

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Asset Management Investment Company PLC, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

ASSET MANAGEMENT INVESTMENT COMPANY PLC

Unsolicited proposals to remove the Board

Advice to Shareholders

Notice of an Extraordinary General Meeting of the Company to be held at 10.30 a.m. on 8 June 2005 at The UK Society of Investment Professionals, The Weaver Suite, 90 Basinghall Street, London EC2V 5AY is set out at the end of this document.

A yellow Form of Proxy for use at the Extraordinary General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company's registrar, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZR as soon as possible but in any event so as to arrive not later than 10.30 a.m. on 6 June 2005.

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on pages 5 to 12 of this document and which recommends you vote against the Resolutions to be proposed at the Extraordinary General Meeting.

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EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	10.30 a.m. on 6 June 2005
Extraordinary General Meeting	10.30 a.m. on 8 June 2005

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Act” or “Companies Act”	the Companies Act 1985 (as amended)
“Company” or “AMIC”	Asset Management Investment Company PLC
“Directors” or “Board”	the current directors of the Company
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 10.30 a.m. on 8 June 2005, notice of which is set out at the end of this document
“Form of Proxy”	the yellow form of proxy accompanying this document for use by Ordinary Shareholders in connection with the EGM
“Mr Robb”	Mr George Robb, one of the Requisitionists
“Resolutions”	the resolutions set out in the notice convening the EGM
“Ordinary Shares”	the ordinary shares of 25 pence each in the capital of the Company
“Ordinary Shareholders”	the holders of Ordinary Shares
“Requisitionists”	together, Mr Robb, Mr and Mrs Barry Aling (acting through their nominee, Principal Nominees Limited) and Mr John Taylor
“UKLA”	the UK Listing Authority, being the Financial Services Authority acting in its capacity as competent authority under the Financial Services and Markets Act 2000
“ZDP shares”	zero dividend preference shares

KEY INFORMATION

The information set out below should be read in conjunction with the full text of this document. Shareholders should read the whole of this document and not rely solely on the summary set out below.

- Mr Robb, Mr Barry Aling and Mr John Taylor have (either directly or through their nominees) requisitioned the Extraordinary General Meeting. Their proposals are that they and Mr Hugh Tilney be appointed as directors of the Company, and that all members of the current Board be removed from office.
- Mr Robb was Managing Director and Chief Investment Officer of the Company until Mr Norman Riddell was appointed Executive Director and assumed Mr Robb's managerial responsibilities on 1 July 2004. Mr Robb remained a member of the Board (as Chief Investment Officer) until 17 December 2004 and an employee until 31 December 2004.
- During the latter part of Mr Robb's ten year tenure at the Company and at the AGM in March 2004, certain shareholders expressed frustration at the poor performance of the Company and at the failure to determine a clear strategic direction for the Company both pre and post October 2006.
- As announced on 16 December 2004, Mr Robb agreed to stand down from the Board as the Company reviews its strategic options ahead of the October 2006 date, when the Company's ZDP shares are due to be repaid and the Company is due to be wound-up.
- Since the second quarter of 2004, in line with recommendations from Mr Riddell and a management committee led by him, the Board has instituted significant reductions in operating costs to maintain the solvency of the Company, including closing the Company's US and Canadian based operations and consolidating its resources into a serviced office in London. This has resulted in a headcount reduction from 12 to 4 and a significant reduction in the Company's total expense ratio.
- Since the departure of Mr Robb the Board has undertaken, and continues to undertake, an extensive review of the Company's existing investments, a refocusing of investment strategy and a review of options ahead of the October 2006 deadline, with the specific intention of enhancing shareholder value. During the course of this review, the Board has identified matters of significant concern regarding certain of the Company's investments.
- It is the Board's strongly held view that it is not in the interests of the Company or of the shareholders as a whole that Mr Robb, Mr Barry Aling, Mr John Taylor or Mr Hugh Tilney be appointed directors in the place of the current members of the Board.
- Mr John Taylor and Mr Hugh Tilney are both executive directors of, and investors in, International Foreign Exchange Concepts, Inc. ("FXC"). FXC is currently by value the largest, and one of the strongest performing, investee companies in the Company's portfolio. As at 31 March 2005 FXC represented 48.8 per cent. of the Company's invested portfolio (excluding cash). Accordingly, the Directors are concerned that Messrs Taylor and Tilney would, as a result of their personal interests, be unable to act in an independent manner, free from conflicts of interest and in the best interests of the Company and its shareholders taken as a whole.
- In November 2004, FXC made an offer to buy back the conversion rights attaching to the US\$5 million convertible loan notes held by the Company in FXC. FXC repeated this offer informally in March 2005. The Board refused to accept the offer as there was a material difference between the valuations being applied by FXC and those being applied by the Company and acceptance of the offer would have diminished shareholder value.
- So far as the Board is aware, neither Mr Barry Aling, nor Messrs Taylor and Tilney have previously acted as directors of a UK listed company or an investment trust. Accordingly, the Directors consider that they have no relevant experience or suitability to act as directors of a UK listed company or to be involved in managing an international private equity investment fund management business and a split capital investment trust.
- In accordance with the terms of his severance agreement, at the time of his departure Mr Robb received £240,000 from the Company, split between a contribution to his personal pension and a payment made directly to him. Despite a request to do so, as at close of business on 11 May 2005 (the latest practicable date prior to this publication of this document) Mr Robb has not confirmed whether the current intention is that he is re-employed by the Company, nor whether, in those circumstances, he intends to repay all or any part of those severance payments to the Company.

