



STERLING

Sterling Investment Bond

Investment funds guide

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# Introduction

The information in this guide is intended for customers working with an adviser. If you are reading this without the help of an adviser, we recommend you take financial advice to help you decide on your appropriate investment approach.

The investment funds described in this guide are available for new investors through Sterling's Investment Bond. Sterling's Investment Bond is a medium to long-term investment contract, typically of five to ten years.

Details of the Sterling Investment Bond and fund charges are shown in your key features and fund charges and expenses sheet.

Details of all charges and how these may affect your investment returns are shown in your illustration. Full terms and conditions are available on request.

By their very nature investment returns can not be guaranteed. You should not use past performance as a suggestion of future performance. It should not be the main or sole reason for making an investment decision. The value of investments and any income from them can fall. You may not get back the amount you invested.

Investments produce income, capital growth or a combination of both. Within the Sterling Investment Bond, all income produced by the funds is reinvested.

# List of current investment funds by sector

## Managed funds

12	Allianz RiskMaster Conservative Multi Asset / Allianz RiskMaster Conservative Multi Asset 2
12	Allianz RiskMaster Growth Multi Asset / Allianz RiskMaster Growth Multi Asset 2
13	Allianz RiskMaster Moderate Multi Asset / Allianz RiskMaster Moderate Multi Asset 2
13	Artemis Strategic Assets / Artemis Strategic Assets 2
13	AXA Framlington Global Equity Income / AXA Framlington Global Equity Income 2
13	AXA Framlington Managed Balanced / AXA Framlington Managed Balanced 2
13	Baring Multi Asset / Sterling Baring Multi Asset 2
13	BlackRock Balanced Growth Portfolio / BlackRock Balanced Growth Portfolio 2
13	BlackRock Consensus 35 / BlackRock Consensus 35 2
14	BlackRock Consensus 60 / BlackRock Consensus 60 2
14	BlackRock Consensus 70 / BlackRock Consensus 70 2
14	BlackRock Consensus 85 / BlackRock Consensus 85 2
14	BlackRock Consensus 100 / BlackRock Consensus 100 2
14	Fidelity Multi Asset Strategic / Fidelity Multi Asset Strategic 2
14	Henderson Cautious Managed / Henderson Cautious Managed 2
15	Horizon Multi-Asset I / Horizon Multi-Asset I 2
15	Horizon Multi-Asset II / Horizon Multi-Asset II 2
16	Horizon Multi-Asset III / Horizon Multi-Asset III 2
16	Horizon Multi-Asset IV / Horizon Multi-Asset IV 2
17	Horizon Multi-Asset V / Horizon Multi-Asset V 2
17	Invesco Perpetual Distribution / Invesco Perpetual Distribution 2
17	Investec Cautious Managed / Investec Cautious Managed 2
17	Jupiter Distribution / Jupiter Distribution 2
17	Kames Ethical Cautious Managed / Kames Ethical Cautious Managed 2
17	M&G Episode Balanced / M&G Episode Balanced 2
17	Newton Balanced / Newton Balanced 2
17	Newton Managed / Newton Managed 2
18	Premier Multi-Asset Distribution / Premier Multi-Asset Distribution 2
18	Premier Multi-Asset Growth & Income / Premier Multi-Asset Growth & Income 2
18	Schroder Flexible Retirement / Schroder Flexible Retirement 2
18	Schroder Managed Balanced / Schroder Managed Balanced 2

## Columbia Threadneedle funds

18	Managed / Managed 2
19	Managed Bond / Managed Bond 2
19	Managed Bond Focused / Managed Bond Focused 2
19	Managed Equity / Managed Equity 2
19	Managed Equity & Bond / Managed Equity & Bond 2
19	Managed Equity Focused / Managed Equity Focused 2
19	Managed Equity Income / Managed Equity Income 2

## Multi-Managed funds

20	7IM AAP Adventurous / 7IM AAP Adventurous 2
20	7IM AAP Balanced / 7IM AAP Balanced 2
20	7IM AAP Income / 7IM AAP Income 2
20	7IM AAP Moderately Adventurous / 7IM AAP Moderately Adventurous 2
21	7IM AAP Moderately Cautious / 7IM AAP Moderately Cautious 2
21	7IM Adventurous / 7IM Adventurous 2
21	7IM Balanced / 7IM Balanced 2
21	7IM Moderately Adventurous / 7IM Moderately Adventurous 2
21	7IM Moderately Cautious / 7IM Moderately Cautious 2

Please note: Your illustration will detail which series of funds apply to your investment.

21	F&C MM Lifestyle Balanced / F&C MM Lifestyle Balanced 2
22	F&C MM Lifestyle Cautious / F&C MM Lifestyle Cautious 2
22	F&C MM Lifestyle Defensive / F&C MM Lifestyle Defensive 2
22	F&C MM Lifestyle Growth / F&C MM Lifestyle Growth 2
22	Fidelity Multi Asset Open Growth / Fidelity Multi Asset Open Growth 2
22	Fidelity Multi Asset Open Strategic / Fidelity Multi Asset Open Strategic 2
22	Henderson Multi-Manager Income & Growth / Henderson Multi-Manager Income & Growth 2
22	Jupiter Merlin Balanced Portfolio / Jupiter Merlin Balanced Portfolio 2
22	Jupiter Merlin Growth Portfolio / Jupiter Merlin Growth Portfolio 2
23	Jupiter Merlin Income Portfolio / Jupiter Merlin Income Portfolio 2
23	Old Mutual Cirilium Balanced / Old Mutual Cirilium Balanced 2
23	Old Mutual Cirilium Balanced Passive / Old Mutual Cirilium Balanced Passive 2
23	Old Mutual Cirilium Conservative / Old Mutual Cirilium Conservative 2
23	Old Mutual Cirilium Conservative Passive / Old Mutual Cirilium Conservative Passive 2
23	Old Mutual Cirilium Dynamic / Old Mutual Cirilium Dynamic 2
23	Old Mutual Cirilium Dynamic Passive / Old Mutual Cirilium Dynamic Passive 2
23	Old Mutual Cirilium Moderate / Old Mutual Cirilium Moderate 2
23	Old Mutual Cirilium Moderate Passive / Old Mutual Cirilium Moderate Passive 2
23	Seneca Diversified Growth / Seneca Diversified Growth 2
24	Schroder MM Diversity / Schroder MM Diversity 2

#### UK equity funds

26	Artemis Capital / Artemis Capital 2
26	Artemis Income / Artemis Income 2
26	Artemis UK Select / Artemis UK Select 2
26	Artemis UK Smaller Companies / Artemis UK Smaller Companies 2
26	Artemis UK Special Situations / Artemis UK Special Situations 2
26	AXA Framlington UK Select Opportunities / AXA Framlington UK Select Opportunities 2
27	BlackRock UK Special Situations / BlackRock UK Special Situations 2
27	Dimensional UK Core Equity / Dimensional UK Core Equity 2
27	Dimensional UK Small Companies / Dimensional UK Small Companies 2
27	Fidelity Index UK / Fidelity Index UK 2
27	Fidelity UK Special Situations / Fidelity UK Special Situations 2
27	Henderson UK Alpha / Henderson UK Alpha 2
27	HSBC UK Growth & Income / HSBC UK Growth & Income 2
27	Invesco Perpetual High Income / Invesco Perpetual High Income 2
27	Invesco Perpetual Income / Invesco Perpetual Income 2
28	Investec UK Special Situations / Investec UK Special Situations 2
28	iShares UK Equity Index / iShares UK Equity Index 2
28	Jupiter Distribution & Growth / Jupiter Distribution & Growth 2
28	Jupiter Income / Jupiter Income 2
28	Jupiter UK Growth / Jupiter UK Growth 2
28	Kames Ethical Equity / Kames Ethical Equity 2
28	Newton UK Income / Newton UK Income 2
28	Old Mutual UK Alpha / Old Mutual UK Alpha 2
28	Old Mutual UK Mid Cap / Old Mutual UK Mid Cap 2
29	Rathbone Income / Rathbone Income 2
29	Schroder Core UK Equity / Schroder Core UK Equity 2
29	Schroder Income / Schroder Income 2
29	Schroder Income Maximiser / Schroder Income Maximiser 2
29	Schroder UK Alpha Plus / Schroder UK Alpha Plus 2
29	Schroder UK Mid 250 / Schroder UK Mid 250 2
30	Schroder UK Opportunities / Schroder UK Opportunities 2
30	Woodford Equity Income / Woodford Equity Income 2

**Please note: Your illustration will detail which series of funds apply to your investment.**

**Columbia Threadneedle funds**

- 30 Monthly Extra Income / Monthly Extra Income 2
- 30 UK / UK 2
- 30 UK Equity Alpha Income / UK Equity Alpha Income 2
- 31 UK Equity Income / UK Equity Income 2
- 31 UK Growth & Income / UK Growth & Income 2
- 31 UK Monthly Income / UK Monthly Income 2
- 31 UK Select / UK Select 2
- 31 UK Smaller Companies / UK Smaller Companies 2

**European equity funds**

- 32 Fidelity European / Fidelity European 2
- 32 Fidelity Index Europe ex UK / Fidelity Index Europe ex UK 2
- 32 Henderson European Selected Opportunities / Henderson European Selected Opportunities 2
- 32 Invesco Perpetual European Equity / Invesco Perpetual European Equity 2
- 32 [iShares Continental European Equity Index / iShares Continental European Equity Index 2](#)
- 33 JPM Emerging Europe Equity / JPM Emerging Europe Equity 2
- 33 Jupiter Emerging European Opportunities / Jupiter Emerging European Opportunities 2
- 33 Jupiter European / Jupiter European 2
- 33 Jupiter European Special Situations / Jupiter European Special Situations 2
- 33 Schroder European Opportunities / Schroder European Opportunities 2

**Columbia Threadneedle funds**

- 33 European / European 2
- 33 European Select / European Select 2
- 34 European Smaller Companies / European Smaller Companies 2

**North American equity funds**

- 35 Fidelity American / Fidelity American 2
- 35 Fidelity American Special Situations / Fidelity American Special Situations 2
- 35 Fidelity Index US / Fidelity Index US 2
- 35 [iShares North American Equity Index / iShares North American Equity Index 2](#)
- 35 JPM US / JPM US 2
- 35 JPM US Equity Income / JPM US Equity Income 2
- 36 M&G North American Dividend / M&G North American Dividend 2
- 36 Martin Currie North American / Martin Currie North American 2
- 36 Neptune US Opportunities / Neptune US Opportunities 2
- 36 Schroder US Mid Cap / Schroder US Mid Cap 2
- 36 UBS US Equity / UBS US Equity 2

**Columbia Threadneedle funds**

- 36 American / American 2
- 36 American Select / American Select 2
- 36 American Smaller Companies / American Smaller Companies 2

**Japanese equity funds**

- 37 Fidelity Index Japan / Fidelity Index Japan 2
- 37 [iShares Japan Equity Index / iShares Japan Equity Index 2](#)
- 37 Invesco Perpetual Japanese Smaller Companies / Invesco Perpetual Japanese Smaller Companies 2
- 37 JPM Japan / JPM Japan 2
- 37 Man GLG Japan CoreAlpha / Man GLG Japan CoreAlpha 2
- 37 Schroder Tokyo / Schroder Tokyo 2

**Columbia Threadneedle funds**

- 37 Japan / Japan 2

**Other regional equity funds**

- 38 Aberdeen Asia Pacific Equity / Aberdeen Asia Pacific Equity 2
- 38 Allianz Emerging Markets Equity 2 / Allianz Emerging Markets Equity 2
- 38 Fidelity Asia / Fidelity Asia 2
- 38 Fidelity Index Pacific ex Japan / Fidelity Index Pacific ex Japan 2
- 38 [iShares Pacific ex Japan Equity Index / iShares Pacific ex Japan Equity Index 2](#)
- 38 Henderson China Opportunities / Henderson China Opportunities 2
- 39 Investec Asia ex Japan / Investec Asia ex Japan 2

**Please note: Your illustration will detail which series of funds apply to your investment.**

- 39 JPM Asia
- 39 Jupiter China / Jupiter China 2
- 39 Jupiter India / Jupiter India 2
- 39 Schroder Asian Income Maximiser / Schroder Asian Income Maximiser 2
- 39 Stewart Investors Asia Pacific Leaders / Stewart Investors Asia Pacific Leaders 2

#### **Columbia Threadneedle funds**

- 40 Asia / Asia 2
- 40 Far East & Japan / Far East & Japan 2
- 40 Latin America / Latin America 2

#### **Global equity funds**

- 41 AXA Framlington Biotech / AXA Framlington Biotech 2
- 41 AXA Framlington Global Technology / AXA Framlington Global Technology 2
- 41 AXA Framlington Health / AXA Framlington Health 2
- 41 BlackRock Gold & General / BlackRock Gold & General 2
- 42 Dimensional Emerging Markets Core Equity / Dimensional Emerging Markets Core Equity 2
- 42 Dimensional International Core Equity / Dimensional International Core Equity 2
- 42 Fidelity Emerging Markets / Fidelity Emerging Markets 2
- 42 Fidelity Global Special Situations / Fidelity Global Special Situations 2
- 42 Fidelity Global Focus / Fidelity Global Focus 2
- 42 Fidelity Index Emerging Markets / Fidelity Index Emerging Markets 2
- 43 Fidelity Index World / Fidelity Index World 2
- 43 Fidelity WealthBuilder / Fidelity WealthBuilder 2
- 43 First State Global Listed Infrastructure / First State Global Listed Infrastructure 2
- 43 Henderson Emerging Markets Opportunities / Henderson Emerging Markets Opportunities 2
- 43 [Henderson Global Sustainable Equity / Henderson Global Sustainable Equity 2](#)
- 43 Henderson Global Technology / Henderson Global Technology 2
- 43 Invesco Perpetual Global Equity / Invesco Perpetual Global Equity 2
- 43 Investec Global Energy / Investec Global Energy 2
- 44 Investec Global Strategic Equity / Investec Global Strategic Equity 2
- 44 [iShares Emerging Markets Equity Index / iShares Emerging Markets Equity Index 2](#)
- 44 JPM Global Equity Income / JPM Global Equity Income 2
- 44 JPM Natural Resources / JPM Natural Resources 2
- 44 Jupiter Ecology / Jupiter Ecology 2
- 44 Jupiter Financial Opportunities / Jupiter Financial Opportunities 2
- 44 Newton Global Income / Newton Global Income 2
- 44 Schroder Global Alpha Plus / Schroder Global Alpha Plus 2
- 44 Schroder Global Equity Income / Schroder Global Equity Income 2
- 45 Stewart Investors Worldwide Leaders / Stewart Investors Worldwide Leaders 2

#### **Columbia Threadneedle funds**

- 45 Global Select / Global Select 2

#### **Distribution funds**

- 47 Distribution / Distribution 2

#### **Property funds**

- 48 [Aviva Investors UK Property / Aviva Investors UK Property 2](#)
- 48 Fidelity Global Property / Fidelity Global Property 2
- 48 Henderson UK Property / Henderson UK Property 2
- 48 M&G Property Portfolio / M&G Property Portfolio 2
- 49 Schroder Global Cities Real Estate / Schroder Global Cities Real Estate 2
- 49 SLI Ignis UK Property / SLI Ignis UK Property 2

#### **Columbia Threadneedle funds**

- 49 Property / Property 2

#### **Protected Profits funds**

- 51 Multi-Manager Protected Profits / Multi-Manager Protected Profits 2
- 51 Multi-Manager Generation 2 Protected Profits / Multi-Manager Generation 2 Protected Profits 2

**Please note: Your illustration will detail which series of funds apply to your investment.**

- 51 Multi-Manager Generation 3 Protected Profits / Multi-Manager Generation 3 Protected Profits 2
- 52 [Tracker Protected Profits / Tracker Protected Profits 2<sup>1</sup>](#)

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<sup>1</sup> Please note this fund closed to new business from June 2017

53 Protected Profits<sup>2</sup>

#### UK Fixed-interest funds

54 Allianz Gilt Yield / Allianz Gilt Yield 2  
54 Artemis High Income / Artemis High Income 2  
55 Fidelity MoneyBuilder Income / Fidelity MoneyBuilder Income 2  
55 Fidelity Strategic Bond / Fidelity Strategic Bond 2  
50 Henderson Preference & Bond / Henderson Preference & Bond 2  
50 Henderson Strategic Bond / Henderson Strategic Bond 2  
50 Invesco Perpetual Corporate Bond / Invesco Perpetual Corporate Bond 2  
56 Invesco Perpetual Monthly Income Plus / Invesco Perpetual Monthly Income Plus 2  
56 iShares UK Gilts All Stocks Index / iShares UK Gilts All Stocks Index 2  
56 Kames Ethical Corporate Bond / Kames Ethical Corporate Bond 2  
56 Kames Sterling Corporate Bond / Kames Sterling Corporate Bond 2  
56 M&G Corporate Bond / M&G Corporate Bond 2  
56 M&G Gilt & Fixed Interest Income / M&G Gilt & Fixed Interest Income 2  
56 M&G Optimal Income / M&G Optimal Income 2  
57 M&G Strategic Corporate Bond / M&G Strategic Corporate Bond 2  
57 Old Mutual Corporate Bond / Old Mutual Corporate Bond 2  
57 Schroder All Maturities Index Linked Bond / Schroder All Maturities Index Linked Bond 2  
57 Schroder Strategic Credit / Schroder Strategic Credit 2

#### Columbia Threadneedle funds

57 Sterling Bond / Sterling Bond 2  
57 UK Corporate Bond / UK Corporate Bond 2

#### International fixed-interest funds

59 Dimensional Global Short-Dated Bond / Dimensional Global Short-Dated Bond 2  
59 Horizon Monthly Income Plus / Horizon Monthly Income Plus 2  
59 Newton International Bond / Newton International Bond 2

#### Columbia Threadneedle funds

59 Emerging Market Bond / Emerging Market Bond 2  
60 European Bond / European Bond 2  
60 Global Bond / Global Bond 2  
60 High Yield Bond / High Yield Bond 2  
60 Strategic Bond / Strategic Bond 2

#### Money market (including deposit and treasury) funds

62 BlackRock Money Market / BlackRock Money Market 2  
62 Deutsche Managed Sterling 2  
62 Deutsche Managed Sterling Generation 2

#### Columbia Threadneedle funds

62 Deposit & Treasury / Deposit & Treasury 2

#### Absolute return funds

63 Henderson Multi-Asset Absolute Return / Henderson Multi-Asset Absolute Return 2  
63 Invesco Perpetual Global Targeted Returns / Invesco Perpetual Global Targeted Returns 2  
64 Newton Real Return / Newton Real Return 2

