	3.67

Asset Duration



Fund Facts*

Launch date: 29/03/2010

Fund size: £37 million

NAV Price:
A class: £12.991
B class: £12.928

Latest Yield:
A class: 0%
B class: 0%

Minimum investment:
A class: £10,000
B class: £2,500

Initial charge:
A class: 0%
B class: up to 3%

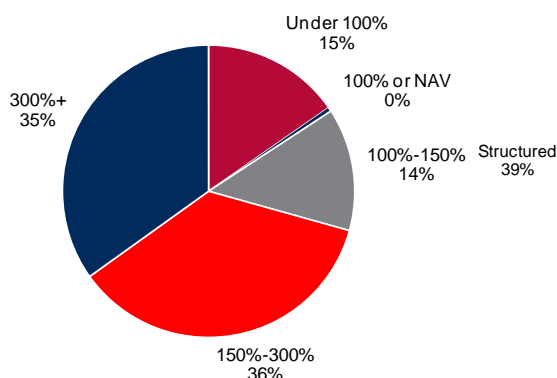
Annual management charge:
A class: 1%
B class: 1.5%

Sedol:
A class: B61MR83
B class: B62WNX9

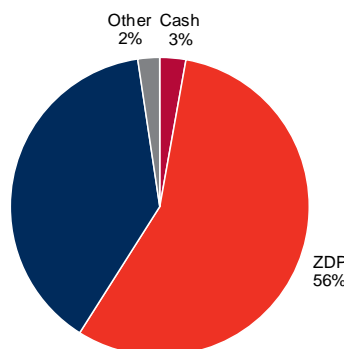
ISIN:
A class: GB00B61MR835
B class: GB00B62WNX98

*as at 30 June 2010

Asset Cover



Asset Type



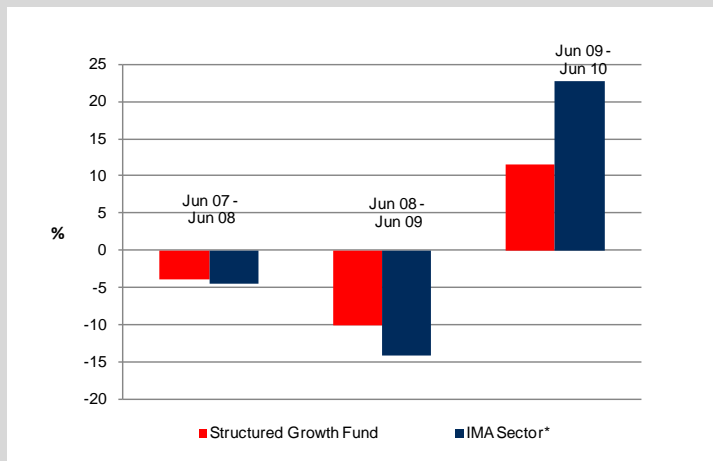
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Performance (%)*

Discrete	Jun 07 - Jun 08	Jun 08 - Jun 09	Jun 09 - Jun 10
Fund	-3.99	-10.09	11.54
IMA Sector **	-4.54	-14.08	22.79
Difference	0.55	3.99	-11.25

Discrete performance chart*



*All performance figures are on a bid to bid basis. Performance relates to A class shares only although other performance data is available on request.
Source: Financial Express to 30 June 2010.

**IMA Specialist GTR (Please note that this is not the fund sector and is displayed for comparative purposes only.)

Please note, the performance record from inception to 29/03/10 is for the Guernsey domiciled Brooks Macdonald Structured Growth Unit Trust. Following the conversion of the fund and all of its assets on this date to a UK Authorised OEIC, the performance thereafter is for the IFSL Brooks Macdonald Structured Growth Fund.

Administration and Valuation

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

Contacts



Jon Gumpel
Director – Investment Management

Jonathan was a founder director of the company in 1991, having worked in the industry since 1986. During his career, he has won a number of investment management awards and sits on both The Asset Management Board and The Group Board.

Jonathan is one of the investment directors responsible for overseeing investment management strategy and asset allocation for Brooks Macdonald Asset Management Ltd.

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Robin Eggar
Fund Manager Director

Robin is a director, who is responsible for the management of client portfolios and pension funds. He leads one of the five investment teams in London. In addition to specialist investment trust research, he is responsible for the company's European funds selection.

Robin joined the company in 2000, having completed a masters in economic history at The University of Edinburgh. Since joining the company, he has gained his Advanced Financial Planning Certificate (AFPC) and Investment Management Certificate (IMC).

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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 a guide to future results. 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.

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