Your Directors do not believe that the proposed replacement directors are in a position to carry through the changes the current Board has begun to implement as a result of its strategic review to the satisfaction of shareholders, nor that the proposed directors have the relevant experience and independence to take the Company forward and enhance value for all shareholders. Your Directors are therefore of the view that the Requisitionists' proposals are wholly contrary to the interests of the Company and the shareholders taken as a whole and are accordingly recommending unanimously that Ordinary Shareholders

VOTE AGAINST THE RESOLUTIONS AT THE EGM.

ASSET MANAGEMENT INVESTMENT COMPANY PLC

(incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2918390)

Registered Office:
Gainsborough House
33 Throgmorton Street
London
EC2N 2BR

Directors: Sir Frederick Douglas David Thomson, Bt., *Non-Executive Chairman*
David Lindsay Martin-Clark, *Non-Executive Director*
Norman Malcolm Marshall Riddell, *Executive Director*
Hugh Ward, *Non-Executive Director*

12 May 2005

To Ordinary Shareholders and, for information only, to the holders of ZDP shares in the capital of the Company

Dear shareholder,

UNSOLICITED PROPOSALS TO REMOVE THE BOARD

1. Background to and reasons for the EGM

As announced by the Board on 22 April 2005, Mr Robb, Mr and Mrs Barry Aling and Mr John Taylor have (directly or through their nominees) requisitioned an extraordinary general meeting, as they are entitled to do by virtue of holding in aggregate not less than 10 per cent. of the Company's ordinary shares in issue.

The requisition notice requires the Company to call an extraordinary general meeting to consider various Resolutions including that Messrs Robb, Aling and Taylor and Mr Hugh Tilney are each appointed as directors of the Company, replacing all members of the current Board, namely Sir David Thomson, Mr David Martin-Clark, Mr Norman Riddell and Mr Hugh Ward. As at close of business 11 May 2005 (the latest practicable date prior to the publication of this document) no public explanation has been provided by the Requisitionists as to the reasons why they are seeking the removal of your Board.