#### Distributor requested funds

65 Omnis Multi-Manager Adventurous / Omnis Multi-Manager Adventurous 25  
65 Omnis Multi-Manager Balanced / Omnis Multi-Manager Balanced 2  
66 Omnis Multi-Manager Cautious / Omnis Multi-Manager Cautious 2  
66 Omnis Multi-Manager Distribution / Omnis Multi-Manager Distribution 2  
66 Omnis Managed Adventurous / Omnis Managed Adventurous 2  
66 Omnis Managed Balanced / Omnis Managed Balanced 2  
66 Omnis Managed Cautious / Omnis Managed Cautious 2

#### Please note: Your illustration will detail which series of funds apply to your investment.

67 Sinfonia Adventurous Growth Portfolio / Sinfonia Adventurous Growth Portfolio 2  
67 Sinfonia Balanced Managed Portfolio / Sinfonia Balanced Managed Portfolio 2  
67 Sinfonia Cautious Managed Portfolio / Sinfonia Cautious Managed Portfolio 2  
67 Sinfonia Income and Growth Portfolio / Sinfonia Income and Growth Portfolio 2

<sup>2</sup> Please note this fund was closed to new investors from January 2007



- 68 Sinfonia Income Portfolio / Sinfonia Income Portfolio 2
- 69 Verbatim Portfolio 3 2
- 69 Verbatim Portfolio 4 / Verbatim Portfolio 4 2
- 69 Verbatim Portfolio 5 Growth / Verbatim Portfolio 5 Growth 2
- 69 Verbatim Portfolio 5 Income / Verbatim Portfolio 5 Income 2
- 69 Verbatim Portfolio 6 / Verbatim Portfolio 6 2
- 69 Verbatim Portfolio 7 / Verbatim Portfolio 7 2

#### Funds closed to new investors

- 70 Aberdeen Emerging Markets Equity / Aberdeen Emerging Markets Equity 2
- 70 Aberdeen Multi-Asset
- 70 Aberdeen UK Equity
- 70 Aberdeen UK Equity Income Plus

#### Columbia Threadneedle funds

- 70 [Absolute Return Bond / Absolute Return Bond 2](#)
- 70 Artemis European Growth / Artemis European Growth 2
- 70 AXA Framlington Financial
- 71 AXA Framlington Monthly Income / AXA Framlington Monthly Income 2
- 71 AXA Framlington UK Growth
- 71 AXA Framlington UK Smaller Companies / AXA Framlington UK Smaller Companies 2
- 71 Baring Emerging Markets / Baring Emerging Markets 2
- 71 Baring Managed
- 71 BlackRock Global Equity / BlackRock Global Equity 2
- 71 Close FTSE techMARK
- 71 Deutsche Managed Sterling
- 71 Fidelity Worldwide Special Situations
- 72 Foreign & Colonial Managed
- 72 Henderson Higher Income / Henderson Higher Income 2
- 72 Henderson Sterling Bond / Henderson Sterling Bond 2
- 72 Invesco Perpetual Japan / Invesco Perpetual Japan 2
- 72 Investec American / Investec American 2
- 72 Investec Emerging Markets Local Currency Debt / Investec Emerging Markets Local Currency Debt 2
- 72 JPM Global Macro Balanced / JPM Global Macro Balanced 2
- 72 Jupiter Merlin Worldwide Portfolio / Jupiter Merlin Worldwide Portfolio 2
- 72 [Kames Strategic Bond / Kames Strategic Bond 2](#)
- 72 Legg Mason Clearbridge US Equity / Legg Mason Clearbridge US Equity 2
- 72 Liontrust Income / Liontrust Income 2
- 73 [M&G Global Themes / M&G Global Themes 2](#)
- 73 M&G Managed Growth / M&G Managed Growth 2
- 73 M&G Recovery / M&G Recovery 2
- 73 Neptune Balanced / Neptune Balanced 2
- 73 Neptune European Opportunities / Neptune European Opportunities 2
- 73 Neptune Global Equity / Neptune Global Equity 2
- 73 Neptune Income / Neptune Income 2
- 73 Newton Continental European / Newton Continental European 2
- 53 [Protected Profits](#)
- 73 Schroder All Maturities Corporate Bond / Schroder All Maturities Corporate Bond 2
- 74 Schroder Gilt & Fixed Interest / Schroder Gilt & Fixed Interest 2
- 74 Seneca Diversified Income / Seneca Diversified Income 2
- 52 [Tracker Protected Profits / Tracker Protected Profits 2](#)

#### Columbia Threadneedle funds

- 74 Pan European

**Please note: Your illustration will detail which series of funds apply to your investment.**

# Investment choice and flexibility

A key ingredient of any investment strategy is choosing investment funds that suit your objectives, with the flexibility to change them if your circumstances or objectives change. At Sterling, we offer a wide range of investment funds covering different areas of the world's stock markets and economies. With the help of your adviser, you can put together and maintain a portfolio that suits your needs.

We invest your payment in the funds you choose. We offer a range of funds to choose from which are managed by a number of different fund managers. The fund managers are responsible for:

- Managing the fund and taking all investment decisions about buying and selling securities within the fund.
- Making sure the fund is managed in line with its objectives and meets all regulatory and legal requirements.
- Setting the fund charges and any alterations to the charges within the limits set out in the fund documentation.

Through the investment funds available you can invest in a wide range of countries, economies and market sectors, spreading your investment across many different assets.

This provides exposure to many investment opportunities and helps to reduce the risk associated with investing in a single company.

The objective of the funds is to produce consistently good returns over the medium to longer term, by investing in equities (shares in companies), property or fixed-interest investments. However, it must be borne in mind that the value of investments and any income they produce can fall as well as rise and you may not get back the amount you invested.

We provide a range of managed and multi-managed funds, some specifically tailored to suit different investors' attitudes to risk.

Alternatively, you may invest in specific UK, international or specialist funds reflecting your own preferences and objectives.

We don't provide advice on the suitability of any particular fund. You must seek advice from your adviser before you decide which funds to invest in.

Each fund follows a particular investment policy and these are explained in more detail over the following pages.

We aim to maintain a broad fund choice and, over time, will look for opportunities to add to the choices available. At other times we might remove funds. You can get an up-to-date list of funds from our website at [www.sterling-assurance.co.uk](http://www.sterling-assurance.co.uk) or by contacting your adviser.

# Fund risks

All investment funds carry an element of risk. The funds have different levels of risk, from the more cautious to the more adventurous, and different levels of investment performance:

- Over time a fund that invests mostly in shares is likely to offer greater potential for higher returns than a fund investing in cash deposits, but with it come greater fluctuations in value. A fund classed as a 'protected' fund, or one with a high proportion of fixed-interest securities, is more likely to produce lower returns with more stability.
- Certain funds, typically investing in fixed-interest securities tend to be more suited for a shorter-term investment or as part of a personalised portfolio designed to achieve an overall balance of risk and potential return. Investing solely in these funds for the longer term may result in a lower return than a bank or building society savings account.
- Some funds make use of derivatives to achieve an overall risk profile. A derivative is an asset issued by financial institutions and its value is usually linked to another asset or index. When the derivative matures, the financial institution pays out an agreed value. Ultimately, though, if the financial institution is not able to meet its obligations, the derivative may be worthless and the fund's value will reduce as a result.
- The rate of income on fixed-interest securities such as corporate bonds and government bonds won't increase in line with inflation unless they are index-linked. So, over time, the real value of the income they produce is likely to fall. The value of these investments is affected by interest rate changes and is likely to fall if long-term interest rates rise.
- Specific risks that may adversely affect the value of investments within a fund include exchange rate fluctuations and dealing in relatively less mature markets, such as Eastern Europe, Central and South America and some areas of the Far East.
- If you choose a fund that invests in overseas assets, changes in exchange rates between currencies may also cause the value of your investment to fall or rise.
- Funds that specialise or concentrate their investment in specific regions, sectors (such as smaller companies or emerging markets) or in a smaller number of shares can result in greater fluctuations in value.
- Property funds are normally valued by taking into account the views of an independent valuer, general market conditions for commercial property, and the value received for recent property sales. At times the value of your investments in these funds could fall quite sharply. In more uncertain market conditions we may need to delay your transaction in these funds by up to 12 months. We will do this if we (or the fund manager) believe it is necessary to sell properties before carrying out your transaction.
- High yield bond funds tend to invest in high yielding corporate bonds, which are generally higher risk investments than government bonds or lower yielding corporate bonds.
- Funds that specialise in gold-mining shares tend not to follow stock market movements.
- Funds investing in the shares of smaller companies, in a concentrated portfolio of shares, or in a less mature market (such as Eastern Europe, some areas of the Far East, Central and South America) carry more investment risk.
- In some less developed stock markets there are risks from political, economic and market factors that could cause a large increase in currency and fund price risk.
- Some fund managers take their yearly management charge from capital rather than income. This results in a higher income but lower capital growth.

# Managed funds

Managed funds give exposure to a wide range of investment opportunities and aim to reduce the risk of your capital because they are not held to the fortunes of just one market.

A managed fund allows you to invest in a range of countries and market sectors, spreading your investment across different types of assets. The fund manager is able to adjust the asset allocation of the fund in anticipation of changing market conditions. The funds benefit from two layers of investment management as the fund manager takes account of the opportunities in the world's major economies and then selects what he considers to be the best investments within those markets. We offer a number of portfolios specifically tailored to suit different attitudes to risk.

## Allianz RiskMaster Conservative Multi Asset / Allianz RiskMaster Conservative Multi Asset 2

The fund aims to achieve long term capital growth. It does this by maintaining a balance between lower to medium risk investments (such as fixed income securities, collective investment schemes, cash, near cash and money market instruments) and higher risk investments (such as equity, equity related securities and alternative asset classes, including commodities indices and hedge fund indices). The fund actively invests in a broad range of asset classes across all economic sectors worldwide and manages the risks associated with investing in these assets by using a broad range of risk management techniques. In adverse market conditions, it may hold 100% of the portfolio in cash deposits. It may use derivatives, options and forward transactions for the purposes of investment and efficient portfolio management.

## Allianz RiskMaster Growth Multi Asset / Allianz RiskMaster Growth Multi Asset 2

The fund aims to achieve long term capital growth. It does this by investing in higher risk investments (such as equity, equity related securities and alternative asset classes, including commodities indices and hedge fund indices) but may invest in lower to medium risk investments (such as fixed income securities, collective investment schemes, cash, near cash and money market instruments). The fund actively invests in a broad range of asset classes across all economic sectors worldwide and manages the risks associated with investing in these assets by utilising a broad range of risk management techniques. In adverse market conditions it may hold up to 100% of the portfolio in cash deposits. It may use derivatives, options and forward transactions for the purposes of investment and efficient portfolio management.

## Allianz RiskMaster Moderate Multi Asset / Allianz RiskMaster Moderate Multi Asset 2

The fund aims to achieve long term capital growth. It does this by focusing on higher risk investments (such as equity, equity related securities and alternative asset classes, including commodities indices and hedge fund indices) but may invest in lower to medium risk investments (such as fixed income securities, collective investment schemes, cash, near cash and money market instruments). The fund actively invests in a broad range of asset classes across all economic sectors worldwide and manages the risks associated with investing in these assets by using a broad range of risk management techniques. In adverse market conditions, it may hold up to 100% of the portfolio in cash deposits. It may use derivatives, options and forward transactions for the purposes of investment and efficient portfolio management.

## Artemis Strategic Assets / Artemis Strategic Assets 2

The fund aims to achieve long-term growth through investment in a portfolio of UK and international assets. The fund will take a broadly 'multi-asset' approach with the intention of performing well when markets are favourable, and preserve capital when markets are poor. Therefore, it aims to provide longer-term positive returns under most market conditions, outperforming both cash and equities over rolling three-year periods. The fund is not restricted by choice of investments.

## AXA Framlington Global Equity Income / AXA Framlington Global Equity Income 2

The aim of the fund is to produce a higher than average yield combined with long-term capital growth. The fund will mainly invest in worldwide shares, which, in the Manager's opinion, show above average profitability, management, quality and growth. The fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, deposits, cash and near cash. The fund may use derivatives and forward transactions for efficient portfolio management only.

## AXA Framlington Managed Balanced / AXA Framlington Managed Balanced 2

The fund aims to achieve capital growth through investment in a broad range of securities which, in the manager's opinion, show above average profitability, management quality and growth, balancing risk and return for investors. The securities can be in all or any economic sectors in all or any parts of the world.

## Baring Multi Asset / Baring Multi Asset 2

The aim of the fund is to generate a capital return in excess of UK inflation (RPI) over a three year period. There is no guarantee that this objective will be achieved over the three year period, or any other period, and the capital value of the fund is at risk. It will invest, directly or indirectly, through collective investment schemes in a range of asset classes such as equities, fixed-interest securities and cash. It will invest indirectly in property, gold and commodities. It may invest in alternative asset classes (such as private equity and hedge funds), near cash, deposits and money market instruments. It will have no more than 60% exposure in equities and at least 50% of assets will be in Sterling/Euro. It may use derivatives for the purposes of investment and efficient portfolio management.

## BlackRock Balanced Growth Portfolio / BlackRock Balanced Growth Portfolio 2

The fund Fund aims to achieve capital growth with the opportunity for additional income generation depending on market conditions.

Investment may be made in a global portfolio of equities and fixed income securities, as well as collective investment schemes, cash in sterling or other currencies (in the form of deposits and I or forward contracts) and money market instruments. Investment may be made in any and all economic sectors.

## BlackRock Consensus 35 / BlackRock Consensus 35 2

The fund aims to achieve a total return. It does this by investing mainly in collective investment schemes with exposure globally to equities, fixed income securities, money-market instruments, deposits, cash and near cash and alternative asset classes (such as property and commodities) but may also invest directly in these assets. However, it will not have any direct exposure to property and commodities. The fund will have up to 35% exposure to equities. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## BlackRock Consensus 60 / BlackRock Consensus 60 2

The fund aims to achieve a total return. It does this by investing mainly in collective investment schemes with exposure globally to equities, fixed income securities, money-market instruments, deposits, cash and near cash and alternative asset classes (such as property and commodities) but may also invest directly in these assets. However, it will not have any direct exposure to property and commodities. The fund will have between 20% and 60% exposure to equities. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## BlackRock Consensus 70 / BlackRock Consensus 70 2

The fund aims to achieve a total return. It does this by investing mainly in collective investment schemes with exposure globally to equities, fixed income securities, money-market instruments, deposits, cash and near cash and alternative asset classes (such as property and commodities) but may also invest directly in these assets. However, it will not have any direct exposure to property and commodities. The fund will have between 30% and 70% exposure to equities. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## BlackRock Consensus 85 / BlackRock Consensus 85 2

The fund aims to achieve a total return. It does this by investing mainly in collective investment schemes with exposure globally to equities, fixed income securities, money-market instruments, deposits, cash and near cash and alternative asset classes (such as property and commodities) but may also invest directly in these assets. However, it will not have any direct exposure to property and commodities. The fund will have between 40% and 85% exposure to equities. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## BlackRock Consensus 100 / BlackRock Consensus 100 2

The fund aims to achieve a total return. It does this by investing mainly in collective investment schemes with exposure globally to equities, fixed income securities, money-market instruments, deposits, cash and near cash and alternative asset classes (such as property and commodities) but may also invest directly in these assets. However, it will not have any direct exposure to property and commodities. The fund can have up to 100% exposure to equities. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## Fidelity Multi Asset Strategic / Fidelity Multi Asset Strategic 2

The Fund aims to provide long term capital growth through global exposure to a balance of lower and higher risk assets.

The Fund will primarily invest in funds (including funds managed by Fidelity). The Fund may also invest directly into transferable securities, other collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for efficient portfolio management and investment purposes.

Asset allocation exposure of the Fund will be actively managed and typical allocation will be as follows: 50% lower risk assets (such as debt instruments e.g. bonds and cash) and 50% higher risk assets (including equities, commodities and property securities). However, the Fund's allocation between lower risk and higher risk assets can be tactically adjusted within the following range in order to preserve capital or take advantage of market opportunities: 30-70% lower risk assets and 30-70% higher risk assets.

## Henderson Cautious Managed / Henderson Cautious Managed 2

The fund aims to provide a combination of income and long-term capital growth.

## Horizon Multi-Asset I / Horizon Multi-Asset I 2<sup>1</sup>

The aim of the Horizon Multi-Asset I fund is to grow the amount invested over the medium to long term and to keep the fund within a designated risk profile.

The fund invests mainly in other funds (underlying funds) that are managed by Columbia Threadneedle Asset Management Limited and its group of companies.

Underlying funds will mainly have exposure to fixed income securities, including corporate and government bonds, and will also take exposure to UK equities.

The Horizon Multi-Asset range of funds aims to cater for investors with different risk appetites. The funds carry staggered risk profiles starting from Horizon Multi-Asset I fund and becoming progressively higher in risk through to, Horizon Multi-Asset V fund.

eValue Ltd, an independent risk profile service provider, using the output from its investment research tools, produces a range of five strategic weightings of asset classes aligned to five risk profiles based on a long term time horizon.

eValue updates these weightings on a quarterly basis and Columbia Threadneedle will consider the weightings when deciding on the composition of the investment of the Horizon Multi-Asset range of funds.

This fund is aligned to risk profile 1, which means that it aims to deliver growth through assets that demonstrate moderate price fluctuations, with greater emphasis placed on fixed income securities and lower exposure to equities.

## Horizon Multi-Asset II / Horizon Multi-Asset II 2<sup>1</sup>

The aim of the Horizon Multi-Asset II fund is to grow the amount invested over the medium to long term and to keep the fund within a designated risk profile.

The fund invests mainly in other funds (underlying funds) that are managed by Columbia Threadneedle Asset Management Limited and its group of companies.

Underlying funds will mainly have exposure to fixed income securities, and to the shares of companies constituted or operating within developed markets (for example UK, US, Europe and Japan), with some exposure to UK property.

The Horizon Multi-Asset range of funds aims to cater for investors with different risk appetites. The funds carry staggered risk profiles starting from Horizon Multi-Asset I fund and becoming progressively higher in risk through to Horizon Multi-Asset V fund.

eValue Ltd, an independent risk profile service provider, using the output from its investment research tools, produces a range of five strategic weightings of asset classes aligned to five risk profiles based on a long term time horizon. eValue updates these weightings on a quarterly basis and Columbia Threadneedle will consider the weightings when deciding on the composition of the investment of the Horizon Multi-Asset range of funds.

