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## **GARTMORE FOCUSES ON ACTIVE INVESTMENT MANAGEMENT**

Gartmore today announces the sale of its passive equity business to State Street Global Advisors ("SSgA") for an undisclosed sum. The passive equity business consists of 20 staff, approximately 150 institutional clients and approximately £18.1 billion of funds under management.

Approximately £12.1 billion of the £18.1 billion funds under management comprises client relationships which will transfer to SSgA. The remaining £6 billion relates to continuing Gartmore clients to which SSgA will provide passive equity services on a sub-advisory basis. These clients principally comprise Gartmore's passive unit trusts and institutional clients that employ a combination of active and passive techniques. Investors in the index tracking unit trusts are not affected and will continue to maintain their relationship with Gartmore.

Following the sale of the passive equity business, Gartmore will focus on its chosen strategy of active fund management for institutional and retail clients; this represents about 95% of its current business. Over the last two years, Gartmore has been successful in developing higher margin active products including hedge funds, a new range of Continental European mutual funds and innovative products for the UK Retail market such as the Gartmore Stable Growth Fund and Gartmore's range of five Focus Funds.

Glyn Jones, Chief Executive of Gartmore, said:

*"We are delighted that SSgA is acquiring our passive equity business and believe that the clients and staff who are transferring will benefit from the resources and expertise of SSgA, one of the largest global passive managers.*

*Gartmore will now focus all of its resources on its chosen strategy of active investment management. We believe that we have the fund managers, the research analysts and the investment process to further develop innovative, market leading active investment products."*

Gartmore's passive clients will see few changes since the assets will continue to be managed by the same team under the leadership of Stewart Reed. Clients will, however, benefit from the additional resources, services and expertise that SSgA can offer.

Stewart Reed, Head of Passive Equity Management at Gartmore, said:

*"We are especially pleased to join SSgA. They are committed to continuing our growth in the passive equity business. Our two teams have been working together to ensure that there will be a seamless transition of business."*

-ENDS-

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### **Notes to Editors**

#### ***Key notes on Gartmore:***

**Gartmore Investment Management plc** is a provider of active investment management products and services to professional advisers, private and institutional clients around the world. Headquartered in London, Gartmore has offices in, Germany, Sweden, Japan, USA, Jersey and Scotland. Following the sale of its passive equity business, the Company has £39 billion of active funds under management and has over 800 members of staff.

Gartmore is 90% owned by Nationwide Mutual Insurance Company and 10% by staff. Nationwide Mutual had assets under management of US\$194 billion and is ranked #128 on the *Fortune 500* as at 31<sup>st</sup> December 2000.

For further information on Gartmore please consult <http://www.gartmore.com>.

#### ***Key notes on SSgA:***

**SSgA**, the investment management arm of **State Street Corporation**, uses quantitative and traditional techniques to manage [\$703] billion in investment programs and portfolios for institutional and individual investors. In addition to Boston, SSgA has full investment operations in Hong Kong, Tokyo, Singapore, London, Paris, Montreal, Munich and Sydney. It also has offices in Brussels, Dubai, Moscow, Prague, Santiago, Toronto, Zurich, and Montpellier, France. In the United States, it has offices in Atlanta, Ga.; Boca Raton, Fla.; Chicago, Ill.; Clearwater, Fla.; Greenwich, Conn.; Hartford, Conn.; Jacksonville, Fla.; Manchester, N.H.; Naples, Fla.; New York, N.Y.; Osterville, Mass.; Purchase, N.Y.; and San Francisco, Calif. For more information, visit SSgA's web site at [www.ssga.com](http://www.ssga.com).

#### ***Key notes on Advisers:***

Lexicon Partners Limited advised Gartmore in relation to the disposal. Lexicon Partners Limited is an independent corporate finance advisory firm which focuses on the financial services sector. It is based in London and has around 25 employees. Lexicon Partners Limited is regulated by The Securities and Futures Authority Limited.

*Issued and Approved by Gartmore Investment Limited (GIL). GIL is regulated by IMRO and the Personal Investment Authority. GIL is a member of the NatWest and Gartmore Marketing Group. Telephone calls may be recorded.*