Accordingly, and pursuant to the requirements of the Companies Act, an Extraordinary General Meeting has been called for 10.30 a.m. on 8 June 2005 at The UK Society of Investment Professionals, The Weaver Suite, 90 Basinghall Street, London EC2V 5AY to vote on the Resolutions. Notice of the Extraordinary General Meeting, containing the Resolutions in full, is set out at the end of this document. This document is also accompanied by a Form of Proxy for use at the EGM.

Mr Robb was Managing Director and Chief Investment Officer of the Company until Mr Norman Riddell was appointed Executive Director and assumed Mr Robb's managerial responsibilities on 1 July 2004. Mr Robb remained a member of the Board (as Chief Investment Officer) until 17 December 2004 and an employee until 31 December 2004. At that time Mr Robb agreed to stand down from the Board as the Company reviewed its strategic options ahead of the October 2006 deadline, when the Company's ZDP shares are due to be repaid and the Company is due to be wound-up. In the month following the departure of Mr Robb from the Company, the Company's ordinary share price rose from 49.5 pence (on 31 December 2004) to a high of 65.25 pence (on 24 January 2005) and remained as high as 61.5 pence on 31 January 2005.

During the latter part of Mr Robb's ten year tenure at the Company and at the AGM in March 2004, certain shareholders expressed frustration at the poor performance of the Company and at the failure to determine a clear strategic direction for the Company both pre and post October 2006.

Since the second quarter of 2004 your Directors have been taking strong action and making changes with the aim of reversing this poor performance. In addition, since Mr Robb's departure the Board has been undertaking, and continues to undertake, a comprehensive strategic review with the aim of further improving performance and enhancing shareholder value.

The Board notes that, whilst the Company's ordinary share price rose in the month following Mr Robb's departure, since announcement of the Requisitionists' proposals, including Mr Robb's reinstatement as a director, the Company's ordinary share price has fallen from 51 pence (on 21 April 2005) to 45.5 pence (on 11 May 2005, the latest practicable date prior to the publication of this document) notwithstanding the fact that Mr Robb has been purchasing Ordinary Shares in the market in that period.

2. Action Already Taken by your Board and Ongoing Strategic Review

In response to the increasing concerns of shareholders, the Board has demonstrated a determination to improve the position since early in 2004 and has already taken strong action to do so. The Board has implemented, and continues to implement, management changes and a number of cost cutting measures and strategic changes. These changes have arisen as a result of reviews undertaken in the second quarter of 2004 (in relation to costs) and since December 2004 (in relation to investment and other strategic issues).

The Directors believe that the effect of these changes will be far reaching, but that it will take a period of time before the benefits are fully felt. The changes include:

- since the second quarter of 2004, undertaking a significant cost reduction programme;
- since December 2004, reviewing current investments and investment strategy and refocusing the Company's resources on the UK fund management industry;
- since December 2004, reviewing and refining the Company's valuation methodology;
- developing proposals for a capital reconstruction and possible capital raising in advance of October 2006; and
- planning an orderly Board reorganisation to be implemented over the coming months.

Further details of these proposals which have been, or are being, developed and implemented with the aim of ultimately enhancing shareholder value are set out below.

In addition, on 22 April 2005 the Company converted US\$3 million of its existing bank loan into sterling, crystallising approximately £500,000 of capital gain for the Company. The Board will consider whether it is appropriate to make further conversions in the future.

Although the Company has experienced very difficult circumstances over the last two to three years, the Board is now confident that the strategy outlined in this document will produce improvements in the Company's performance and will enhance shareholder value. Your Company now needs to concentrate on implementing the Board's refocused strategy and new disciplines. The Directors consider that a departure from this strategy towards what the Board can only assume would be a return to previous strategies is highly unlikely to result in an improvement in the financial position of the Company or an increase in shareholder value.

Your Board does not believe that the proposed new directors have sufficient relevant experience or independence, nor are they sufficiently free from conflicts of interests, to implement such a far ranging strategic review in a manner which is in the interests of ALL shareholders.