This fund is aligned to risk profile 2, which means that it aims to deliver growth through assets that demonstrate moderate price fluctuations, with emphasis placed on fixed income securities and equities and some exposure to property.

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<sup>1</sup> The Horizon Multi-Asset funds are operated by Zurich Investment Services (UK) Limited.

## Horizon Multi-Asset III / Horizon Multi-Asset III 2<sup>1</sup>

The aim of the Horizon Multi-Asset III fund is to grow the amount invested over the medium to long term and to keep the fund within a designated risk profile.

The fund invests mainly in other funds (underlying funds) that are managed by Columbia Threadneedle Asset Management Limited and its group of companies.

Underlying funds will mainly have exposure to shares of companies constituted or operating within developed markets (for example UK, US, Europe and Japan), lower exposure to fixed income securities, including corporate bonds and some exposure to UK property.

The Horizon Multi-Asset range of funds aims to cater for investors with different risk appetites. The funds carry staggered risk profiles starting from Horizon Multi-Asset I fund and becoming progressively higher in risk through to Horizon Multi-Asset V fund.

eValue Ltd, an independent risk profile service provider, using the output from its investment research tools, produces a range of five strategic weightings of asset classes aligned to five risk profiles based on a long term time horizon. eValue updates these weightings on a quarterly basis and Columbia Threadneedle will consider the weightings when deciding on the composition of the investment of the Horizon Multi-Asset range of funds.

This fund is aligned to risk profile 3, which means that it aims to deliver growth through assets that may demonstrate moderate to large price fluctuations with greater emphasis placed on equity, lower exposure to fixed income securities and some exposure to property.

## Horizon Multi-Asset IV / Horizon Multi-Asset IV 2<sup>1</sup>

The aim of the Horizon Multi-Asset IV fund is to grow the amount invested over the medium to long term and to keep the fund within a designated risk profile.

The fund invests mainly in other funds (underlying funds) that are managed by Columbia Threadneedle Asset Management Limited and its group of companies.

Underlying funds will mainly have exposure to the shares of companies constituted or operating within developed markets (for example UK, US, Europe and Japan). There will also be exposure to fixed income securities (including corporate bonds), UK property and some emerging market equities.

The Horizon Multi-Asset range of funds aims to cater for investors with different risk appetites. The funds carry staggered risk profiles starting from Horizon Multi-Asset I fund and becoming progressively higher in risk through to, Horizon Multi-Asset V fund.

eValue Ltd, an independent risk profile service provider, using the output from its investment research tools, produces a range of five strategic weightings of asset classes aligned to five risk profiles based on a long term time horizon. eValue updates these weightings on a quarterly basis and Columbia Threadneedle will consider the weightings when deciding on the composition of the investment of the Horizon Multi-Asset range of funds.

This fund is aligned to risk profile 4, which means that it aims to deliver growth through assets that may demonstrate moderate to large price fluctuations, with greater exposure to equity with some fixed income securities and property.

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<sup>1</sup> The Horizon Multi-Asset funds are operated by Zurich Investment Services (UK) Limited.



## Horizon Multi-Asset V / Horizon Multi-Asset V 2<sup>1</sup>

The aim of the Horizon Multi-Asset V fund is to grow the amount invested over the medium to long term and to keep the fund within a designated risk profile.

The fund invests mainly in other funds (underlying funds) that are managed by Columbia Threadneedle Asset Management Limited and its group of companies.

Underlying funds will mainly have exposure to the shares of companies constituted or operating within developed markets (for example UK, US, Europe and Japan). It will also have exposure to emerging market equities and some exposure to UK property.

The Horizon Multi-Asset range of funds aims to cater for investors with different risk appetites. The funds carry staggered risk profiles starting from Horizon Multi-Asset 1 fund and becoming progressively higher in risk through to Horizon Multi-Asset V fund.

eValue Ltd, an independent risk profile service provider, using the output from its investment research tools, produces a range of five strategic weightings of asset classes aligned to five risk profiles based on a long term time horizon. eValue updates these weightings on a quarterly basis and Columbia Threadneedle will consider the weightings when deciding on the composition of the investment of the Horizon Multi-Asset range of funds.

This fund is aligned to risk profile 5, which means that it aims to deliver growth through assets that may demonstrate large price fluctuations, with greatest exposure to equity with some exposure to emerging markets and property.

## Invesco Perpetual Distribution / Invesco Perpetual Distribution 2

The fund aims to achieve a balance of income and capital growth through investing mainly in UK equity and fixed-interest securities.

## Investec Cautious Managed / Investec Cautious Managed 2

The fund aims to provide a combination of income and long-term capital growth by investing conservatively in a diversified portfolio of equities, bonds and other fixed-interest securities of high quality and marketability. At all times the fund's equity exposure will be limited to a maximum of 60% of the portfolio value.

## Jupiter Distribution / Jupiter Distribution 2

The fund aims to provide a sustainable level of income and the prospect of capital growth over the long-term by investing in an actively balanced portfolio of fixed-interest securities and mainly UK equities.

## Kames Ethical Cautious Managed / Kames Ethical Cautious Managed 2

The fund aims to provide a combination of income and long-term capital growth by investing in a diversified range of UK equities and bonds which meet the fund's predefined ethical criteria. The fund avoids investing in companies that it decides harm people, society, animals or the environment. Up to 60% of the fund will be invested in the shares of UK companies. The fund is likely to invest in shares of smaller companies because of its ethical criteria. The fund also invests in investment grade bonds (lower risk) issued by UK companies and government bonds and may invest in high yield bonds (higher risk). Within its ethical criteria the fund is not restricted by country or market sector. It may hold a limited range of other investments. It is not constrained by any benchmark or index. Derivatives and forward transactions may be used for the purposes of efficient portfolio management.

## M&G Episode Balanced / M&G Episode Balanced 2

The fund's objective is to produce a total return through investment in a varied range of asset types. Subject to this, the fund aims to grow income in the long-term.

## Newton Balanced / Newton Balanced 2

The objective of the fund is to achieve a balance between capital growth and income mainly from a portfolio of UK and International securities. The fund may also invest in derivative instruments, forward transactions, and collective investment schemes.

## Newton Managed / Newton Managed 2

The objective of the fund is to achieve capital growth and income from a portfolio of UK, EC and international securities.

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<sup>1</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

## Premier Multi-Asset Distribution / Premier Multi-Asset Distribution 2

The fund aims to provide income together with long - term capital growth. The income is reinvested into the fund. The fund will mainly invest in a broad range of collective investment schemes (funds) from different investment groups. These underlying funds will invest in a range of different assets including bonds, company shares, property and alternatives assets and which can cover the world's stockmarkets. The fund may also hold other types of investment, including company shares, structured investments and fixed-income assets. It may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging<sup>1</sup>).

## Premier Multi-Asset Growth & Income / Premier Multi-Asset Growth & Income 2

The fund aims to grow the value of an original investment over the long -term and provide investors with an income which is reinvested within the fund. The fund will mainly invest in a broad range of collective investment schemes (funds) from different investment groups. These underlying funds will invest in a range of different assets including bonds, company shares, property and alternatives assets and which can cover the world's stockmarkets. The fund may also hold other types of investment, including company shares, structured investments and fixed-income assets. It may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging<sup>1</sup>).

## Schroder Flexible Retirement / Schroder Flexible Retirement 2

The fund aims to provide capital growth over the medium-to long-term by investing globally in shares, bonds and alternative assets. It seeks to provide investors with a total return of Consumer Price Index (CPI) + 2% a year over a market cycle (typically three to five years) whilst also seeking to mitigate the risk of incurring a loss greater than 8% over any investment period. There is no guarantee that this objective will be met. There is a risk to an investor's capital and they may not get back the amount originally invested.

The fund will actively allocate globally, directly or indirectly, between:

- a) equities and equity related securities;
- b) bonds and other fixed or floating rate securities issued by governments, government agencies, supra-national or corporate issuers;
- c) alternative asset classes (such as commodities); and
- d) cash, deposits and money market funds.

It may use derivatives for investment purposes (including for hedging<sup>1</sup>) as well as for efficient portfolio management. The fund's risk management process may result in greater allocations to cash, deposits and/or money market funds at times of market stress.

## Schroder Managed Balanced / Schroder Managed Balanced 2

The fund's investment objective is to give a balanced exposure to UK and overseas equities and fixed income securities through a range of underlying authorised unit trusts, recognised schemes and collective investment schemes.

## Managed / Managed 2

The investment objective is to provide capital growth with some income. The fund will invest internationally and will invest primarily in funds that invest in equities, and/or fixed income securities. The fund may also invest up to 20% of its assets in funds that do not restrict the use of derivatives to effective portfolio management. The fund may also invest directly in cash, near cash and/or money market instruments.

## Managed Bond / Managed Bond 2

The aim of the fund is to provide income with potential for capital growth. The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.

The Fund will invest at least two-thirds of its assets in funds that invest in fixed income securities, but will also have some exposure to company shares. The Fund may also hold cash, near cash and money market instruments. Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

## Managed Bond Focused/ Managed Bond Focused 2

The aim of the fund is to provide a total return by way of income and capital growth. The Fund will invest at least two-thirds of its assets in other funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.

The Fund will invest with a focus on funds that invest in fixed income securities, but will also have exposure to company shares, particularly the shares of UK companies or companies with significant UK operations. The Fund may also hold cash, near cash and money market instruments. Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

## Managed Equity / Managed Equity 2

The aim of the fund is to provide a return by way of capital growth. The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.

The Fund will invest at least two-thirds of its assets in funds that invest in company shares, but also have some exposure to fixed income securities. The Fund may also hold cash, near cash and money market instruments. Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

## Managed Equity & Bond / Managed Equity & Bond 2

The aim of the fund is to provide a total return by way of capital growth and income. The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.

The Fund's investments will be a balance of funds that invest in fixed income securities and funds that hold company shares. The Fund may also hold cash, near cash and money market instruments. Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

## Managed Equity Focused / Managed Equity Focused 2

The aim of the fund is to provide a total return by way of capital growth and income. The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.

The Fund will invest with a focus on funds that invest in company shares, but will also have exposure to fixed income securities. The Fund may also hold cash, near cash and money market instruments. Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

## Managed Equity Income / Managed Equity Income 2

The aim of the fund is to provide a growing income with potential for capital growth. The Fund will invest at least two-thirds of its assets in funds managed or operated by companies in the Threadneedle group. These funds may invest worldwide.

The Fund will invest at least two-thirds of its assets in funds that invest in company shares, but will also have some exposure to fixed income securities. The Fund may also hold cash, near cash and money market instruments. Up to 20% of the value of the Fund may be invested in funds that invest in derivatives for purposes other than Efficient Portfolio Management.

# Multi-Managed funds

These add another level of management from managed funds. The fund manager chooses different investment managers to run different parts of the portfolio. This enables the funds to combine differing skills across the market from the style of the manager to managing different investment types. We offer a number of portfolios specifically tailored to suit different attitudes to risk.

## 7IM AAP Adventurous / 7IM AAP Adventurous 2<sup>1</sup>

The fund aims to provide capital growth by applying active asset allocation techniques to a mainly passive investment strategy. The fund will invest mainly in equities or instruments that track the returns of equity indices as well as investing in alternative asset classes, some of which may be actively managed. Assets with scope for capital growth in real terms are likely to represent a significant part of the fund's composition. As a result, there is a risk of wide fluctuations in capital values.

## 7IM AAP Balanced / 7IM AAP Balanced 2<sup>1</sup>

The fund aims to provide a balance of income and capital growth by applying active asset allocation techniques to a mainly passive investment strategy. The fund will invest mainly in equities and fixed-interest investments or instruments that track the returns of equity and fixed-interest as well as investing in alternative asset classes, some of which may be actively managed. The fund will comprise a mixture of income-generating assets and assets with scope for capital growth in real terms. As a result, there may be some risk to capital.

## 7IM AAP Income / 7IM AAP Income 2<sup>1</sup>

The fund aims to provide an above-average level of income, while seeking to maintain capital over the longer term. There may be some risk to capital. The fund invests mainly in a range of securities and collective investment vehicles managed by selected fund managers. While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The fund may use different asset classes, with the emphasis on fixed-interest. The fund may also invest in money market instruments and deposits. A significant proportion of the fund may be maintained in or hedged<sup>2</sup> back to sterling at any time. Forward foreign exchange transactions may be used to hedge currency risk.

## 7IM AAP Moderately Adventurous / 7IM AAP Moderately Adventurous 2<sup>1</sup>

The fund aims to provide a total return, mainly through growth in capital, by applying active asset allocation techniques to a mainly passive investment strategy. The fund will invest mainly in equities or instruments that track the returns of equity indices as well as using alternative asset classes, some of which may be actively managed. Assets with scope for capital growth are likely to represent a significant part of the fund's composition, although it may also include other assets held mainly for income generation. As a result, there is a risk of fluctuations in capital values.

- <sup>1</sup> For investments into 7IM AAP funds before 1 January 2013, 7IM may make additional payments, based on the value of the holdings into these funds, to certain financial adviser firms. Any additional payments will be paid from 7IM's management charge and are included in the fund charges disclosed to you. Your adviser will have informed you if this arrangement applies to your investment.
- <sup>2</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

## Moderately Cautious / 7IM AAP Moderately Cautious 2<sup>1</sup>

The fund aims to provide a total return, mostly from income, but with some capital growth, by applying active asset allocation techniques to a mainly passive investment strategy. The fund will invest mainly in fixed-interest and equity instruments using mainly passive strategies while also using alternative asset classes, some of which may be actively managed. While income-generating assets are likely to represent a significant part of the fund's composition, it may also include assets with scope for capital growth. As a result, there is a moderate risk to capital.

## 7IM Adventurous / 7IM Adventurous 2

This fund aims to provide capital growth. There is a risk of wide fluctuations in capital values. The fund invests mainly in a range of collective investment vehicles and securities managed by selected fund managers. Assets with scope for capital growth in real terms are likely to represent a major part of the portfolio. The fund may use different asset classes, with the composition mainly in equities. The fund may also invest in money market instruments, deposits and warrants.

## 7IM Balanced / 7IM Balanced 2

This fund aims to provide a balance of income and capital growth, however there may be some risk to capital. The fund invests mainly in a range of collective investment vehicles and securities managed by selected fund managers. The fund will comprise a mixture of income generating assets and assets with scope for capital growth in real terms. The fund may use different asset classes, with investment mainly in equities and fixed-interest with no long-term bias to either class. The fund may also invest in money market instruments, deposits and warrants.

## 7IM Moderately Adventurous / 7IM Moderately Adventurous 2

This fund aims to provide a return by way of capital growth. There is a risk of fluctuations in capital values. The fund invests mainly in a range of collective investment vehicles and securities managed by selected fund managers. While assets with scope for capital growth in real terms are likely to represent a significant part of the portfolio, the portfolio may also include other assets held mainly for income generation. The fund may use different asset classes, with a substantial proportion in equities. The fund may also invest in money market instruments, deposits and warrants.

## 7IM Moderately Cautious / 7IM Moderately Cautious 2

This fund aims to provide a return, by way of income but with some capital growth. There may be a moderate risk to capital. The fund invests mainly in a range of collective investment vehicles and securities managed by selected fund managers. While income-generating assets are likely to represent a significant part of the portfolio, the portfolio may also include assets with scope for capital growth in real terms. The fund may use different asset classes, with a substantial proportion in fixed-interest. The fund may also invest in money market instruments and deposits.

## F&C MM Lifestyle Balanced / F&C MM Lifestyle Balanced 2

The fund will invest in UK equities with the balance of the fund allocated across the principal non-UK equity markets to include some exposure to emerging markets and UK corporate bonds. Investment in property will be primarily through collective investment schemes. The fund may also hold transferable securities and money market instruments. Derivatives may be used to increase, maintain, and reduce investment exposures.

## F&C MM Lifestyle Cautious / F&C MM Lifestyle Cautious 2

The fund will invest in UK equities and corporate bonds with a lower exposure to property and a greater exposure to non-UK equities than the F&C Lifestyle Defensive fund. The fund may also hold transferable securities, money market instruments, and collective investment schemes. Derivatives may be used to increase, maintain, and reduce investment exposures.

## F&C MM Lifestyle Defensive / F&C MM Lifestyle Defensive 2

The fund will invest mainly in UK equities and corporate bonds with some exposure to property and non-UK equities through collective investment schemes. The fund may also hold transferable securities, money market instruments, and collective investment schemes. Derivatives may be used to increase, maintain, and reduce investment exposures.

## F&C MM Lifestyle Growth / F&C MM Lifestyle Growth 2

The fund will invest approximately half the portfolio in UK equities with the balance split between the major international markets and emerging markets with an allocation to UK corporate bonds and a small allocation to property primarily through collective investment schemes. The fund may also hold transferable securities, money market instruments, and collective investment schemes. Derivatives may be used to increase, maintain, and reduce investment exposures.

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<sup>1</sup> For investments into 7IM AAP funds before 1 January 2013, 7IM may make additional payments, based on the value of the holdings into these funds, to certain financial adviser firms. Any additional payments will be paid from 7IM's management charge and are included in the fund charges disclosed to you. Your adviser will have informed you if this arrangement applies to your investment.

## Fidelity Multi Asset Open Growth / Fidelity Multi Asset Open Growth 2

This Fund targets an average annual return of 5.5% after the deduction of ongoing fund charges, over a typical market cycle of 5-7 years. The return target assumes the deduction of the ongoing charges figure (OCF) on the Y share class. There is no guarantee that the target will be achieved by the Fund. The Fund typically has exposure to higher risk investments meaning that there is a risk of short-term price fluctuations and an investor may not get back the full amount invested.

The Fund invests primarily into funds (including those managed by Fidelity) which provide global exposure to a diversified range of assets. The Fund can also invest directly into transferable securities, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management and investment purposes.

Asset allocation exposure of the Fund will be actively managed) subject to it remaining within the following parameters: 40-85% equity, 0-60% debt instruments (which may include high yield and emerging market debt) 0-20% cash and 0-30% alternatives (such as infrastructure securities and Real Estate Investment Trusts).

## Fidelity Multi Asset Open Strategic / Fidelity Multi Asset Open Strategic 2

This Fund targets an average annual return of 5% after the deduction of ongoing fund charges, over a typical market cycle of 5-7 years. The return target assumes the deduction of the ongoing charges figure (OCF) on the Y share class. There is no guarantee that the target will be achieved by the Fund. The Fund typically has exposure to both higher and lower risk investments meaning that there is a moderate risk of capital losses and an investor may not get back the full amount invested.

