



Press Release

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Distinction Asset Management PLC (Distinction)

Distinction announces the launch of the Cautious Absolute Return fixed income fund (D-CAR) and reveals the fixed income managers selected.

On 1 February, 2012, Distinction transitioned the Cautious Return fund from a single manager fund to a multi-manager absolute return fixed income strategy, now managed by Armstrong Investment Managers LLP (AIM). The fund has £29 million AUM and targets absolute returns. It is designed for investors seeking exposure to fixed income markets but with much greater flexibility than a more traditional approach.

D-CAR:

- Targets consistent positive annual returns
- Targets long term absolute returns of 2% above cash per annum
- Combines top-down global macro view and bottom-up specialist manager skill
- Includes low-cost passive exposures to capture tactical allocations to fixed income beta
- Utilises a risk-focused investment approach

Dr. Ana Armstrong, fund manager and chairman of Distinction, says, “We have designed the investment approach of this fund to take advantage of opportunities across different regions, currencies, types of fixed income instruments and a broad spectrum of markets. We then outsource to specialist managers, utilising varied investment styles, to target consistent returns from a range of traditional and alternative fixed income funds and positions. The mandate is very flexible and does not force an allocation to any particular sub-set of the fixed income universe.”

James de Bunsen, fund manager at AIM, adds, “Our manager selection process focuses on identifying funds and managers capable of delivering consistent returns which are superior to market returns. The managers selected offer best-in-class capabilities across a wide range of investment styles and approaches. The funds selected come from a range of managers, from global asset management houses to boutique specialist funds.”

Funds Selected:

Strategic Bond Funds: M&G Optimal Income, Newscape Strategic Bond, TwentyFour Dynamic Bond, Investec Strategic Bond

Inflation-linked: Fidelity Global Inflation Linked Bond, iShares Index Linked ETF

High Yield: Muzinich Short Duration High Yield

Emerging Market Debt : Investec Emerging Market Debt, Templeton Asian Bond, iShares Emerging Market Bond ETF

Absolute Return Fixed Income Funds: Ignis Absolute Return Government Bond, BlackRock Absolute Return Bond, Kames Absolute Return Bond

Dr. Ana Armstrong comments, “As the market comes to the realisation that inflation is the consequence of the actions of central banks, many safe havens will fail and put cautious investors at risk of significant real and nominal losses. Delivering consistent positive returns will become much more important than just preserving wealth.

We believe our flexible fixed income mandate, which is not structurally long of assets that will be hurt by higher interest rates, is a sensible approach in this type of environment”

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Notes to editors:

About Distinction Asset Management

Distinction Asset Management (DistAM) was founded in July 2010. The group has AUM of £180m across its range of Irish and UK domiciled UCITS funds. The majority these assets are invested in multi-asset strategies which aim to deliver real returns in excess of inflation. Distinction Asset Management is an Appointed Representative of Armstrong Investment Managers LLP (FSA reference number 503693), which is authorised and regulated by the Financial Services Authority.

Armstrong Investment Managers began managing D-Car on 31/01/2012.