(a) Cost Reduction Programme

Since the second quarter of 2004, in line with recommendations from Mr Riddell and a management committee led by him, the Board has implemented a rigorous cost reduction programme in relation to all aspects of the business of the Company in order to maintain the solvency of the Company. This arose as a result of a peak in the Company's costs in 2003 at which time costs were disproportionately high in relation to the value of the Company's investment portfolio.

The programme has resulted in significant reductions in operating costs arising from closure of the Company's US and Canadian based operations and consolidation of its resources into a serviced office in London. The Company's total expense ratio has reduced from 5.6 per cent. (for the year ended 30 September 2003) to 3.9 per cent. (for the year ended 30 September 2004) and is expected to reduce to 2.4 per cent. for the year ended 30 September 2005. The Company's total expense ratio will however be increased beyond the level the Company had hoped to achieve this year as a result of the additional advisers' and other costs arising from dealing with the Requisitionists' proposals. In addition there has been a headcount reduction from 12 to 4 since April 2004.

(b) Strategic Review of Current Investments and Refocus of Investment Strategy on UK Fund Management Industry

Since December 2004, the Directors have been undertaking an in-depth assessment of the Company's investment portfolio and its strategy in relation to existing and future investments. The Board has a clear view of the strategic direction in which it wishes to take the Company and detailed plans to achieve its aims.

The Board has concluded that the Company may be viewed as having been too willing historically to advance additional funds to companies within its portfolio without there being clear and specific plans regarding the use for such funding. Since December 2004 the Board has implemented a policy of vetoing new or additional investment or exposure except in cases where the Directors are confident an acceptable return can be achieved.

The Directors are acutely aware of the immaturity of the Company's current investment portfolio. As a result, the Board has been developing detailed proposals to enable the life of the Company to be extended, so that its portfolio can be realised at maximum value over time.

The Board is also aware of shareholder dissatisfaction with the mismatch between the geographic location of the Company's principal investments and that of most of its shareholders. As a result, the Board's strategy is to shift the focus of the Company's resources away from US investment companies and take full advantage of the current opportunities to invest in the UK.

Using the Company's current management team, consisting of Mr Norman Riddell, Ms Connie Arcella, Mr Mike Pritchard and Mr Selwyn Kletz, the Board is keen to modify the distinctly "hands off" approach that the Company has historically adopted in relation to its investee companies. The intention is to replace the previous approach with an approach which is both supportive of investee companies and at the same time demanding and hard headed, so as to protect the interests of the Company's shareholders.

The Board believes that the considerable knowledge and experience of the current management team should be combined with the expertise of Norman Riddell & Associates Limited ("NRAL"), (a company previously controlled by Mr Norman Riddell) to provide support functions and added value services to those companies within its portfolio. With this in mind, NRAL has this month recruited a very experienced sector practitioner and additional resources will be added, as required. NRAL provides consultancy and advisory services to the financial services sector, with an emphasis on advice to asset management businesses. The Company acquired 49 per cent. of shares of NRAL from Mr Riddell and his co-owner in 2003 (with shareholder consent).

In relation to certain of the Company's existing investments, the Board has identified matters of significant concern and has made certain changes as a result of the strategic review as set out below.

AMIC Distribution Partners Inc. ("ADPI")

In 2001 under the previous management, the Company was instrumental in backing the creation of ADPI, a third party marketing company that was to provide sales and marketing services to companies both in and outside of the Company's portfolio of companies. The Company made an initial investment of US\$2.5 million, based on ADPI's preliminary projected cash requirements. The Company subsequently received requests from ADPI to advance working capital funds, in order to continue the operations of the business. Between February 2003 and December 2004 the Company advanced a total of US\$4.141 million in working capital to ADPI on the recommendation of the

former management team. ADPI was unable to source alternative finance either from external sources or from other shareholders.