The Fund invests primarily into funds (including those managed by Fidelity) which provide global exposure to a diversified range of assets. The Fund can also invest directly into transferable securities, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management and investment purposes.

Asset allocation exposure of the Fund will be actively managed subject to it remaining within the following parameters: 20-60% equity, 5-80% debt instruments (which may include high yield and emerging market debt), 0-30% cash and 0-30% alternatives (such as infrastructure securities and Real Estate Investment Trusts).

## Henderson Multi-Manager Income & Growth / Henderson Multi-Manager Income & Growth 2

The fund aims to provide long-term capital growth with the potential to generate some income.

The fund will invest in a range of authorised unit trusts and/or authorised companies which may be selected from those available in the whole market. The fund will not be restricted to any particular economic sectors and the investment policy will take a long-term balanced view of stockmarkets worldwide while maintaining a core holding in the UK.

## Jupiter Merlin Balanced Portfolio / Jupiter Merlin Balanced Portfolio 2

The fund aims to achieve long-term capital growth with income investing mainly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups.

## Jupiter Merlin Growth Portfolio / Jupiter Merlin Growth Portfolio 2

The fund aims to achieve long-term capital growth investing mainly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups.

## Jupiter Merlin Income Portfolio / Jupiter Merlin Income Portfolio 2

The fund aims to achieve a high and rising income with some potential for capital growth investing mainly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups.

## Old Mutual Cirilium Balanced / Old Mutual Cirilium Balanced 2

The aim of the fund is to achieve long term capital growth through investment markets both in the UK and overseas. The portfolio will be cautious in that it will be broadly diversified across asset classes, but with a maximum exposure of 60% to equities and with a maximum volatility of 10%.

## Old Mutual Cirilium Balanced Passive / Old Mutual Cirilium Balanced Passive 2

The aim of the fund is to achieve long term capital growth. The portfolio will be balanced in that it will be broadly diversified across asset classes, but with typically a maximum exposure of 55% to equities and with a maximum volatility of 10%.

## Old Mutual Cirilium Conservative / Old Mutual Cirilium Conservative 2

The aim of the fund is to achieve long term capital growth through investment markets both in the UK and overseas. The portfolio will be conservative in that it will be broadly diversified across asset classes, but with a maximum exposure of 30% to equities and with a maximum volatility of 7%.

## Old Mutual Cirilium Conservative Passive / Old Mutual Cirilium Conservative Passive 2

The aim of the fund is to achieve long term capital growth. The portfolio will be conservative in that it will be broadly diversified across asset classes but with typically a maximum exposure of 30% to equities and with a maximum volatility of 7%.

## Old Mutual Cirilium Dynamic / Old Mutual Cirilium Dynamic 2

The aim of the fund is to achieve long term capital growth through investment markets both in the UK and overseas. The portfolio will be diversified across asset classes, but with a maximum exposure of 90% to equities and with a maximum volatility of 16%.

## Old Mutual Cirilium Dynamic Passive / Old Mutual Cirilium Dynamic Passive 2

The aim of the fund is to achieve long term capital growth. The Fund will typically have a maximum exposure of 90% to equities and a maximum volatility of 16%.

## Old Mutual Cirilium Moderate / Old Mutual Cirilium Moderate 2

The aim of the fund is to achieve long term capital growth through investment markets both in the UK and overseas. The portfolio will be moderate in that it will be broadly diversified across asset classes, but with a maximum exposure of 80% to equities and with a maximum volatility of 13%.

## Old Mutual Cirilium Moderate Passive / Old Mutual Cirilium Moderate Passive 2

The aim of the fund is to achieve long term capital growth. The portfolio will be moderate in that it will be broadly diversified across asset classes, but with typically a maximum exposure of 75% to equities and with a maximum volatility of 13%.



## Seneca Diversified Growth / Seneca Diversified Growth 2

The fund aims to achieve long-term capital growth by investing in a balanced and varied portfolio of UK and international equities and fixed-interest securities including government and corporate bonds. Investments may also be made in regulated collective investment schemes, money markets and cash deposits to provide further variety within the fund in accordance with applicable regulations.

## Schroder MM Diversity / Schroder MM Diversity 2

The aim of the fund is to achieve long term capital growth in excess of inflation (UK Consumer Price Index) over a rolling five-year period from a portfolio invested across a broad range of asset classes. The fund is intended to provide consistent rates of return with lower risk than more traditional approaches to portfolio management that tend to depend mainly on the performance of shares. There is a risk to an investor's capital. Investors may not get back the amount originally invested.

## Other funds in this sector

The following Multi-Manager funds are also available. Their objectives are detailed in the 'Distributor requested funds' section.

[Omnis Multi-Manager Adventurous / Omnis Multi-Manager Adventurous 2](#)

[Omnis Multi-Manager Balanced / Omnis Multi-Manager Balanced 2](#)

[Omnis Multi-Manager Cautious / Omnis Multi-Manager Cautious 2](#)

[Omnis Multi-Manager Distribution / Omnis Multi-Manager Distribution 2](#)

[Omnis Managed Adventurous / Omnis Managed Adventurous 2](#)

[Omnis Managed Balanced / Omnis Managed Balanced 2](#)

[Omnis Managed Cautious / Omnis Managed Cautious 2](#)

[Sinfonia Adventurous Growth Portfolio / Sinfonia Adventurous Growth Portfolio 2](#)

[Sinfonia Balanced Managed Portfolio / Sinfonia Balanced Managed Portfolio 2](#)

[Sinfonia Cautious Managed Portfolio / Sinfonia Cautious Managed Portfolio 2](#)

[Sinfonia Income and Growth Portfolio / Sinfonia Income and Growth Portfolio 2](#)

[Sinfonia Income Portfolio / Sinfonia Income Portfolio 2](#)

[Verbatim Portfolio 3 2](#)

[Verbatim Portfolio 4 / Verbatim Portfolio 4 2](#)

[Verbatim Portfolio 5 Growth / Verbatim Portfolio 5 Growth 2](#)

[Verbatim Portfolio 5 Income / Verbatim Portfolio 5 Income 2](#)

[Verbatim Portfolio 6 / Verbatim Portfolio 6 2](#)

Verbatim Portfolio 7 / Verbatim Portfolio 7 2

# UK equity funds

The UK has always been a popular home for investments, with UK investors traditionally seeing good returns from a mature and stable economy. In addition, it offers an opportunity for many investors to take a stake in the success of their home country's economy and industry.

## Artemis Capital / Artemis Capital 2

The investment objective is capital growth. The Trust Deed allows great flexibility, though the main content of the fund is in companies of UK origin. Income within the fund is accumulated and reinvested. This income is reflected in the dealing prices of the fund.

## Artemis Income / Artemis Income 2

The objective of the fund is to produce a rising income combined with capital growth from a portfolio mainly made up of investments in the UK, including ordinary shares, preference shares, convertibles and fixed-interest securities.

## Artemis UK Select / Artemis UK Select 2

The objective of the fund is to provide long-term capital growth by investment in companies listed, quoted and/or traded in the UK and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK. The fund aims to provide investors with a total return in excess of that of the FTSE Actuaries All-Share Index.

## Artemis UK Smaller Companies / Artemis UK Smaller Companies 2

The objective of the fund is to provide long-term capital growth by investment in companies listed, quoted and/or traded in the UK and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK.

## Artemis UK Special Situations / Artemis UK Special Situations 2

The objective of the fund is to provide long-term capital growth by exploiting special situations. The fund invests mainly in UK equities and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK.

## AXA Framlington UK Select Opportunities / AXA Framlington UK Select Opportunities 2

The fund aims to achieve capital growth by investing in companies, mainly of UK origin, where the Manager believes above-average returns can be realised.

## BlackRock UK Special Situations / BlackRock UK Special Situations 2

The fund aims to achieve long-term capital growth for investors. The fund invests mainly in the shares of small or medium sized companies incorporated or listed in the UK. The fund may also invest in collective investment schemes. Small and medium sized companies are those whose market capitalisation is lower than that of companies in the FTSE 100 index.

## Dimensional UK Core Equity / Dimensional UK Core Equity 2

The fund aims to maximise long-term total return. The fund mainly invests in shares of UK companies which are listed on the London Stock Exchange or traded on the UK over-the-counter market (financial markets where shares are bought and sold through dealer networks). The fund has a general exposure to the market with a tilt towards shares of smaller-sized companies and value companies. Value companies are defined as companies where, at the time of purchase, the share's price is low compared to the accounting value of the company. The fund may use derivatives to manage risk, reduce costs or improve returns.

## Dimensional UK Small Companies / Dimensional UK Small Companies 2

The fund aims to maximise long-term total return. The fund mainly invests in shares of UK companies which are listed on the London Stock Exchange or traded on the UK over-the-counter market (financial market where shares are bought and sold through dealer networks). The fund invests in a broad and diverse group of smaller-sized companies. The fund may use derivatives to manage risk, reduce costs or improve returns.

## Fidelity Index UK/ Fidelity Index UK 2

The aim is to achieve long-term capital growth by matching the performance of the FTSE All-Share Index as closely as possible. It invests in the shares of companies which are listed in the FTSE All-Share Index. Parts of the FTSE All-Share Index will be replicated in full e.g. the FTSE 100 and the FTSE 250, but, investment in companies in the FTSE Smallcap Index will be limited. The fund may invest in derivatives for the purposes of the efficient management of the fund.

## Fidelity UK Special Situations / Fidelity UK Special Situations 2

The aim is to achieve long-term capital growth. It invests mainly in the shares of UK companies. It can also invest up to 20% of its value in companies based outside the UK. The portfolio is likely to have a bias towards medium sized and smaller companies. The fund may invest in derivatives for the purposes of the efficient management of the fund.

## Henderson UK Alpha / Henderson UK Alpha 2

The fund aims to seek capital growth through a relatively concentrated portfolio mainly investing in the securities of UK companies. In addition to ordinary shares, the fund may also invest in fixed-interest securities, preference shares, debt securities convertible into ordinary stock and other equity linked investments and may also from time to time invest outside the UK.

## HSBC UK Growth & Income / HSBC UK Growth & Income 2

The fund aims to provide long-term capital and income growth by investing mainly in the UK.

## Invesco Perpetual High Income / Invesco Perpetual High Income 2

The fund aims to achieve a high level of income, together with capital growth. The fund intends to invest mainly in companies listed in the UK, with the balance invested internationally.

## Invesco Perpetual Income / Invesco Perpetual Income 2

The fund aims to achieve a reasonable level of income, together with capital growth. The fund intends to invest mainly in companies listed in the UK, with the balance invested internationally.

## Investec UK Special Situations / Investec UK Special Situations 2

The fund aims to provide a combination of income and long-term capital growth through a focus on UK equities and derivatives (the underlying assets of which are UK equities) which are considered to be out of favour in the marketplace.

## iShares UK Equity Index / iShares UK Equity Index 2

The fund aims to achieve capital growth by tracking closely the performance of the FTSE 100 Index. It does this by investing directly into companies in that Index and in transferable securities which give exposure to such companies. The fund may also invest in permitted money-market instruments, deposits and units in collective investment schemes. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## Jupiter Distribution & Growth / Jupiter Distribution & Growth 2

The fund aims to achieve a high and rising income with capital growth from investment mainly in UK equities and high yielding convertibles with some exposure to fixed-interest securities.

## Jupiter Income / Jupiter Income 2

The fund aims to produce a high income, increasing at least in line with inflation, from a managed portfolio chiefly invested in UK equities and fixed-interest stocks although with some overseas exposure.

## Jupiter UK Growth / Jupiter UK Growth 2

The fund aims to obtain long-term capital growth from investment mainly in UK equities.

## Kames Ethical Equity / Kames Ethical Equity 2

The main objective of the fund is to produce a total return by investment in equities and equity-type securities in companies based in the UK, principally conducting business in the UK or listed on the UK Stock Market which meet the fund's predefined ethical criteria.

## Newton UK Income / Newton UK Income 2

The fund aims to achieve increasing distributions with the potential of long-term capital growth mainly through investment in the securities of UK companies.

## Old Mutual UK Alpha / Old Mutual UK Alpha 2

The fund aims to maximise capital growth. The fund will invest directly in a portfolio of mainly UK equities or through collective investment schemes, including those managed and operated by Old Mutual. It may use derivatives for the purpose of efficient portfolio management.

## Old Mutual UK Mid Cap / Old Mutual UK Mid Cap 2

The fund aims to provide capital growth from investing mainly in a portfolio of medium sized UK companies.

## Rathbone Income / Rathbone Income 2

The objective of the fund is to achieve above-average and maintainable income but without neglecting capital security and growth. The Manager intends to achieve the objective mainly through the purchase of ordinary shares with an above-average yield. There is no restriction on the economic sectors or geographic areas in which the fund may invest. However, investments will always be mainly in the ordinary shares of UK companies.

## Schroder Core UK Equity / Schroder Core UK Equity 2

The fund aims to achieve long-term capital and income growth through investment mainly in the UK. Investments will be made mainly in UK equities, fixed-interest and other securities.

## Schroder Income / Schroder Income 2

The Fund aims to provide income and capital growth by investing in equity and equity related securities of UK companies.

The Fund invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 30 to 50 companies.

The Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

The Fund may also invest in other equity and equity related securities, collective investment schemes, fixed income securities, warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

## Schroder Income Maximiser / Schroder Income Maximiser 2

The fund's investment objective is to provide income with potential for capital growth mainly through investment in equity and equity-related securities of UK companies. The fund will also use derivative instruments to generate additional income.

## Schroder UK Alpha Plus / Schroder UK Alpha Plus 2

The fund's investment objective is to provide capital growth through investment in UK and other companies. In order to achieve the objective the manager will invest in a focused portfolio of securities. The emphasis of the fund will be investment in UK companies. The fund may also invest in companies headquartered or quoted outside the UK where those companies have material or critical operations within, or derive significant business from the UK. Fixed-interest securities may be included in the portfolio. Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, warrants and money market instruments.

## Schroder UK Mid 250 / Schroder UK Mid 250 2

The Fund aims to provide long term capital growth by investing in equity and equity related securities of companies listed in the FTSE 250 Index.

The Fund invests at least 80% of its assets in equity and equity related securities of UK companies listed in the FTSE 250 Ex- Investment Companies Index. The Investment Manager believes that these investments can potentially offer faster rates of profit and dividend growth and higher long-term returns than their larger counterparts. The Fund may also invest in former components of, or expected entrants into, that index if the Investment Manager believes it may be advantageous to do so.

The Fund may also invest in collective investment schemes, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

## Schroder UK Opportunities / Schroder UK Opportunities 2

The Fund aims to achieve capital growth and income by investing in equity and equity related securities of companies in the UK.

The Fund invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 40 to 50 companies.

The Fund aims to take advantage of investment opportunities in varying market conditions. The Fund follows an investment approach based around the business cycle, where the Investment Manager attempts to identify turning points in the cycle and then focuses on the types of companies that will benefit from this.

The Fund may also invest in other equity and equity related securities, collective investment schemes, warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

## Woodford Equity Income / Woodford Equity Income 2

The fund aims to provide a reasonable amount of income together with capital growth. The fund will mainly invest in UK listed companies. The fund may also invest in unlisted companies, overseas entities and in other transferable securities, money market instruments, warrants, collective investment schemes and deposits. The fund may use derivatives for the purposes of investment and efficient portfolio management. It is not anticipated that such use of derivatives will have significant adverse effect on the risk profile of the fund.

## Columbia Threadneedle funds

### Monthly Extra Income / Monthly Extra Income 2

The investment objective is to achieve a high level of income with prospects of capital growth. Income will be paid monthly. The investment policy is to invest mainly in sterling denominated fixed-interest securities and UK equities.

### UK / UK 2

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund mainly in equities of companies based in the UK or which have significant UK operations. If the Authorised Corporate Director considers it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

### UK Equity Alpha Income / UK Equity Alpha Income 2

The investment objective of the fund is to achieve a reasonable and growing income with the prospects of capital growth from a concentrated portfolio of UK equities.

## UK Equity Income / UK Equity Income 2

The investment objective is to achieve an above-average rate of income combined with sound prospects for capital growth. The investment policy is to invest mainly in UK equities. It may, however, invest in other securities such as convertibles and gilts.

## UK Growth & Income / UK Growth & Income 2

The investment objective is to achieve a high level of income. The investment policy is to invest mainly in 'blue chip' large capitalised UK companies, but including, when deemed appropriate, small and medium sized companies, mainly from the UK.

## UK Monthly Income / UK Monthly Income 2

The investment objective is to achieve an above-average income combined with sound prospects for capital growth. Income will be paid monthly. The investment policy is to invest mainly in UK equities. It may, however, invest in other securities such as convertibles and gilts.

## UK Select / UK Select 2

The investment objective is to achieve above-average capital growth. The investment policy is to invest the assets of the fund for growth, through a concentrated, actively managed portfolio. The select investment approach means that the Authorised Corporate Director has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. The portfolio will consist mainly of equities of companies based in the UK, or which have significant UK operations. If the Authorised Corporate Director considers it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

## UK Smaller Companies / UK Smaller Companies 2

The investment objective is to achieve capital growth. The investment policy is to invest mainly in the equities of smaller companies in the UK.



# European equity funds

Europe has become a popular choice for UK investors. As the central economies forge closer ties and eastern European countries develop their industries, the potential for investors is considerable.

## Fidelity European / Fidelity European 2

The aim is to achieve long-term capital growth. It invests mainly in the shares of continental European companies. The portfolio is likely to have a bias towards medium sized and smaller companies. The fund may invest in derivatives for the purposes of the efficient management of the fund.

## Fidelity Index Europe ex UK / Fidelity Index Europe ex UK 2

The fund aims to achieve long term capital growth by closely matching the performance of the MSCI Europe ex UK Index. It does this by investing in securities that represent that Index. The fund may use stock index futures in order to manage its cash position.

## Henderson European Selected Opportunities / Henderson European Selected Opportunities 2

The fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from European equity markets, by investing in:

- Companies having their registered office in Europe.
- Companies that do not have their registered office in Europe but either;
  - (i) carry out a major proportion of their business activity in these markets, or
  - (ii) are holding companies which mainly own companies with registered offices in Europe.

## Invesco Perpetual European Equity / Invesco Perpetual European Equity 2

The fund aims to achieve capital growth by mainly investing in shares in Continental Europe. It may also use other European related investments such as transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions.

