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BRIEFING NOTE – FOR IMMEDIATE RELEASE

Sanjeev Shah – Can He Fill Bolton’s Boots?

This is a review of Sanjeev Shah’s pedigree as a fund manager and tenure at Fidelity, prepared by Financial Express fund analyst Sarah Beasley.

- Sanjeev Shah has been with Fidelity since 1996, when he joined as a research analyst covering the food retail, media, pharmaceutical and telecom sectors. Between 1998 and 2002, Sanjeev was assistant portfolio manager to the UK Income fund managers. In October 2002, he took on the management responsibility for the Fidelity UK Aggressive Fund.
- As manager of the UK Aggressive fund, Shah achieved an 88.47%* return in the 34 months he was manager, this saw him in the top decile of his peer group (IMA UK All Companies sector).
- During his time as manager of the UK Aggressive fund Shah achieved an Information Ratio of 1.41, indicating that the risks he was taking were producing excellent returns. Similarly the alpha of the fund during the reign of Shah was high relative to other funds in the sector.
- The statistical ratios achieved by Shah, as manager of the UK Aggressive fund, are remarkably similar to those achieved in the same period by Bolton with the Special Situations fund. The only significant difference is that of the Jensen’s Alpha ratio. This ratio measures the ability of the fund manager to stock-pick. Both Shah and Bolton achieved positive Jensen Alpha showing that they both are superior stock-pickers, but Bolton’s score was significantly higher than that of Shah’s.
- Since August 2005 Shah has been managing the Luxembourg based Fidelity European Aggressive fund. In this period the fund has achieved a return of 32.69%** (gross return), which puts it in the second quartile compared with all offshore equity funds. Compared to other European funds, Shah ranks more highly.
- The Special Situations and European Aggressive funds have been run with very similar investment approaches, suggesting that Bolton and Shah to share a similar investment style. Both managers operate a value approach whereby they seek out companies that are out of favour looking for future potential that other managers have not yet recognised. They look for turnaround or recovery situations, unrecognised growth and potential buy-outs.
- The similarity in investment style suggests that Shah will run the Special Situations fund in a manner similar to Bolton, and Shah’s ability to stock-pick hints that he might be as successful as Bolton.

* Total return bid-to-bid percentage performance 14/10/2002 to 09/08/2005.

** Gross return bid-to-bid percentage performance 09/08/2005 to 14/05/2007.
Ratio data is calculated for the 34 month period between 14/10/2002 and 09/08/2005.
IMA UK All Companies sector performance data is available with this press release.

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