In the third quarter of 2004 the Company's current management team took greater control of ADPI's operations, in order to reduce the Company's ongoing cash drain and exposure. A substantial cost-cutting exercise was undertaken and the Company explored with ADPI the possibility of refocusing ADPI on institutional business only. The Company also considered a sale or closure of the ADPI business.

After careful consideration of the various strategic options the current management team of the Company determined that ADPI was not viable as a going concern and recommended to ADPI's board that it be placed in liquidation. As a result, the Board has had no option but to write down the entire value of the Company's investment in ADPI to nil. The Company has, however, been integral in the effective wind-up of the ADPI business, ensuring that its obligations in respect of liabilities within the ADPI business are minimised. In the four months since December 2004, the Company has provided limited funding of US\$323,400 to ADPI to enable the orderly winding-up. This compares with an average monthly funding of US\$178,000 between February 2003 and December 2004.

Valenzuela Capital Partners LLP ("VCP")

In January 2001, when the Company made its original investment in VCP, the Board agreed the structure of the proposed investment and delegated responsibility to a sub-committee, comprising of Mr Robb and another former director, to finalise details of the transaction. Following the recent strategic review, it has come to light that one individual has been allowed to retain majority voting control of VCP (regardless of the size of his equity interest), has unfettered management control and cannot be dismissed. The Board as a whole was not made aware of these material facts at the time of the investment.

As a result of the disappointing commercial performance of this investment, the Company's current management team has been attempting, and continues to attempt, to reconstruct this business in difficult circumstances.

MMCM Holdings Inc. ("MMCM")

The Company has invested a total of US\$5.5 million in MMCM since its initial investment, all of which the Board has now written down to nil. In line with the Board's new strategy in relation to additional funding requests (described above) the Directors have not sanctioned any additional funding since December 2004, despite having received a further proposal from MMCM in April 2005. The Board declined this proposal because it did not consider an acceptable return would be achieved for its shareholders.

International Foreign Exchange Concepts Inc. ("FXC")

As mentioned above, FXC is currently by value the largest of AMIC's investee companies and the strongest performing investment in the Company's portfolio. As at 31 March 2005, FXC represented 48.8 per cent. of the Company's invested portfolio (excluding cash). Two of the Requisitionists' proposed directors, Mr Taylor and Mr Tilney, are executive directors of FXC based in New York. Both are also investors in FXC. In the case of Mr Taylor, the stake is significant. In addition, five other persons acknowledged to be acting in concert with Mr Robb in connection with the proposals to remove your Board are senior employees of FXC.

In November 2004, FXC made an offer to buy back the conversion rights attaching to the US\$5 million convertible loan notes held by the Company in FXC. FXC repeated this offer informally in March 2005. The Board has refused to accept the offer as there was a material difference between the valuations being applied by FXC and those being applied by the Company and acceptance of the offer would have diminished shareholder value.

Hillview Capital Advisors LLC ("Hillview")

In the summer of 2004 the previous management team conducted certain negotiations with Hillview in relation to the restructuring of its loan notes held by the Company, the results of which were not

considered by the Board to be in the Company's best interests. The current management team took over these difficult negotiations in October 2004 with the aim of recovering the position and some progress has been made.

(c) Review of Valuation Methodology

Shareholders have previously raised concerns about the valuation methodology being adopted by the Company. In response to this, in December 2004 the Board instructed an independent third party, Peter Smaill, to assess the Company's valuation methods. The Directors are pleased to confirm that the review concluded that the Company's valuation methods are sound, given the special nature of the assets subject to the recommendation that the valuation methods require support from complementary analyses. Since receipt of the report the Company has implemented this recommendation.

The Board believes that constant review of the Company's valuation methodology will enable the Company to achieve a greater level of success. As a result, in March 2005 the Board set up a valuation committee, with responsibility for conducting half-yearly valuation method reviews (in March and September of each year) and for considering any changes necessary to valuation methods. Currently, the members of the valuation committee are Sir David Thomson, Mr Hugh Ward, Mr Norman Riddell and Ms Connie Arcella. The Board has also been seeking an independent, suitably experienced, third party member to join this committee. Due to the current uncertainty caused by the EGM requisition, identifying and appointing such a person in the short term may be more problematic. In September 2004, the Board also introduced a detailed subjective factors review, which will be undertaken by the members of the executive management team, in advance of each valuation committee review.