## iShares Continental European Equity Index / iShares Continental European Equity Index 2

The fund aims to achieve capital growth by tracking closely the performance of the FTSE World Europe ex UK Index. It does this by investing directly into companies in that Index and in transferable securities which give exposure to such companies. The fund may also invest in permitted money-market instruments, deposits and units in collective investment schemes. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## JPM Emerging Europe Equity / JPM Emerging Europe Equity 2

The fund aims provide long-term capital growth by investing primarily in shares of companies in European Emerging Markets countries, including Russia.

The fund will invest in companies that are incorporated under the laws of, and have their registered office in Emerging European Countries, or that derive the predominant part of their economic activity from Emerging European Countries, even if listed elsewhere.

The Fund will have exposure to smaller companies.

Other instruments as permitted in the stated investment and borrowing powers of the Company including, but not limited to, fixed interest securities, cash and cash equivalents may be held on an ancillary basis, as appropriate.

## Jupiter Emerging European Opportunities / Jupiter Emerging European Opportunities 2

The fund aims to achieve long-term capital growth through investment mainly in central and eastern Europe.

## Jupiter European / Jupiter European 2

The fund aims to achieve long term capital growth by investing in companies quoted on a European Stock Exchange.

## Jupiter European Special Situations / Jupiter European Special Situations 2

The fund aims to achieve long-term capital growth by exploiting special situations principally in Europe. The fund aims to achieve its objective by investing principally in European equities which are considered by the manager to be undervalued.

## Schroder European Opportunities / Schroder European Opportunities 2

The Fund aims to provide capital growth by investing in equity and equity related securities of European companies, excluding the UK. The Fund invests at least 80% of its assets in equity and equity related securities of European companies, excluding the UK.

The Fund aims to take advantage of investment opportunities in varying market conditions. The Fund follows an investment approach based around the business cycle, where the Investment Manager attempts to identify turning points in the cycle and then focuses on the types of companies that will benefit from this.

The Fund may also invest in other equity and equity related securities including UK companies, collective investment schemes, warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim reducing risk or managing the Fund more efficiently.

### **Columbia Threadneedle funds**

## European / European 2

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund mainly in equities of companies based in Continental Europe or which have significant Continental European operations with growth prospects. If the Authorised Corporate Director considers it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

## European Select / European Select 2

The investment objective is to achieve above-average capital growth. The investment policy is to invest the assets of the fund mainly in a relatively concentrated portfolio of equities of companies based in Continental Europe or which have significant Continental European operations. The select investment approach means that the Authorised Corporate Director has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the Authorised Corporate Director considers it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

## European Smaller Companies / European Smaller Companies 2

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund mainly in the equities of smaller companies based in Continental Europe or with significant Continental European operations. If the Authorised Corporate Director considers it desirable it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

# North American equity funds

North America boasts the world's largest equity market and economy. Its economic diversity is unmatched. It draws on huge natural resources and has a reputation for ambition and entrepreneurial spirit.

## Fidelity American / Fidelity American 2

The aim is to achieve long-term capital growth. It invests mainly in the shares of US companies. The portfolio is likely to have a bias towards larger and medium-sized companies. The fund may invest in derivatives for the purposes of the efficient management of the fund.

## Fidelity American Special Situations / Fidelity American Special Situations 2

The fund aims to achieve long-term capital growth from a portfolio primarily made up of the shares of US companies. The portfolio is likely to have bias towards medium-sized and smaller companies, although it is not restricted in its choice of company by either size or industry. The fund manager has the freedom to invest outside the fund's principal geographies, market sectors, industries or asset classes. The fund can use derivatives with the aim of risk or cost reduction, or to generate additional capital or income in line with the fund's risk profile.

## Fidelity Index US / Fidelity Index US 2

The fund aims to achieve long term capital growth by closely matching the performance of the S&P 500 Index. It does this by investing in securities that represent that Index. The fund may use stock index futures in order to manage its cash position.

## iShares North American Equity Index / iShares North American Equity Index 2

The fund aims to achieve capital growth by tracking closely the performance of the FTSE World North America Index. It does this by investing in companies in that Index. The fund may also invest in permitted money-market instruments, permitted deposits, and units in collective investment schemes. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## JPM US / JPM US 2

The fund aims to provide capital growth over the long term by investing mainly in shares of US companies. It may also hold other permitted instruments including, but not limited to, fixed interest securities, cash and cash equivalents.

## JPM US Equity Income / JPM US Equity Income 2

The fund aims to achieve income by investing mainly in US equities in any economic sector whilst participating in long term capital growth. It may also hold other instruments, including fixed interest securities, cash and cash equivalents. It may use derivatives for efficient portfolio management purposes and hedging, or for investment purposes subject to notice.

## M&G North American Dividend / M&G North American Dividend 2

The fund aims to maximise total return (the combination of capital growth and income) whilst aiming to grow income over the long term. The fund will mainly invest in North American shares and can invest across all sectors and market capitalisations.

The Fund may also invest in transferable securities issued by companies which are listed, registered or trading within North America and in collective investment schemes. Cash and near cash may be held for ancillary purposes and derivatives, including warrants, may be used for efficient portfolio management and hedging purposes.

## Martin Currie North American / Martin Currie North American 2

The fund aims to produce capital growth by investment in the United States of America and Canada. The portfolio will consist mainly of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate, to meet the fund's objective.

## Neptune US Opportunities / Neptune US Opportunities 2

The fund aims to achieve capital growth through investing mainly in North American (including Canadian) securities. Derivatives and forward transactions may be used for the efficient management of the fund. The fund may also invest in cash or near cash where appropriate.

## Schroder US Mid Cap / Schroder US Mid Cap 2

The fund aims to provide capital growth and income mainly through investment in equity securities of medium-sized US companies. Investment will be in directly-held transferable securities. The fund may also invest in collective investment schemes, warrants and money market instruments.

## UBS US Equity / UBS US Equity 2

The investment objective and policy of the fund is to achieve long-term capital growth through active management of a diversified portfolio invested mainly in US equities. The fund may also invest in other transferable securities (including warrants), money market instruments, deposits, cash and near cash and units in collective investments schemes. The fund will use derivatives only for the purpose of efficient portfolio management.

### **Columbia Threadneedle funds**

## American / American 2

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund in companies based in North America or which have significant North American operations. If the Authorised Corporate Directors consider it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

## American Select / American Select 2

The investment objective is to achieve above-average capital growth. The investment policy is to invest the assets of the fund in companies based in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management, recovery situations and exploration companies. There will be no particular specialisation. The select investment approach means that the Authorised Corporate Director has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

## American Smaller Companies / American Smaller Companies 2

The investment objective is to achieve capital growth. The investment policy is to invest mainly in smaller US based companies, which offer potential for capital growth.

# Japanese equity funds

Japan is the largest single market outside the US and European Union and is a gateway to the increasingly affluent markets of the Pacific Rim countries.

## Fidelity Index Japan / Fidelity Index Japan 2

The fund aims to achieve long term capital growth by closely matching the performance of the MSCI Japan Index. It does this by investing in securities that represent that Index. The fund may use stock index futures in order to manage its cash position.

## Invesco Perpetual Japanese Smaller Companies / Invesco Perpetual Japanese Smaller Companies 2

The fund aims to achieve capital growth, mainly through a portfolio of investments in smaller Japanese companies. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions.

## iShares Japan Equity Index / iShares Japan Equity Index 2

The fund aims to achieve capital growth by tracking closely the performance of the FTSE Japan Index. It does this by investing directly into companies in that Index and in transferable securities which give exposure to such companies. The fund may also invest in permitted money-market instruments, deposits and units in collective investment schemes. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## JPM Japan / JPM Japan 2

The aim of the fund is to provide capital growth over the long-term by investing mainly in the shares of Japanese companies.

## Man GLG Japan CoreAlpha / Man GLG Japan CoreAlpha 2

The fund aims to achieve capital growth by investing in the quoted securities of companies operating in Japan. The fund is mainly invested in securities of companies listed on Japan's stock markets.

## Schroder Tokyo / Schroder Tokyo 2

The fund aims to achieve capital appreciation through participation in the growth of the Japanese economy. Investment will be based mainly on Japan's economic strengths, such as its manufacturing industry (in particular on those parts of it that are demonstrating an ability to exploit newly emerging technology) and on sectors benefiting from structural change in the economy. Investment will be in directly-held transferable securities. The fund may also invest in collective investment schemes, warrants and money market instruments.

## **Columbia Threadneedle funds**

### Japan / Japan 2

The investment objective is to achieve capital growth. The investment policy is to invest in a diversified portfolio of Japanese companies, concentrating on value and growth prospects. While mainly equity-based, the fund may invest in warrants, convertible bonds and other approved instruments deemed appropriate.

# Other regional equity funds

These funds invest in specific regions of the globe, many of which are emerging as investment opportunities.

## Aberdeen Asia Pacific Equity / Aberdeen Asia Pacific Equity 2

The fund aims to provide exposure to an actively managed portfolio of Asia Pacific (excluding Japan) equities or companies with significant activities in the Asia Pacific region (excluding Japan).

## Allianz Emerging Markets Equity / Allianz Emerging Markets Equity 2

The fund aims to achieve capital growth in the long-term by investing mainly in the equity markets of countries which are represented in the MSCI Emerging Markets Index (each an “Emerging Market Country” and together “Emerging Market Countries”).

## Fidelity Asia / Fidelity Asia 2

The fund aims to achieve long-term capital growth from a portfolio made up of the shares of mainly large companies throughout the Pacific Basin (excluding Japan).

## Fidelity Index Pacific ex Japan / Fidelity Index Pacific ex Japan 2

The fund aims to achieve long term capital growth by closely matching the performance of the MSCI Pacific ex Japan Index. It does this by investing in securities that represent that Index. The fund may use stock index futures in order to manage its cash position.

## iShares Pacific ex Japan Equity Index / iShares Pacific ex Japan Equity Index 2

The fund aims to achieve capital growth by tracking closely the performance of the FTSE World Asia-Pacific ex-Japan Index. It does this by investing directly into companies in that Index and in transferable securities which give exposure to such companies. The fund may also invest in permitted money-market instruments, deposits and units in collective investment schemes. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## Henderson China Opportunities / Henderson China Opportunities 2

The fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from investments in Hong Kong and Chinese equity markets, by investing in:

- Companies having their registered office in Hong Kong or China.
- Companies that do not have their registered office in Hong Kong or China but either;
  - (i) carry out most of their business activity in these markets, or
  - (ii) are holding companies which mainly own companies with registered offices in Hong Kong or China.

## Investec Asia ex Japan / Investec Asia ex Japan 2

The fund aims to achieve long-term capital growth mainly through investment in shares issued by companies in the Asia region (excluding Japan) and in related derivatives. It seeks to invest in companies that are expected to benefit from the growth and development of the Chinese economy.

Derivatives may be used for investment purposes in order to meet the fund's investment objectives and/or for efficient portfolio management purposes.

## JPM Asia

The fund aims to provide long-term capital growth from investing mainly in the securities of companies quoted or trading in Asia (excluding Japan).

## Jupiter China / Jupiter China 2

The fund aims to achieve long-term capital growth through investing mainly in companies in China (including Hong Kong) but may also invest in companies operating in other countries which, in the manager's opinion, conduct a material proportion of their business in China (including Hong Kong) or receive a material proportion of their earnings from activities in China. The manager will only enter into derivative transactions for the purpose of efficient portfolio management and not for investment.

## Jupiter India / Jupiter India 2

The fund aims to achieve long-term capital growth. It will invest mainly in companies which operate or reside in India. It may also invest in companies based in Pakistan, Sri Lanka and Bangladesh and in countries which derive a significant proportion of business from or within India. The Manager will only enter into derivative transactions for the purpose of efficient management of the portfolio and not for investment.

## Schroder Asian Income Maximiser / Schroder Asian Income Maximiser 2

The Fund aims to provide income and capital growth by investing in equity and equity related securities of Asian companies, excluding Japan.

The Fund invests at least 80% of its assets in equity and equity related securities of Asian companies, excluding Japan, which are selected for their long term income and capital growth potential. To seek to enhance the yield, the Investment Manager selectively sells short dated call options over individual securities, portfolios of securities or indices held by the Fund, by agreeing strike prices above which potential capital growth is sold. The Fund may also invest in collective investment schemes, warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund's investment strategy will typically underperform a similar portfolio without derivatives in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

## Stewart Investors Asia Pacific Leaders / Stewart Investors Asia Pacific Leaders 2

The Fund aims to achieve long-term capital growth. The Fund invests in shares of companies based in or having significant operations in the Asia Pacific region including Australia and New Zealand excluding Japan. The Fund invests in shares of large and mid-sized companies in the region. These companies generally have a total stock market value of at least US\$1 billion. Consideration is given to investment in companies that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate. Derivatives may be used for efficient portfolio management.



## **Columbia Threadneedle funds**

### **Asia / Asia 2**

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund mainly in the equity of companies based in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. It may further invest in other securities including fixed-interest securities, other equities and money market securities.

### **Far East & Japan / Far East & Japan 2**

The fund invests in shares and aims to produce long-term capital growth. The portfolio focuses on companies in the Far East, including Japan, Asia and Australasia. Other investments may be used when suitable opportunities arise.

### **Latin America / Latin America 2**

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund mainly in equities of companies based in Latin America or which have significant Latin American operations and it may further invest in fixed income securities such as sovereign and corporate Latin American debt, other equities and money market securities.

# Global equity funds

The international funds allow you to pursue a truly global investment strategy and cover the world's major investment markets.

## [AXA Framlington Biotech /](#) [AXA Framlington Biotech 2](#)

The fund aims to provide long-term capital appreciation by investing mainly in equity securities of companies in the biotechnology, genomic and medical research industries worldwide.

## [AXA Framlington Global Technology /](#) [AXA Framlington Global Technology 2](#)

The aim of the fund is to achieve long-term growth mainly through investments in companies engaged in the research, design and development of technologies in all sectors including information technology and the internet and in companies manufacturing and distributing products and/or providing services resulting from such research, design and development.

## [AXA Framlington Health /](#) [AXA Framlington Health 2](#)

The fund aims to achieve capital growth through investment in healthcare, medical services and product companies worldwide. Investment will be in producers of pharmaceuticals, bio-technology firms, medical device and instrument manufacturers, distributors of healthcare products, care providers and managers, and other healthcare service companies.

## [BlackRock Gold & General /](#) [BlackRock Gold & General 2](#)

This is a specialised unit trust which aims to achieve long-term capital growth by investing in gold, mining and precious metal related shares. It tends to be volatile and is particularly suitable for diversification in a larger portfolio.

Funds which specialise in goldmining shares tend not to follow stockmarket movements. In some less developed stockmarkets there are risks from political, economic and markets factors which could cause a large increase in currency and fund price risk.

## Dimensional Emerging Markets Core Equity / Dimensional Emerging Markets Core Equity 2

The fund aims to maximise long-term total return. The fund invests in shares of companies which derive a significant proportion of their business from emerging markets countries and which are listed on the principal stock exchanges of selected emerging markets countries. The fund may also invest in shares or depositary receipts of companies that derive 50% or more of their revenues or profits from emerging markets countries or that have at least 50% of their assets in emerging markets countries. The fund may also invest in shares or depositary receipts of companies where the majority of their business is conducted in emerging markets countries and which are traded on developed markets. Depositary receipts are financial certificates representing shares of companies which are bought and sold globally. The fund has a general exposure to the market with a tilt towards shares of smaller-sized companies and value companies. Value companies are defined as companies where, at the time of purchase, the share's price is low compared to the accounting value of the company.

The fund may use derivatives to manage risk, reduce costs or improve returns.

## Dimensional International Core Equity / Dimensional International Core Equity 2

The fund aims to maximise long-term total return. The fund mainly invests in shares of companies which are either established in, or derive a majority of their revenue from, developed countries (excluding the UK). The fund has a general exposure to the market with a tilt towards shares of smaller-sized companies and value companies. Value companies are defined as companies where, at the time of purchase, the share's price is low compared to the accounting value of the company. The fund may use derivatives to manage risk, reduce costs or improve returns.

## Fidelity Emerging Markets / Fidelity Emerging Markets 2

The fund will invest mainly in company shares in countries experiencing rapid economic growth including those in Africa, the Indian Sub-Continent, Latin America, South East Asia, Europe and the Middle East. The fund also has the freedom to invest outside its principle geographies, market sectors, industries or asset classes. The fund may use derivatives to reduce risk or cost or to generate additional return.

## Fidelity Global Special Situations / Fidelity Global Special Situations 2

The fund's objective is to achieve long-term capital growth from a portfolio mainly made up of shares of companies from around the world. The fund will have a blend of investments in larger, medium and smaller-sized companies. The Authorised Corporate Director is not restricted in its choice of companies either by size or industry, or in terms of the geographical split of the portfolio and will choose stocks largely determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## Fidelity Global Focus / Fidelity Global Focus 2

The aim of the fund is to achieve long-term capital growth. It invests mainly in the shares of companies from around the world. It invests in a relatively concentrated portfolio with no predetermined bias to any particular country, sector or company size. The fund may invest in derivatives for the purposes of the efficient management of the fund.

## Fidelity Index Emerging Markets / Fidelity Index Emerging Markets 2

The fund aims to achieve long term capital growth by closely matching the performance of the MSCI Emerging Markets Index. It does this by investing in securities that represent that Index. The fund may use stock index futures in order to manage its cash position.

## Fidelity Index World / Fidelity Index World 2

The fund aims to achieve long term capital growth by closely matching the performance of the MSCI World Index. It does this by investing in securities that represent that Index. The fund may use stock index futures in order to manage its cash position.

## Fidelity WealthBuilder / Fidelity WealthBuilder 2

The Fund aims to provide long term capital growth through global exposure to higher risk assets (such as equities).

The Fund will primarily invest in funds (including funds managed by Fidelity). The Fund can also invest directly into transferable securities, other collective investment schemes, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management and investment purposes.

## First State Global Listed Infrastructure / First State Global Listed Infrastructure 2

The fund aims to deliver capital growth and inflation-protected income by investing in a globally diversified portfolio of listed infrastructure and infrastructure-related securities.

If you invest in a Listed infrastructure fund, some residual risk will remain that the project will not be completed within budget, or within the agreed timeframe or to the agreed specifications. The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events. Operational or supply disruption could adversely impact the cashflows available from these assets. Infrastructure projects are affected by national and local environmental laws and regulations. These laws set standards, and regulations are imposed, which may have a detrimental impact on the financial performance of infrastructure projects.

## Henderson Emerging Markets Opportunities / Henderson Emerging Markets Opportunities 2

The fund aims to achieve a long-term return in excess of that which is typically achieved from emerging equity markets, by investing mainly in companies whose businesses are based in countries which are referred to by the World Bank as developing countries. The fund may also invest in other transferable securities, money market instruments, cash and near cash, derivative instruments and forward transactions, deposits and units in collective investment schemes. The return will be a combination of capital and income.

## Henderson Global Sustainable Equity / Henderson Global Sustainable Equity 2

The fund aims to provide long-term capital growth by investing in a worldwide spread of equities, convertibles and fixed-interest stock. The fund will only invest in companies whose products and practices are considered by the Authorised Corporate Director to enhance the environment and the life of the community.

## Henderson Global Technology / Henderson Global Technology 2

The fund aims to provide capital growth by investing in companies worldwide that derive, or are expected to derive, profits from technology.

## Invesco Perpetual Global Equity / Invesco Perpetual Global Equity 2

The fund aims to achieve capital growth by investing in equities quoted on world stockmarkets.

## Investec Global Energy / Investec Global Energy 2

The fund aims to achieve long-term capital growth mainly through investments in equities issued by companies around the globe involved in the exploration, production or distribution of oil, gas and other energy sources and companies which service the energy industry.

## Investec Global Strategic Equity / Investec Global Strategic Equity 2

The fund aims to achieve long term capital growth mainly through investment in shares issued by companies around the world that are believed to offer above average opportunities for capital gains, and in related derivatives.

## iShares Emerging Markets Equity Index / iShares Emerging Markets Equity Index 2

The fund aims to achieve capital growth by tracking closely the performance of the FTSE Emerging Markets Index. It does this by investing directly into companies in that Index and in transferable securities which give exposure to such companies. The fund may also invest in permitted money-market instruments, deposits and units in collective investment schemes. It may use derivatives and forward transactions for the purpose of efficient portfolio management.

## JPM Global Equity Income / JPM Global Equity Income 2

The fund aims to provide a portfolio designed to achieve growth through high and rising income by investing globally, mainly in equities, in any economic sector while still participating in long-term capital growth.

## JPM Natural Resources / JPM Natural Resources 2

The aim of the fund is to invest, mainly in the shares of, companies throughout the world engaged in the production and marketing of commodities. The fund aims to provide capital growth over the long-term.

## Jupiter Ecology / Jupiter Ecology 2

The fund aims to provide long-term capital growth and a growing income. This will be achieved by investing worldwide in companies that demonstrate a positive commitment to the long-term protection of the environment.

## Jupiter Financial Opportunities / Jupiter Financial Opportunities 2

The fund aims to achieve long-term capital growth mainly through investment in a concentrated portfolio of equities of financial sector companies on an international basis.

## Newton Global Income / Newton Global Income 2

The fund aims to achieve increasing annual distributions together with long-term capital growth from investing mainly in global securities. The sub-fund may also invest in collective investment schemes.

## Schroder Global Alpha Plus / Schroder Global Alpha Plus 2

The fund aims to provide capital growth through investment in equities and securities of companies worldwide. To achieve the objective the Manager will invest in a select portfolio of securities, which he believes offer the best potential for future growth and shall not be restricted by size, sector or region. The fund may also invest in a wide range of investments including transferable securities, collective investment schemes, cash, deposits, derivatives, warrants and money-market instruments.

## Schroder Global Equity Income / Schroder Global Equity Income 2

The Fund aims to provide income and capital growth by investing in equity and equity related securities of companies worldwide.

The Fund invests at least 80% of its assets in equity and equity related securities of companies worldwide which offer sustainable dividend payments. The Fund seeks to invest in a diversified portfolio of equity and equity related securities whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the Investment Manager considers that they have the potential to pay above average income in future.

The Fund may also invest in collective investment schemes, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

## Stewart Investors Worldwide Leaders / Stewart Investors Worldwide Leaders 2

The fund invests mainly in a wide range of shares of larger companies, which are listed or traded on the Regulated Markets worldwide. It may have exposure to worldwide developed or emerging markets and can invest in any industry.

## Columbia Threadneedle fund

### Global Select / Global Select 2

The investment objective is to achieve above-average capital growth by investing the assets of the fund mainly in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If the Authorised Corporate Director considers it desirable, it may further invest in other securities (including fixed-interest securities, other equities and money market securities).

# Distribution fund

The fund may appeal to investors who have a moderately cautious to balanced investment risk and who want regular 'income payments'. Investors seeking capital growth may also be attracted to the distribution funds for the asset allocation and choose to leave the income invested, whilst still being able to understand how much is actually generated.

The fund generates an income that is distributed to investors. The income is distributed either as 'income payments' or, if 'income payments' are not taken, it increases the value of the investment.

'Income payments' are set twice a year, on the distribution dates (1 March and 1 September), we'll work out how much income the assets in the Distribution and Distribution 2 fund have produced and take out the tax we have to pay on that income. The income that's left is the amount that can be distributed to investors through regular withdrawals. We show the distribution as a percentage of your fund value. The latest distribution is available from your adviser or from our website [www.sterling-assurance.co.uk](http://www.sterling-assurance.co.uk).

The distribution will determine what your 'income payments' will be for the next six months. You cannot choose the level of your 'income payments' but you can stop them and restart them at any time. Your 'income payments' may change after each distribution date.

The amount of income produced by the fund depends on how well the fund performs and can go down as well as up. Because your 'income payments' depend on this, they can also go down as well as up.

When you invest (or top up your investment) there are two main elements used to work out the unit price. The first is the capital value of the funds assets on the day you invest. The second is the income that has built up in the fund since the last distribution date. The two elements added together set the unit price for that day.

This means you are investing into capital assets in the fund, that over the medium to long-term may grow, and you are also buying income that has not yet been paid to investors as 'income payments'.

During the first year after you invest (or top up your investment) 'income payments' will include an element of capital as well as income. If you don't want your 'income payments' to have an element of capital, you should delay taking them until the second distribution date following your investment. For example, if you invest in June you should delay taking 'income payments' until the following March.

For taxation purposes the 'income payments' are deemed to be a withdrawal of capital and you may be subject to income tax if you are a higher rate taxpayer and your income payments exceed 5% of the amount invested.

## Distribution / Distribution 2

The fund aims to provide reinvested income with some potential for long-term capital growth. The fund invests mainly in income yielding equities, property, gilts and other high income stock mainly based in the UK. The fund's assets are chosen by Columbia Threadneedle to provide a higher level of initial income compared to UK income funds with a similar risk rating. Long-term capital growth and rising income may be restricted.

Please note: If you invest in the Distribution fund or Distribution 2 fund you will not be able to invest in any other funds in the same investment bond.



# Property funds

Investing in commercial property allows diversity away from the traditional asset classes of equity and fixed-interest. As well as looking for capital growth on the properties, rental income can be received.

Property funds are normally valued by taking into account the views of an independent valuer, general market conditions for commercial property, and the value received for recent property sales. At times the value of your investments in these funds could fall quite sharply. In more uncertain market conditions we may need to delay your transaction in these funds by up to 12 months. We will do this if we (or the fund manager) believe it is necessary to sell properties before carrying out your transaction.

## Aviva Investors UK Property / Aviva Investors UK Property 2

The Aviva PAIF is a moderate risk fund which aims to provide income and long term capital growth. It may be suitable for investors who want to diversify their portfolio through exposure to property, which will mainly be commercial property but may also be non-commercial property. Investors should be able to invest for the long term, i.e. at least 5 years

## Fidelity Global Property / Fidelity Global Property 2

The fund's objective is to achieve a combination of income and long-term capital growth from a portfolio mainly made up of the securities of companies mostly engaged in the real estate industry and other real estate-related investments.

## Henderson UK Property / Henderson UK Property 2

The fund aims to achieve a high income together with some growth of both income and capital through investing mainly in commercial property and property-related assets.

## M&G Property Portfolio / M&G Property Portfolio 2

The portfolio aims to maximise long-term total return (the combination of income and growth of capital) through investment mainly in commercial property. The portfolio invests in a diversified portfolio of commercial property mainly in the UK seeking to add value through strategic asset allocation, stock selection, and asset management. The portfolio may also invest in other property related assets, including collective investment schemes, securities, derivatives and debt instruments, as well as government debt, money market instruments and cash.

## Schroder Global Cities Real Estate / Schroder Global Cities Real Estate 2

The fund aims to provide income and capital growth by investing at least 80% of its assets in equity and equity related securities of real estate companies worldwide that generate the majority of their earnings from real estate investment related activities. The fund aims to invest in companies that invest in cities that the manager believes will show continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes.

The fund may also invest in collective investment schemes that invest in equity and equity related securities of real estate companies, warrants and money market instruments, and may hold cash.

The fund may use derivatives with the aim of reducing risk and to managing the Fund more efficiently.

## SLI Ignis UK Property / SLI Ignis UK Property 2

The fund aims to achieve income and capital growth mainly through investment in UK commercial property. The fund will invest up to 100% in UK real commercial property.

The fund will diversify risk by seeking exposure mainly in three main sectors – retail, office and industrial. In addition, the fund may also invest in the other commercial sectors including the smaller leisure sector. The fund will seek geographic diversification (across the UK) amongst properties held.

## Columbia Threadneedle fund

### Property / Property 2

This fund mainly invests in the UK property market. Properties are generally let on long-term leases to good quality tenants with regular rent reviews. Other properties are acquired with the intention of carrying out development. The investment aim is to combine the prospects for good capital growth with a secure and rising rental income.

# Protected Profits funds

A protected profits fund aims to achieve medium to long-term growth while protecting the unit price from falling below 80% of its highest-ever level. The funds tend to produce more stable, but lower, returns compared to investing in equities and, therefore, often appeal to those inclined to a relatively more cautious outlook when investing in the stockmarket.

The protection is not guaranteed and ultimately depends on another financial company meeting the promises it has made to the fund. This is explained in the risks highlighted for each fund (see below) which you should consider before deciding to invest.

Your financial adviser will be able to help you decide.

There may be future, unforeseen, changes to taxation or regulation that adversely affect the funds and the protection they offer. If this happens we will write to you to explain what choices you then have.

In some circumstances, investment conditions may be such that we consider the funds can no longer achieve their aim of medium to long-term growth. If this happens we can close the fund and switch your investment to another fund. We will then write to you and you will have the opportunity to switch to another fund of your own choice.

Each fund is linked to a different range of assets and this is explained in the fund descriptions below. If we consider it is appropriate, we can change the assets the funds are linked to. We can also change the financial company that provides the protection to the fund [and](#) if we do, we will tell you.

## Investing in the Multi-Manager Protected Profits funds<sup>1</sup>

### Aims

The fund aims to achieve medium to long-term growth while protecting the unit price from falling below 80% of the highest-ever unit price.

Under certain circumstances, the protection is provided by Barclays Bank plc.

### Risk factors

The protection is not guaranteed and the unit price could fall below 80% of the highest-ever unit price if:

- Barclays Bank plc does not make the payments it has agreed to, or becomes insolvent. If this happens, it is unlikely you will be able to claim under the Financial Services Compensation Scheme
- the fund's equity content is at, or close to, zero and the interest earned on the fund's other assets is less than its charges and expenses.

You may get back less than you invest as unit prices can fall as well as rise.

## In more detail

### How the fund works

The fund invests in actively managed equity funds and the BlackRock Institutional Sterling Liquidity fund.

The equity funds are spread across the UK (60%), Europe (20%) and North America (20%). This split is set every three months and so may vary in between times.

The BlackRock Institutional Sterling Liquidity fund aims to achieve a return in line with wholesale money market short-term interest rates.

As the fund increases in value, more of the fund is invested in the equity funds up to a maximum of 70%. As the fund falls in value, less of the fund is invested in the equity funds. At any particular time the proportion held in the equity funds could be between zero and 70%.

### The fund's protection

By varying the proportions held in the respective funds on a daily basis the fund expects to achieve its aims.

If stockmarkets fall quickly and dramatically, varying the proportions may not be sufficient to achieve the protection aim. Barclays Bank plc would then pay into the fund to protect the unit price from falling below 80% of the highest-ever unit price. If Barclays Bank plc were to fail, this protection would not exist.

Credit ratings can be a useful guide to the risk associated with Barclays Bank plc. Ratings are given by independent agencies such as Standard & Poor's and Moody's. Companies are rated from most secure (AAA) to most risky (D). As at November 2017, Barclays Bank plc has been rated A- by Standard and Poor's and A1 by Moody's.

Barclays Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. You do not have a contract with Barclays Bank plc. They have agreed to protect the unit price from falling below 80% of its highest-ever level due to stockmarket falls. They do not offer any protection against the insolvency of Zurich Assurance Ltd.

### The cost of protection

Only a proportion of the fund is invested in the equity funds. If equity values rise, you will not get back as much as you would by investing in a fund that directly invests in equities.

There is a cost to provide the protection. This is included in the total yearly expenses shown in our charges summary document and fund factsheets.

The protection is on the fund's unit price, not on your original investment. Any charges taken directly from your investment bond will reduce what you get back and may result in you getting back less than 80% of your original investment.

## Investing in the Tracker Protected Profits funds<sup>1</sup>

### Aims

The fund aims to

achieve medium to long-term growth while protecting the unit price from falling below 80% of the highest-ever unit price.

Under certain circumstances, the protection is provided by Barclays Bank plc.

### Risk factors

The protection is not guaranteed and the unit price could fall below 80% of the highest-ever unit price if:

- Barclays Bank plc does not make the payments it has agreed to, or becomes insolvent. If this happens, it is unlikely you will be able to claim under the Financial Services Compensation Scheme
- the fund's equity content is at, or close to, zero and the interest earned on the fund's other assets is less than its charges and expenses.

You may get back less than you invest as unit prices can fall as well as rise.

### In more detail

#### How the fund works

The fund invests in equity index tracking funds and the BlackRock Institutional Sterling Liquidity fund.

The equity index tracking funds are spread across the UK (60%), Europe (20%) and North America (20%). This split is set every three months and so may vary in between times.

The BlackRock Institutional Sterling Liquidity fund aims to achieve a return in line with wholesale money market short-term interest rates.

As the fund increases in value, more of the fund is invested in the equity funds up to a maximum of 70%. As

<sup>1</sup> This applies to the Multi-Manager Generation 3 Protected Profits / Multi-Manager Generation 3 Protected Profits 2 fund, the Multi-Manager Generation 2 Protected Profits / Multi-Manager Generation 2 Protected Profits 2 fund and the Multi-Manager Protected Profits / Multi-Manager Protected Profits 2 fund.

<sup>1</sup> This applies to the Tracker Protected Profits / Tracker Protected Profits 2 fund.

the fund falls in value, less of the fund is invested in the equity funds. At any particular time the proportion held in the equity funds could be between zero and 70%.

### **The fund's protection**

By varying the proportions held in the respective funds on a daily basis the fund expects to achieve its aims.

If stockmarkets fall quickly and dramatically, varying the proportions may not be sufficient to achieve the protection aim. Barclays Bank plc would then pay into the fund to protect the unit price from falling below 80% of the highest-ever unit price. If Barclays Bank plc were to fail, this protection would not exist.

Credit ratings can be a useful guide to the risk associated with Barclays Bank plc. Ratings are given by independent agencies such as Standard & Poor's and Moody's. Companies are rated from most secure (AAA) to most risky (D). As at November 2017, Barclays Bank plc has been rated A- by Standard and Poor's and A1 by Moody's.

Barclays Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. You do not have a contract with Barclays Bank plc. They have agreed to protect the unit price from falling below 80% of its highest-ever level due to stockmarket falls. They do not offer any protection against the insolvency of Zurich Assurance Ltd.

### **The cost of protection**

Only a proportion of the fund is invested in the equity funds. If equity values rise, you will not get back as much as you would by investing in a fund that directly invests in equities.

There is a cost to provide the protection. This is included in the total yearly expenses shown in our charges summary document and fund factsheets.

The protection is on the fund's unit price, not on your original investment. Any charges taken directly from your investment bond will reduce what you get back and may result in you getting back less than 80% of your original investment.

Please note Tracker Protected Profits fund was closed to new customer' form June 2017. Tracker Protected Profits 2 is open to new customers.

## Investing in the Protected Profits fund

### Aims

The fund aims to achieve medium to long-term growth while protecting the unit price from falling below 80% of the highest-ever unit price.

Under certain circumstances, the protection is provided by Barclays Bank plc.

### Risk factors

The protection is not guaranteed and the unit price could fall below 80% of the highest-ever unit price if:

- Barclays Bank plc does not make the payments it has agreed to, or becomes insolvent. If this happens, it is unlikely you will be able to claim under the Financial Services Compensation Scheme
- the fund's equity content is at, or close to, zero and the interest earned on the fund's other assets is less than its charges and expenses.

You may get back less than you invest as unit prices can fall as well as rise.

## In more detail

### How the fund works

The fund invests in a range of equity funds from Columbia Threadneedle and the BlackRock Institutional Sterling Liquidity First fund.

The equity funds are spread across the UK (60%), Europe (20%) and North America (20%). This split is set every three months and so may vary in between times.

The BlackRock Institutional Sterling Liquidity fund aims to achieve a return in line with wholesale money market short-term interest rates.

As the fund increases in value, more of the fund is invested in the equity funds up to a maximum of 70%.

As the fund falls in value, less of the fund is invested in the equity funds. At any particular time the proportion held in the equity funds could be between zero and 70%.

### The fund's protection

By varying the proportions held in the respective funds on a daily basis the fund expects to achieve its aims.

If stockmarkets fall quickly and dramatically, varying the proportions may not be sufficient to achieve the protection aim. Barclays Bank plc would then pay into the fund to protect the unit price from falling below 80% of the highest-ever unit price. If Barclays Bank plc were to fail, this protection would not exist.

Credit ratings can be a useful guide to the risk associated with Barclays Bank plc. Ratings are given by independent agencies such as Standard & Poor's and Moody's. Companies are rated from most secure (AAA) to most risky (D). As at November 2017, Barclays Bank plc has been rated A- by Standard and Poor's and A1 by Moody's.

Barclays Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. You do not have a contract with Barclays Bank plc. They have agreed to protect the unit price from falling below 80% of its highest-ever level due to stockmarket falls. They do not offer any protection against the insolvency of Zurich Assurance Ltd.

### The cost of protection

Only a proportion of the fund is invested in the equity funds. If equity values rise, you will not get back as much as you would by investing in a fund that directly invests in equities.