(d) Proposed Capital Reconstruction and Possible Capital Raising

The Board recognises that the winding-up date in October 2006 creates uncertainty over the Company's future, particularly as many of the portfolio investments are relatively immature and a forced realisation of the portfolio would be unlikely to maximise the value from these investments which could result in significant value destruction. The Board was not satisfied that this was being sufficiently addressed and this was one of the reasons for implementing the management changes which took place in 2004. For some time the Board has been considering, with its advisers, proposals for a capital reconstruction and expects to put forward proposals as soon as possible after the EGM and following discussions with major shareholders.

These proposals are likely to include an extension to the life of the Company in order to allow orderly realisation of the Company's investments and thus maximise the value of the portfolio investments. In order to achieve this, it will be necessary to re-finance the existing ZDP shares.

To facilitate those ZDP shareholders who require an exit in October 2006, it is envisaged that the Company will make a tender offer for a minimum of 30 per cent. of the ZDP shares then in issue. Additional amounts may be made available depending on additional fund raisings and realisations from the portfolio.

It is also proposed that the holders of ZDP shares will be offered the chance to continue their investment on terms whereby their ZDP shares will compound at the current rate until the October 2006 deadline and will then accrue at a new reduced rate which will be determined in the light of prevailing market conditions at the time the reconstruction is put to shareholders. Further, it is possible that the existing ZDP shares may be replaced by 3 new ZDP share issues that will expire in 2008, 2010 and 2012. This will allow the Company to repay such new shares from the future realisations from the portfolio.

In order to maximise the total return to investors going forward, the Board is also considering changes to the dividend policy in the light of the proposed refocusing of the Company's investment strategy and the type of instruments the Company expects to invest in going forward.

The Board is also considering raising additional capital, possibly through the issue of convertible loan notes, in order to fund a larger redemption of ZDP shares in 2006 and to provide additional funds for new investments.

It is expected that the Company will discuss these proposals with major shareholders as soon as practicable after the EGM and in any event by the end of June 2005. Final proposals should then be put to shareholders for approval in September 2005.

(e) Ongoing Board reorganisation and succession planning

As part of the Board's strategic review and general succession planning it is proposed that certain changes be made to the Board over time and in an orderly manner, so as to ensure a measure of continuity and stability within the Company's management and strategic direction.

In July 2004, as the first stage of a planned programme to replace the Board with younger and experienced directors, the Board appointed Mr Hugh Ward, the former chief executive of Invesco in the UK, as a non-executive director.

Norman Riddell (who had previously been a Non-Executive Director of the Company) was asked by the Board to become an Executive Director in July 2004 to help the Company through a period of significant change to its management and its cost base. This appointment was never envisaged at the time of the Company's investment in NRAL. As the process of management change and cost reduction has now largely been completed, Mr Riddell will revert to supporting the Board from within NRAL. His expertise and services will continue to be provided to the Company under the existing consultancy agreement with NRAL with the aim of building value for the Company's investments and assisting in crystallising gains through disposals (where appropriate), whilst providing continuity of management and maintenance of the relationship with investee companies.

As a result of these proposals regarding the role of Mr Riddell and NRAL in the Company's management, and in response to shareholder concerns regarding his independence, Mr Riddell has offered to stand down from his position as a director at the first board meeting following the Extraordinary General Meeting (irrespective of whether or not the Resolutions are passed) and the Board has accepted this offer.