There is a cost to provide the protection. This is included in the total yearly expenses shown in our charges summary document and fund factsheets.

The protection is on the fund's unit price, not on your original investment. Any charges taken directly from your investment bond will reduce what you get back and may result in you getting back less than 80% of your original investment.

*Please note this fund was closed to new customers from January 2007*

# UK fixed-interest funds

Many governments and companies borrow money from investors as a way to raise funds. In turn they issue securities known as ‘bonds’ or ‘gilts’ if they are loans to a government. In return for the loan, an agreed rate of interest is paid until a set date. These securities can be traded (bought or sold) before the set date. Often referred to as fixed-interest investments, these types of funds are expected to produce lower but more stable returns than equity funds. Fixed-interest funds tend to be more suited for shorter-term investment or as part of a personalised portfolio invested to achieve an overall balance of risk and potential return. Investing solely in the funds for the longer term may result in a lower return than a building society account.

The rate of income on fixed-interest securities such as corporate bonds and government bonds won’t increase in line with inflation unless they are index-linked. So, over time the real value of the income they produce is likely to fall. The value of these investments is affected by interest rate changes and is likely to fall if long-term interest rates rise. They may also fall if a company or bank the fund invests in becomes insolvent or is unable to make the payments they have agreed to. High yield bond funds tend to invest in high yielding corporate bonds, which are generally higher risk investments than government bonds or lower yielding corporate bonds.

## Allianz Gilt Yield / Allianz Gilt Yield 2

The fund aims to maximise total return, while maintaining a relatively high level of capital security, by investing mainly in UK government bonds. The fund may also invest in cash deposits, money market instruments, derivatives and collective investment schemes. More than 35% of the fund may be invested in UK government bonds.

## Artemis High Income / Artemis High Income 2

The investment objective of the fund is to provide a higher than average initial yield, combined with the prospect of rising income and some capital growth over the long-term. To achieve the objective the fund invests mainly in UK fixed-interest securities and preference shares. The fund may invest in equities, other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes. Investment may be in all economic sectors worldwide.



## Fidelity MoneyBuilder Income / Fidelity MoneyBuilder Income 2

The fund aims to achieve an attractive level of income by investing mainly in sterling-denominated (or hedged<sup>1</sup> back to sterling) fixed-interest securities.

The fund may invest directly in fixed-interest securities or indirectly through the use of derivatives. The fund may also invest in other transferable securities, money market instruments, collective investment schemes, deposits, cash and near-cash. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

## Fidelity Strategic Bond / Fidelity Strategic Bond 2

The fund aims to achieve a relatively high income with the possibility of capital growth. The fund will do this by investing mainly in sterling-denominated (or hedged<sup>1</sup> back to sterling) fixed-interest securities.

The fund may invest directly in fixed-interest securities or indirectly through the use of derivatives. The fund may also invest in other transferable securities, money market instruments, collective investment schemes, deposits, cash and near-cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

## Henderson Preference & Bond / Henderson Preference & Bond 2

The fund aims to provide a return by investing primarily in sterling denominated preference shares, government securities, corporate bonds, Eurobonds and other bonds. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

## Henderson Strategic Bond / Henderson Strategic Bond 2

The fund aims to provide a return by investing in higher yielding assets including high yield bonds, investment grade bonds, government bonds, preference shares and other bonds. The fund may also invest in equities. The fund will take strategic asset allocation decisions between countries, asset classes, sectors and credit ratings. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

## Invesco Perpetual Corporate Bond / Invesco Perpetual Corporate Bond 2

The fund aims to achieve a high level of overall return, with relative security of capital. It intends to invest primarily in fixed-interest securities. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions, although the fund will not invest in any instrument which gives rise to a stamp duty liability.

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<sup>1</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

## **Invesco Perpetual Monthly Income Plus / Invesco Perpetual Monthly Income Plus 2**

The fund aims to achieve a high level of income whilst seeking to maximise total return through investing in high yielding corporate and government bonds, together with UK equities. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions.

## **iShares UK Gilts All Stocks Index / iShares UK Gilts All Stocks Index 2**

The underlying fund aims to achieve a total return by tracking closely the performance of the FTSE Actuaries UK Gilts All Stocks Tracker Index by investing in fixed-income securities contained in that index.

## **Kames Ethical Corporate Bond / Kames Ethical Corporate Bond 2**

The fund aims to provide a total return by investing in sterling denominated bonds issued by a company or organisation that meets the fund's stated ethical criteria. Investments may be in investment grade corporate bonds, cash and up to 10% of the fund may be in high yield bonds.

## **Kames Sterling Corporate Bond / Kames Sterling Corporate Bond 2**

The fund aims to produce a total return by investing mainly in sterling denominated bonds, including investment grade corporate bonds, government bonds and cash. Up to 10% of the fund may be invested in high yield bonds.

## **M&G Corporate Bond / M&G Corporate Bond 2**

The Fund aims to provide income and capital growth. At least 70% of the Fund is invested in sterling-denominated corporate debt instruments. The Fund's exposure to corporate debt may be gained through the use of derivatives. Derivatives may also be used for efficient portfolio management. Any currency exposures within the Fund may be managed by currency hedges into sterling. The Fund may also invest in collective investment schemes, other transferable securities and other debt instruments (including corporate debt and government and public securities denominated in any currency), cash, near cash, other money market securities, warrants and other derivative instruments.

## **M&G Gilt & Fixed Interest Income / M&G Gilt & Fixed Interest Income 2**

The Fund aims to provide income and capital growth. At least 70% of the Fund is invested in short, medium or long-dated gilts according to the fund manager's view at any given moment of the likely course of interest rates and trend of the gilt market. The Fund's exposure to gilts may be gained through the use of derivatives. Derivatives may also be used for efficient portfolio management. The Fund may also invest in collective investment schemes, other transferable securities, other debt instruments, cash, near cash, other money market securities, warrants and other derivative instruments.

## **M&G Optimal Income / M&G Optimal Income 2**

The fund aims to achieve a total return through maximising income returns where at least 50% will be invested in debt instruments such as corporate bonds. The fund may also invest in a wider range of assets including, collective investment schemes, money market instruments, cash, near cash, deposits, equities, and derivatives. Derivatives may be used both for investment purposes and the efficient management of the fund.

## M&G Strategic Corporate Bond / M&G Strategic Corporate Bond 2

The fund aims to maximise total return (the combination of income and growth of capital). The fund invests mainly in investment grade bonds. The fund may invest in derivatives in pursuit of the fund objective and for the purposes of efficient portfolio management. The fund may also invest in other assets including collective investment schemes, other transferable securities and other debt instruments (including corporate, high yield and government debt, convertible and preference stocks), cash, and near cash, deposits, warrants and money market instruments.

## Old Mutual Corporate Bond / Old Mutual Corporate Bond 2

The fund aims to maximise total return through investment in a diversified portfolio of fixed-interest and other debt securities.

## Schroder All Maturities Index Linked Bond / Schroder All Maturities Index Linked Bond 2

The Fund aims to provide income and capital growth by investing in index-linked bonds issued by the UK government and other governments.

The Fund invests at least 95% of its assets in sterling denominated (or in other currencies and hedged back into sterling) government backed index linked bonds with a rating the same or higher than that of the UK. At least 80% of the Fund's assets will be invested in index-linked bonds issued by the UK government.

The Fund may also invest in collective investment schemes, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage and take short positions.

## Schroder Strategic Credit / Schroder Strategic Credit 2

The fund aims to achieve a total return above sterling cash interest rates, mainly through a flexible allocation to investment grade bonds, non investment grade bonds and derivative instruments. The fund may invest in rated and unrated securities including bonds, notes of fixed and variable interest, preference shares, equities, convertible and other securities issued by government, quasi government, supranational, bank and corporate entities, and derivative instruments. The fund may also invest in cash, near cash and deposits without limitation.

### **Columbia Threadneedle funds**

## Sterling Bond / Sterling Bond 2

The investment objective is to achieve total return mainly by way of income with some capital growth. The investment policy is to invest mainly in UK government securities, agencies, sovereign and supranational borrowers denominated in sterling.

## UK Corporate Bond / UK Corporate Bond 2

The investment objective is to achieve a high level of income. The investment policy is to invest mainly in fixed-interest investments in the UK and Continental Europe.

# International fixed-interest funds

Many governments and companies borrow money from investors as a way to raise funds. In turn they issue securities known as 'bonds' or 'gilts' if they are loans to a government. In return for the loan, an agreed rate of interest is paid until a set date. These securities can be traded (bought or sold) before the set date. Often referred to as fixed-interest investments, these types of funds are expected to produce lower but more stable returns than equity funds. Fixed-interest funds tend to be more suited for shorter-term investment or as part of a personalised portfolio invested to achieve an overall balance of risk and potential return. Investing solely in the funds for the longer term may result in a lower return than a building society account.

The rate of income on fixed-interest securities such as corporate bonds and government bonds won't increase in line with inflation unless they are index-linked. So, over time the real value of the income they produce is likely to fall. The value of these investments is affected by interest rate changes and is likely to fall if long-term interest rates rise. They may also fall if a company or bank the fund invests in becomes insolvent or is unable to make the payments they have agreed to. High yield bond funds tend to invest in high yielding corporate bonds, which are generally higher risk investments than government bonds or lower yielding corporate bonds.

The level of risk associated with overseas investments depends largely on the countries in which the fund is invested. There are bigger risks to investing in emerging markets. They may be less reliable in paying back debt and have a less stable economy.

## Dimensional Global Short-Dated Bond / Dimensional Global Short-Dated Bond 2

The fund seeks to maximise current income while preserving capital. Income is not distributed and is accumulated into the value of your investment.

The fund invests in high quality debt securities such as bonds and money market instruments with a maturity of five years or less. This debt is issued by governments, other public bodies and companies in developed countries. The fund may purchase debt in currencies other than sterling and, where it does so, will use financial contracts or instruments to manage its exposure to these currencies.

The fund may use derivatives to manage risk, reduce costs or improve returns.

## Horizon Monthly Income Plus / Horizon Monthly Income Plus 2<sup>1</sup>

The fund aims to produce a monthly income while seeking to preserve capital over the long term. The fund invests principally in global corporate bonds, more than 50% of which may be sub-investment grade.

The Investment Manager's strategy is to select investments designed to pay a higher level of income than that generally achieved from investment grade global corporate bonds and similar fixed-interest securities (sub-investment grade bonds are potentially more risky than investment grade bonds). The fund may also invest in government bonds globally or other fixed-interest securities, as well as cash, near cash, money market instruments and money market funds. The fund uses derivatives to reduce exposure to non-Sterling currencies.

## Newton International Bond / Newton International Bond 2

The objective of the fund is to maximise total return from income and capital growth in the world bond markets through investment mainly in government and other public securities.

### Columbia Threadneedle funds

## Emerging Market Bond / Emerging Market Bond 2

The investment objective is to achieve a total return mainly by way of income with some capital growth. The investment policy is to invest mainly in high yielding public sector, sovereign and corporate bonds issued by emerging market borrowers. Typically these countries are outside the Organisation for Economic Cooperation and Development (OECD). It may further invest in other fixed-interest securities, including bonds issued by countries making up the G7, deposits, cash and near cash. Additionally, it may use derivatives (including currency, interest rate and credit default swaps) and forward transactions for purposes that are limited to efficient portfolio management techniques.

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<sup>1</sup> The Horizon Monthly Income Plus / Horizon Monthly Income Plus 2 funds are operated by Zurich Investment Services (UK) Limited.

<sup>2</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

## European Bond / European Bond 2

The investment objective is to achieve total return primarily by way of income with some capital growth. The investment policy is to invest in European public sector sovereign bonds and corporate bonds, issued by companies domiciled in Europe or with significant European operations, denominated in a range of European currencies or other Euro-denominated public sector sovereign bonds and corporate bonds. The Fund has the flexibility to invest in bonds issued by Eastern European issuers.

## Global Bond / Global Bond 2

The investment objective is to achieve a total return comprising mainly income with some capital growth. The investment policy is to invest the assets of the fund in a managed portfolio of fixed income securities quoted on markets worldwide.

## High Yield Bond / High Yield Bond 2

The investment objective of the fund is to achieve growth through a higher level of income. The investment policy is to invest principally in higher risk UK and international fixed-interest securities. It may also invest in equities. Income will be paid monthly.

## Strategic Bond / Strategic Bond 2

The investment objective is to achieve total return mainly by way of income. Income will be paid monthly. The investment policy is to invest in a managed portfolio of mainly UK and European fixed-interest securities. The portfolio will include investment grade as well as below investment grade fixed-interest securities. From time to time, it may also invest in securities issued by sovereign and supranational borrowers. Where securities are non-sterling denominated it is intended that they will typically be hedged<sup>1</sup> back into sterling.

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<sup>1</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

# Money market (including deposit and treasury) funds

These types of fund tend to be more suited for the shorter-term investment or as part of a personalised portfolio invested to achieve an overall balance of risk and potential return. Investing solely in these funds for the longer term may result in a lower return than a bank or building society account, or a return lower than inflation. In the longer term the returns of money market funds are generally expected to be lower than those from equity funds.

In some circumstances there can be a fall in value. For example, when interest rates are low the returns on money market funds may be less than the charges. If a company or bank that the fund invests in becomes insolvent, or is unable to make payments they have agreed to, the value of the fund could also fall.

## Money market funds

Money market funds invest in a much broader range of money market instruments (compared to deposit and treasury funds) and seek to obtain a higher return, although this carries an increased risk of the fund value falling. Money market instruments include commercial paper and floating rate notes.

Commercial paper is short-term unsecured notes issued by a company or bank. A floating rate note is an instrument whose interest payment varies with short-term interest rates.

These types of money market instruments are debt instruments that produce an income and can be traded (bought and sold). Their value when traded can fall and rise between the time of purchase and their maturity date. Their value will depend on comparable rates of interest achieved in the market place and the financial security and credit worthiness of the underlying institution the loan has been made to. This tends to mean the value of these instruments can fall and rise more than other near cash assets.

When an overseas money market instrument is used it will often be hedged<sup>1</sup> back into sterling currency to reduce risk of foreign exchange fluctuations affecting its value.

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<sup>1</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

## BlackRock Money Market / BlackRock Money Market 2

This fund invests in the BlackRock Cash Fund.

The fund aims to achieve a high rate of interest, principally from a portfolio of cash, cash deposits, and other money-market instruments. The fund will be managed to produce a high rate of income. It is not aimed at investors seeking long-term capital growth.

## Deutsche Managed Sterling 2

The fund aims to achieve growth while preserving capital values by investing in a diversified portfolio of Sterling denominated short-term debt and debt related instruments.

## Deutsche Managed Sterling Generation 2

The fund aims to achieve growth while preserving capital values by investing in a diversified portfolio of Sterling denominated short-term debt and debt related instruments.

## Deposit and treasury funds

Some money market funds, referred to as deposit and treasury funds, invest mainly in cash deposits or near cash assets. By near cash, we mean short-term (normally less than one year) debt investments like certificates of deposit. A debt investment is where a loan of cash is made in return for interest paid on that cash for a specified period and the repayment of the loan by a specified date.

### **Columbia Threadneedle funds**

## Deposit & Treasury / Deposit & Treasury 2

The fund aims to provide stability of capital and a modest level of return through investment in bank deposits, such as time deposits and certificates of deposit, and Government debt instruments, such as Gilts and Treasury Bills, with less than 12 months to maturity.

**This fund is the current choice for phased investments.**



# Absolute return funds

Absolute return funds aim to deliver positive returns in any market conditions. This is in contrast to more traditionally managed funds that aim to outperform a benchmark such as an index or similar funds, but which can still have negative returns over a specified period.

It's important to note that although absolute return funds typically aim to achieve consistent positive returns in each year, this is not guaranteed and, in particular, returns may not be positive after charges have been taken into account.

Performance comparisons with other funds in the absolute return sector may be inappropriate due to the varied nature of the funds within this sector resulting in different benchmarks, risk profiles and timeframes for delivering returns. However, the funds would generally be expected to achieve consistent but moderate returns.

Many absolute return funds will use derivatives to help in the risk management of the fund as well as for investment purposes.

## Henderson Multi-Asset Absolute Return / Henderson Multi-Asset Absolute Return 2

The fund aims to achieve a positive absolute return over the long-term regardless of market conditions, by investing in a range of collective investment schemes, transferable securities, cash, deposits, money market instruments and derivatives.

This fund is more suited for shorter-term investment or as part of a personalised portfolio invested to achieve an overall balance of risk and potential return. Investing solely in this fund for the longer term may result in a lower return than a bank or building society account.

## Invesco Perpetual Global Targeted Returns / Invesco Perpetual Global Targeted Returns 2

The fund aims to achieve a positive total return in all market conditions over a rolling three year period.

The fund targets a gross return of 5% a year above UK three month LIBOR and aims to achieve this with less than half the volatility of global equities over the same three year rolling period. There is no guarantee that the fund will achieve a positive return or its target, and an investor may not get back the full amount invested.

The fund will use a broad range of investment strategies and techniques and will actively invest in a broad selection of asset classes across all economic sectors worldwide. The fund will make significant use of derivatives and other financial instruments to meet its investment objectives.

## Newton Real Return / Newton Real Return 2

The fund aims to achieve significant real rates of return in sterling terms mainly from a portfolio of UK and international securities. The fund emphasises real return and invests in a mixture of cash, equities, and corporate and government fixed-interest securities of any duration from around the world. The fund may also invest in deposits, money market instruments, derivative instruments, forward transactions, and collective investment schemes.

# Distributor requested funds

Distributor requested funds are a range of funds provided by fund managers together with a fund sponsor (which may be part of the organisation your adviser works for). The investment objectives and risk profiles of the funds are set in conjunction with the fund sponsor. These funds tend to be either risk-rated funds and/or multi-managed funds. Generally, the fund sponsor also receives payments out of the fund charges in addition to any commission your adviser receives from us. The amount of any payments to fund sponsors are taken from the fund charges disclosed to you.

## Omnis funds

The Omnis Multi-Manager and Omnis Managed funds are managed by Octopus Investments Limited, and Columbia Threadneedle Asset Management Limited respectively, in accordance with the investment objectives of the funds. The investment objectives and risk profiles of the funds have been set by the Authorised Corporate Director (ACD), Omnis Investments Ltd. As ACD, Omnis Investments Ltd is entitled to payment of an annual management charge which is deducted from the funds.

Omnis Investments Ltd is part of the Openwork Group (which is part of the Zurich Group). The Openwork Group includes Openwork Limited, a network of financial advisers. Therefore, both Openwork and Zurich may benefit financially from these payments. The amount of these payments is included in the fund charges disclosed to you and is not an additional charge.

### Omnis Multi-Manager Adventurous / Omnis Multi-Manager Adventurous 2

The objective of the fund is to achieve capital growth. The fund will mainly invest in collective investment schemes with a core holding in UK equities. However, investments won't be limited to any particular sector. The fund may invest in other assets where appropriate.

### Omnis Multi-Manager Balanced / Omnis Multi-Manager Balanced 2

The objective of the fund is to achieve capital growth. The fund will mainly invest in collective investment schemes with most of the fund's assets in cash, cash equivalents and fixed income investments. However, investments won't be limited to any particular sector. The fund may invest in other assets where appropriate.

## Omnis Multi-Manager Cautious / Omnis Multi-Manager Cautious 2

The objective of the fund is to achieve capital growth. The fund will mainly invest in collective investment schemes with most of the fund's assets in cash, cash equivalents and fixed income investments. However, investments won't be limited to any particular sector. The fund may invest in other assets where appropriate.

## Omnis Multi-Manager Distribution / Omnis Multi-Manager Distribution 2

The objective of the fund is to achieve a reasonable level of income together with long term capital growth. The fund will mainly invest in collective investment schemes with a core holding in UK equities and bonds. However, investments won't be limited to any particular sector. The fund may invest in other assets where appropriate.

## Omnis Managed Adventurous / Omnis Managed Adventurous 2

The objective of the fund is to achieve capital growth. The fund will mainly invest in collective investment schemes managed by firms in the investment manager's group of companies with a core holding in UK equities. However, investments won't be limited to any particular sector. The fund may also invest in collective investment schemes managed by other managers and other asset classes where appropriate.

## Omnis Managed Balanced / Omnis Managed Balanced 2

The objective of the fund is to achieve capital growth. The fund will mainly invest in collective investment schemes managed by firms in the investment manager's group of companies with a core holding in UK equities and fixed income investments. However, investments won't be limited to any particular sector. The fund may also invest in collective investment schemes managed by other managers and other asset classes where appropriate.

## Omnis Managed Cautious / Omnis Managed Cautious 2

The objective of the fund is to achieve capital growth. The fund will mainly invest in collective investment schemes managed by firms in the investment manager's group of companies with a core holding in cash, cash equivalents and fixed income investments. However, investments won't be limited to any particular sector. The fund may also invest in collective investment schemes managed by other managers and other asset classes where appropriate.

## Sinfonia funds

The Sinfonia funds are managed by FundQuest in accordance with the investment objectives and risk profiles of the funds. These have been set in conjunction with the fund sponsor, Sinfonia Asset Management Limited, which is a subsidiary of Tenet Group Limited, a network of financial advisers. As sponsor, Sinfonia Asset Management Limited receives payments out of the fund charges.

Your adviser may also receive a share of the value if Sinfonia Asset Management Limited is sold or floated on a stock exchange based on the value of the investments made into the Sinfonia funds. This payment will be met from the proceeds of sale of Sinfonia Asset Management Limited and not by way of any deductions from your investment. Your adviser will have informed you if this arrangement applies to your investment.

### Sinfonia Adventurous Growth Portfolio / Sinfonia Adventurous Growth Portfolio 2

The fund aims to provide long-term capital growth by investing in collective investment schemes. The fund will invest in a diversified global portfolio of equities, fixed-interest securities, warrants and money market instruments, and there may be an emphasis on the UK. The fund may also invest in derivative instruments and forward transactions, mainly for the purposes of the efficient management of the fund, but also for investment purposes.

### Sinfonia Balanced Managed Portfolio /Sinfonia Balanced Managed Portfolio 2

The fund aims to provide medium to long-term capital growth by investing in collective investment schemes. The fund will invest in a diversified global portfolio of equities, fixed-interest securities, warrants and money market instruments, and there may be an emphasis on the UK and Europe. The fund may also invest in derivative instruments and forward transactions, mainly for the purposes of the efficient management of the fund, but also for investment purposes.

### Sinfonia Cautious Managed Portfolio /Sinfonia Cautious Managed Portfolio 2

The fund aims to provide a combination of long-term income and capital growth by investing in collective investment schemes. The fund will invest in a diversified global portfolio of equities, fixed-interest securities, warrants and money market instruments, and there may be an emphasis on the UK. The fund may also invest in derivative instruments and forward transactions, mainly for the purposes of the efficient management of the fund, but also for investment purposes.

### Sinfonia Income and Growth Portfolio / Sinfonia Income and Growth Portfolio 2

The fund aims to provide long-term income and capital growth by investing in collective investment schemes. The fund will invest in a diversified global portfolio of equities, fixed-interest securities, warrants and money market instruments with an emphasis on the UK. The fund may also invest in derivative instruments and forward transactions, mainly for the purposes of the efficient management of the fund, but also for investment purposes.

## Sinfonia Income Portfolio / Sinfonia Income Portfolio 2

The fund aims to provide regular income with some potential for long-term capital growth by investing in collective investment schemes. The fund will invest in a diversified global portfolio of equities, fixed-interest securities, warrants and money market instruments with an emphasis on the UK. The fund may also invest in derivative instruments and forward transactions, mainly for the purposes of the efficient management of the fund, but also for investment purposes.

## Verbatim funds

The Verbatim funds are managed by the investment managers shown below in accordance with the investment objectives and risk profiles of the funds which have been set in conjunction with the fund sponsor, Verbatim Asset Management Ltd, who are part of the SimplyBiz group. SimplyBiz provide support services for financial advisers. As sponsor Verbatim may receive payments out of the fund charges.

### Verbatim Portfolio 3 2

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The fund will use a

<sup>1</sup> Currency hedging intends to reduce the risk of loss from exchange rate fluctuations in the market. It would be like taking out an insurance policy against this happening so that any unfavourable change in a currency (for example, the dollar against the euro) would not seriously reduce the value of your investment.

broadly defensive investment strategy with the aim of achieving capital growth over the medium to longer term. It will seek to achieve this by investing in collective investment schemes (regulated and unregulated) as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. The fund is managed by Henderson Global Investors Limited.

### Verbatim Portfolio 4 / Verbatim Portfolio 4 2

The fund will use a broadly cautious managed investment strategy with the aim of achieving capital growth over the medium to longer term. It will seek to do this by blending a diversified selection of funds, including quality UK and overseas equity, bond and property funds. The fund is managed by Schroders Investment Management Limited.

### Verbatim Portfolio 5 Growth / Verbatim Portfolio 5 Growth 2

The fund will use a broadly cautious balanced strategy with the aim of achieving capital growth over the medium to longer term. The fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. Investment may be made globally but foreign currency exposure through non-UK investments may be hedged<sup>1</sup> back into sterling. The fund is managed by Architas Multi-Manager Limited.

## Verbatim Portfolio 5 Income / Verbatim Portfolio 5 Income 2

The fund will use a broadly cautious balanced investment strategy with the aim of achieving income with some potential for capital growth over the medium to longer term. It will invest in a diversified portfolio of global equity shares and will also gain exposure to the UK Corporate Bond sector through investment in a unitised vehicle. The fund is managed by Schroder Investment Management Limited.

## Verbatim Portfolio 6 / Verbatim Portfolio 6 2

The fund will use a broadly balanced investment strategy with the aim of achieving capital growth over the medium to longer term. The fund will seek to achieve its objective through investment in collective investment schemes (regulated and unregulated) as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. Investment may be made globally but foreign currency exposure through non-UK investments may be hedged<sup>1</sup> back into sterling. The fund is managed by Ignis Investment Services Limited.

## Verbatim Portfolio 7 / Verbatim Portfolio 7 2

The fund seeks to combine a strategic overlay with careful fund and security selection from a broad and diverse range of asset classes. The fund is managed by Henderson Global Investors Limited.



# Funds closed to new investors

## Aberdeen Emerging Markets Equity / Aberdeen Emerging Markets Equity 2

The fund aims to provide exposure to an actively managed portfolio of emerging market equities or companies with significant activities in emerging market countries worldwide.

## Aberdeen Multi-Asset

The investment objective of the fund is to provide long-term total return from a diversified portfolio. The fund may invest in transferable securities and may also hold units in collective investment schemes (in particular, schemes managed by the Investment Adviser), money market instruments, warrants, derivatives and forward transactions, cash and near cash and deposits.

## Aberdeen UK Equity

The fund aims to provide capital growth through investment in companies registered in the UK or companies which derive a significant proportion of their revenues or profits from the UK or have a significant proportion of their assets there. The fund may be suitable for investors seeking long-term capital growth with a moderate level of volatility.

## Aberdeen UK Equity Income Plus

The fund aims to achieve an attractive level of income combined with capital growth from a portfolio mainly consisting of UK equity and equity-related securities. The fund may be suitable for investors seeking a high level of income with a moderate level of volatility.

## Columbia Threadneedle funds

### Absolute Return Bond / Absolute Return Bond 2

The fund aims to achieve a total return in all market conditions, through investing in global bond markets. The fund will invest mainly in derivatives, cash and near cash, fixed-interest and index-linked securities, money market instruments and deposits. At times, the fund may be concentrated in any one or a combination of these assets. Derivatives may be used for investment purposes and the efficient management of the fund.

This fund is more suited for shorter-term investment or as part of a personalised portfolio invested to achieve an overall balance of risk and potential return. Investing solely in this fund for the longer term may result in a lower return than a bank or building society account

### Artemis European Growth / Artemis European Growth 2

The objective of the fund is to provide long-term capital growth through investment mainly in companies in Europe (excl. the UK). The fund aims to provide investors with a total return in excess of that of the FTSE Europe (excl. the UK) Index. The Manager actively manages the portfolio in order to achieve the above objective and will not be restricted in the choice of investments either by company size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities rather than the outlook for each market.

## AXA Framlington Financial

The fund aims to provide capital growth through investment mainly in financial services companies worldwide. Investment will be mainly in banks, insurance companies, property companies, investment related companies and other financial service providers which, in the Manager's opinion, show above-average profitability, management quality and growth.

## AXA Framlington Monthly Income / AXA Framlington Monthly Income 2

The fund aims to combine a regular income with the potential for long-term capital growth. The fund will invest mainly in equities and fixed-interest securities.

## AXA Framlington UK Growth

The fund aims to provide capital growth through investment mainly in UK large and medium capitalisation companies which, in the Manager's opinion, show above-average profitability, management quality and growth.

## AXA Framlington UK Smaller Companies / AXA Framlington UK Smaller Companies 2

The fund aims for capital growth through investment mainly in smaller UK quoted companies.

## Baring Emerging Markets / Baring Emerging Markets 2

The fund aims to achieve long-term capital growth through investment, both direct and indirect, in a diversified portfolio of emerging market securities.

## Baring Managed

The fund invests in shares and fixed income securities and aims to produce long-term growth. The portfolio is actively managed and focuses on UK and overseas companies and some investment in fixed income securities.

## BlackRock Global Equity / BlackRock Global Equity 2

The aim of the fund is to achieve capital growth mainly through an actively-managed portfolio of the world's most successful companies. Most of these companies possess dominant global franchises and have internationally diversified revenues. Other holdings will normally represent leading growth industries where the process of globalisation is currently less advanced.

## Close FTSE techMARK

The Scheme is constituted for the purpose of tracking the performance (in capital terms) of an index calculated by FTSE International Limited ("FTSE International"), representing securities admitted to the Official List of the Stock Exchange ("the Exchange") and comprised within the techMARK market. The techMARK is part of an initiative by the Exchange to encourage companies with short trading histories that are dedicated to high technology activities (e.g. telecommunications, the Internet etc.) to seek listings in London. The techMARK market and related indices commenced operations on 3 November 1999. The Exchange and FTSE International launched two indices on this market:

- The FTSE techMARK All-Share Index, comprising all the stocks in the techMARK; and
- The FTSE techMARK 100 Index.

The FTSE techMARK 100 Index is based on the performance of the stocks comprised in the techMARK, but excludes stocks issued by the very largest companies. Unit holders thus benefit from the continued growth of stocks in the technology sector with a market capitalisation ranging between approximately £50m and approximately £11bn. The scheme aims to track the FTSE techMARK 100 Index performance in capital terms.

This fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited, or by the London Stock Exchange Limited or by the Financial Times Limited.

## Deutsche Managed Sterling

The fund aims to achieve growth while preserving capital values by investing in a diversified portfolio of Sterling denominated short-term debt and debt related instruments.

## Fidelity Worldwide Special Situations

The aim of the fund is to provide capital growth by investing in equities. The fund invests in the Fidelity Special Situations fund and the Fidelity Global Special Situations fund.

## Foreign & Colonial Managed

The fund aims to secure long-term growth in capital and income from an international investment portfolio.

## Henderson Higher Income / Henderson Higher Income 2

The fund aims to achieve increasing distributions with the potential of long-term capital growth through investment in the securities of UK companies.

## Henderson Sterling Bond / Henderson Sterling Bond 2

The fund aims to provide a high and stable income through investment mainly in sterling denominated fixed-interest securities, including preference shares, with an emphasis on investment grade corporate bonds.

## Invesco Perpetual Japan / Invesco Perpetual Japan 2

The fund aims to achieve capital growth by investing mainly in the shares of companies in Japan, although it may include other Japanese related investments.

## Investec American / Investec American 2

The fund aims to achieve long-term capital growth through investment in a portfolio of equities issued by USA companies and in derivatives, the underlying assets of which are equities issued by USA companies.

## Investec Emerging Markets Local Currency Debt / Investec Emerging Markets Local Currency Debt 2

The fund aims to achieve long-term total returns mainly through investment in public sector, sovereign and corporate bonds issued by emerging market borrowers (typically countries that are classified as low or medium income by the World Bank) and in associated derivatives.

## JPM Global Macro Balanced / JPM Global Macro Balanced 2

The fund aims to achieve capital growth in excess of its benchmark by investing in a global portfolio of assets. The fund will invest mainly in debt securities, convertible bonds, equity securities and short-term securities issued in any country including emerging markets. The fund may invest in assets denominated in any currency.

## Jupiter Merlin Worldwide Portfolio / Jupiter Merlin Worldwide Portfolio 2

The fund aims to achieve long-term capital growth investing mainly in unit trusts, OEICs, Exchange Traded Funds and other collective investment schemes across several management groups.

## Kames Strategic Bond / Kames Strategic Bond 2

The main investment objective is to produce a total return by investing in global debt instruments, denominated in any currency, ranging from AAA government bonds through to high yield and emerging market corporate bonds. At least 50% of the fund will be invested in sterling and other currency denominated bonds hedged<sup>2</sup> back to sterling.

This fund's management style incorporates tactical asset allocation with high frequency portfolio adjustments.

## Legg Mason Clearbridge US Equity / Legg Mason Clearbridge US Equity 2

The fund aims to achieve capital growth, mainly through investment in securities of US issuers. The fund seeks to achieve its objective by investing mainly in securities of US issuers which the Authorised Corporate Director believes are undervalued. The fund may also invest up to 20% of its assets in securities of non-US issuers. At least 50% of the net asset value of the fund will be invested in equity securities.

## Liontrust Income / Liontrust Income 2

The fund aims to provide a high level of income with capital values keeping pace with inflation. Although the fund may invest in all economic sectors in all parts of the world, it will invest mainly in the shares of global companies.

## M&G Global Themes / M&G Global Themes 2

The Fund aims to provide a higher total return (the combination of capital growth and income) than that of the MSCI All Country World Index over any five-year period.

The Fund will invest at least 80% of its Net Asset Value in the equity securities of companies across any sectors and market capitalisations that are domiciled in any country, including emerging markets. The Fund may also invest in collective investment schemes, other transferable securities and may hold cash for liquidity purposes. Derivatives may be used for efficient portfolio management.

## M&G Managed Growth / M&G Managed Growth 2

The fund's aim is to achieve long-term capital growth. The fund is an actively managed fund investing mainly in collective investment schemes in order to provide a well diversified exposure to global equities. The fund may also invest in other collective investment schemes and directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purposes of efficient portfolio management.

## M&G Recovery/ M&G Recovery 2

The fund's sole aim is capital growth. The fund mainly invests in a diversified range of securities issued by companies which are out of favour, in difficulty or whose future prospects are not fully recognised by the market.

There is no particular income yield target.

## Neptune Balanced / Neptune Balanced 2

The fund aims to generate a positive total return from investment mainly in equities and bonds. There are no limits on the regional or sector allocation policy used. Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near-cash deposits and money market instruments.

## Neptune European Opportunities / Neptune European Opportunities 2

The fund aims to generate capital growth by investing mainly in a concentrated portfolio of securities selected from European markets, excluding the UK.

## Neptune Global Equity / Neptune Global Equity 2

The fund aims to produce capital growth from a concentrated portfolio of global securities, selected from across world equity markets.

## Neptune Income / Neptune Income 2

The fund aims to provide a total return mainly through a rising level of income. Whilst this is the main objective there is also potential for capital growth, from an actively managed portfolio invested mainly in UK securities and fixed-interest stocks, with some overseas exposure.

## Newton Continental European / Newton Continental European 2

The objective of the fund is to achieve capital growth from a portfolio of mainly European securities.

## Protected Profits

For the fund objectives and further details of the fund, please refer to the section on Protected Profits on page 53 of the guide.

## Schroder All Maturities Corporate Bond / Schroder All Maturities Corporate Bond 2

The fund aims to provide capital growth and income mainly through investment in non-government debt securities. The fund may also invest in a wider range of investments including transferable securities, derivatives, cash, deposits, collective investment schemes and money market instruments.

## Schroder Gilt & Fixed Interest / Schroder Gilt & Fixed Interest 2

The fund's investment objective is to achieve a high level of income with the potential for capital growth, from investment in a diversified portfolio of sterling denominated fixed-interest securities.

## Seneca Diversified Income / Seneca Diversified Income 2

The fund aims to provide growth through a high level of increasing income by investing in a balanced and varied portfolio of UK and international equities and fixed-interest securities including government and corporate bonds. Investments may also be made in regulated collective investment schemes, money markets and cash deposits to provide additional variety to the fund in accordance with applicable regulations.

## Tracker Protected Profits

For the fund objectives and further details of the fund, please refer to the section on Tracker Protected Profits on page 52 of the guide.

## Columbia Threadneedle funds

### Pan European

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund mainly in the equity of large companies based in Continental Europe or the UK or with significant Continental European or UK activities. The Authorised Corporate Director may, however, invest in the equity of smaller companies.

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