Since December 2004, two highly-regarded individuals have been identified and have indicated their willingness to join the Board as non-executive directors:

- Mr Ian Buckley (54) was Chief Executive of Smith & Williamson for ten years from 1985 to 1995 and subsequently Chief Executive of EFG Private Bank Limited and Tenon Group Plc. He became an Executive Director of Rathbone Brothers plc in 2003 and will bring to considerable knowledge and experience to the Board.
- Mr Christopher Michael Fraser Campbell-Birkett (44) has over 20 years' experience developing banking and investment businesses in UK, Europe, Asia and Latin America. He was Chief Executive of Minster Trust and Groupama Asset Management for 6 years prior to leading a bid to buy the bank and investment business. He has recently undertaken a year-long global research project of strategic business development within the investment services industry.

It is the Board's intention to appoint these two additional directors at the first board meeting following the holding of the EGM.

Subject to those appointments taking effect and once plans for the proposed capital reconstruction described above are finalised, Mr David Martin-Clark has indicated that he will retire as a director.

In addition, Sir David Thomson has indicated that he intends to retire as Chairman by the next AGM.

Following such changes, the Directors consider the Company will continue to be a fully staffed, self managed investment company with a highly respected and experienced independent board of directors.

3. Proposed New Directors

Your Board has a number of concerns regarding the Requisitionists' proposed new Board members:

- **Mr Robb** (62) has requisitioned the Extraordinary General Meeting within just a few months of having accepted a considerable sum of money from the Company, as agreed under his severance

package in respect of the termination of his employment. In accordance with the terms of his severance agreement, at the time of his departure the Company paid Mr Robb a total of £240,000, split between a contribution to his personal pension and a payment made directly to him.

- Despite a request by the Company, as at close of business on 11 May 2005 (the latest practicable date prior to the publication of this document) Mr Robb (and his fellow Requisitionists) have not confirmed whether it is their current intention that Mr Robb be re-employed by the Company and, if so, in what position and on what terms. Nor has Mr Robb confirmed whether, in those circumstances, he intends to repay all or any part of those severance payments to the Company.
- **Mr John Taylor (62) and Mr Hugh Tilney (62)** are both directors of, and investors in, FXC. In the case of Mr Taylor the investment represents a significant stake in FXC. FXC, which is based in New York, is a global investment manager of foreign exchange and research firm. It is currently by value the largest, and one of the strongest performing, investee companies in the Company's portfolio. FXC has recently made an approach to the Board with a view to buying back a large proportion of the Company's interest in FXC. The Directors refused this offer as it was at a discount to current value of the investment in FXC, clearly not in the best interests of the Company and would diminish shareholder value. The Board is extremely concerned that, if Messrs Tilney and Taylor are appointed directors, they will labour under a serious conflict of interest in relation to the Company's interest in FXC, be unable to act independently and could not maintain a balanced and objective opinion on any matters relating to the investment (including any buy back of the investment by FXC). In addition, the appointment of two directors based in New York would be contrary to the Company's strategy of a more UK-focused investment portfolio.
- The Board's concerns regarding Messrs Taylor and Tilney and conflicts between the interests of the other investors in FXC and shareholders of the Company are significantly heightened by the fact that seven of the nine individuals acknowledged as acting in concert with Mr Robb in an announcement of 9 May 2005 are senior employees of FXC. Your Directors, are therefore led to the obvious conclusion that promotion of the interests of employees and investors of FXC (other than the Company) may be one of the main drivers behind the Requisitionists' proposals to replace your Board and gain control of the running of your Company.
- **Mr Barry Aling (54)** is not known to the Board to have previously acted as a director of a UK listed company or an investment trust.
- Despite a request to the solicitors of the Requisitionists, as at close of business on 11 May 2005 (the latest practicable date prior to the publication of this document) no details have been provided of the basis upon which Messrs Aling, Taylor and Tilney have the relevant experience and suitability to act as directors of a UK listed company or be involved in managing an international private equity investment fund management business and split capital investment trust. Nor have the Requisitionists provided details of the basis upon which they consider their proposed board could comply with the principles of the AITC Code of Corporate Governance relating to independence, avoidance of conflicts of interest, and the requirements in respect of skills, experience, ages and length of service. It is therefore the firm belief of the Directors that the appointment of the Requisitionists' proposed directors would not be in the best interests of the Company or the shareholders taken as a whole.

4. Extraordinary General Meeting

Set out at the end of this document is a notice convening an Extraordinary General Meeting to be held at 10.30 a.m. on 8 June 2005 at The UK Society of Investment Professionals, The Weaver Suite, 90 Basinghall Street, London EC2V 5AY at which the Resolutions to remove the current Directors and replace them with Mr Robb, Mr Taylor, Mr Tilney and Mr Aling will be proposed. The Resolutions are set out in full in the notice of Extraordinary General Meeting.

5. Action to be taken

If you are an Ordinary Shareholder, you will have received with this document a yellow Form of Proxy for use at the Extraordinary General Meeting. **Whether or not you intend to be present at the Extraordinary General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrar, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZR as soon as possible and, in any event, so as to arrive not later than 10.30 a.m. on 6 June 2005.** The completion and return of the Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

6. Conclusion

For the reasons set out in paragraphs 2 and 3 above, your Directors are fully united in their belief that the removal of the entire current Board and its replacement by the Requisitionists' proposed directors at this stage of the Company's development would be detrimental to the future performance of the Company and contrary to the interests of the Company and shareholders as a whole.

Your Company now needs to concentrate on implementing the refocused strategy and new disciplines which have arisen from the Board's detailed cost cutting programme and strategic review. Your Board considers that any departure from this course, towards what it can only assume would be a return to previous strategies, is highly unlikely to improve the Company's financial position or result in an increase in shareholder value.

7. Recommendation

The Directors are of the opinion that the Requisitionists' proposals are not in the best interests of shareholders as a whole. Accordingly your Directors unanimously recommend that Ordinary Shareholders

VOTE AGAINST THE RESOLUTIONS

as they intend to do in respect of their own beneficial shareholdings amounting to 226,775 Ordinary Shares, representing approximately 1.05 per cent. of the issued ordinary share capital of the Company.

Yours faithfully,

David Thomson
Chairman

ASSET MANAGEMENT INVESTMENT COMPANY PLC

(incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2918390)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 10.30 a.m. on 8 June 2005 at The UK Society of Investment Professionals, The Weaver Suite, 90 Basinghall Street, London EC2V 5AY to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. THAT Messrs. D Martin-Clark, N Riddell, H Ward and Sir David Thomson be and are hereby removed from their office as directors of the Company with effect from the close of the Meeting;
2. THAT Mr Barry Aling be and is hereby appointed as director of the Company with effect from the close of the Meeting;
3. THAT Mr George Robb be and is hereby appointed as director of the Company with effect from the close of the Meeting;
4. THAT Mr John Taylor be and is hereby appointed as director of the Company with effect from the close of the Meeting; and
5. THAT Mr Hugh Tilney be and is hereby appointed as director of the Company with effect from the close of the Meeting.

BY ORDER OF THE BOARD

Michael Pritchard
Company Secretary

Dated: 12 May 2005

Registered Office: Gainsborough House
33 Throgmorton Street
London
EC2N 2BR

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the extraordinary general meeting (and for the purposes of determination by the Company of the number of votes they may cast) holders of ordinary shares must be registered in the register of members of the Company as at 6.00 p.m. on 6 June 2005. Changes to the register after 6.00 p.m. on 6 June 2005 shall be disregarded in determining the right to attend or vote at that meeting.
2. A member or the duly authorised representative of a corporation entitled to attend and vote may appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed. The appointment of a proxy will not prevent an ordinary shareholder from subsequently attending and voting at the meeting in person.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be sent to the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZR by no later than 10.30 a.m. on 6 June 2005.

