

Investment funds

A simple way to expand your horizons

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Allied Dunbar International Fund Managers Limited

Allied Dunbar International Fund Managers Limited is part of Allied Dunbar Assurance group of companies which is ultimately part of the Zurich Financial Services Group. The Zurich Financial Services Group can trace its roots back more than 135 years and today is one of the world's major financial services providers with offices in more than 50 countries and employs about 60,000 people.

Choosing the right investment

You may consider that a bank or building society deposit account is the best place for your 'nest egg'.

Unfortunately you may be ignoring one very important point. Although these types of accounts pay interest, the capital itself is fixed and will not grow at all. This means that your 'nest egg' and the income it produces will steadily shrink in real value owing to the effects of inflation.

Consequently, a deposit account, whilst it represents an excellent home for short-term savings, is less suitable over the longer term.

If you are looking to invest over the medium to long-term, then we consider that investing in real assets, such as stocks and shares, may offer the best prospects for preserving the long-term value of your savings.

The problem, of course, is that investing in individual shares can be risky, expensive and requires specialist knowledge. So, what is the answer? The problem may be overcome by investing in collective investments such as Allied Dunbar International Funds Managers Limited which provide a wide spread of investments and therefore a wider spread of risk. This also spreads dealing costs and lets the private investor take advantage of professional investment management at low cost.

Of course, any investment in stocks and shares carries a degree of risk and offshore funds are no exception. The value of shares can go down as well as up. Past performance is no guarantee of future performance.

Security comes through spread

Allied Dunbar International Funds Managers Limited (ADIFM) is an open-ended investment company which offers shares in various funds. This will enable you to invest on a much broader scale than you could as a private investor.

The funds (page five) invest in a wide range of company shares, a variety of fixed interest instruments, and various government securities both in the UK and around the world.

When you invest in a fund, you buy a share of the total assets within that fund.

In addition to the security of a wide spread of assets, you will also have the benefit of expert management.

Our investment manager, Threadneedle, is a subsidiary of Ameriprise Financial and has an award-winning investment team of over 130 dedicated investment managers and analysts.

The funds

- **Managed fund**

Investments are held primarily in equity and fixed interest stock markets of the major global economies.

The assets within this fund are varied in the light of changing investment conditions with a view to giving the best chance of real capital growth.

This fund is suitable for those investors looking to build up a professionally managed spread of investments over the medium to long-term.

- **North American Growth fund**

This fund aims for capital growth primarily through investment in shares of leading North American companies.

The fund is therefore suitable for those investors looking for real capital growth over the medium to long-term.

- **Worldwide Equity fund**

This fund aims to deliver capital growth by investing in a wide spread of company shares across the major international markets.

The fund is suitable for investors wishing to participate for the medium to long-term in a professionally managed spread of equity investments.

- **Far East fund**

This fund aims to provide capital growth by investing in the shares of leading companies throughout the Far East and Asia.

The fund is suitable for those investors looking for real capital growth over the medium to long-term, and who accept the short-term volatility that can be a feature of these markets.

- **UK Capital Growth fund**

The policy of this fund is to achieve capital growth through investment in a portfolio of shares in leading UK companies.

This fund is also suitable for investors looking for real capital growth over the medium to long-term.

- **Managed Currency fund**

The majority of the fund is invested in interest-bearing term deposits and short-dated bonds predominantly in US dollars, although the fund may invest in a spread of major currencies.

This fund is suitable for investors looking for growth over the medium to long-term, who are able to accept the risk inherent in a portfolio of short-term money investments in various currencies.

- **Europe fund**

This fund aims to maximise capital growth through investment in continental European stocks.

The fund is suitable for investors wishing to participate for the medium to long-term in a professionally managed spread of equity investments based in continental Europe.

- **Gilt and Income fund**

This fund invests primarily in Euro Sterling Bonds and UK Government securities (gilt-edged stock) which can pay income free of UK withholding tax.

This fund is suitable for investors looking for stability over high performance and wishing to invest for the short to medium-term.

The Gilt & Income fund can invest up to 100% of the value of the fund in government and public securities issued or guaranteed by H.M. Government, the International Bank of Reconstruction & Development or the European Investment Bank.

Investment details

Minimum investment

The minimum initial investment is GBP2,000, USD3,000 or EUR3,000 per fund. If you wish to add to your investment at a later stage, the minimum contribution is GBP1,000, USD1,500 or EUR1,500 per fund.

Charges

You buy shares at the offer price and sell them at the bid price. The difference between these two prices is called the bid-offer spread and is currently 5-6% of the offer price, depending on the fund.

An annual management charge is also taken to cover the day-to-day expenses of servicing the funds. This is currently 1.25% of the value of the fund for the Gilt and Income fund, 1.00% of the value of the fund for the Managed Currency fund and 1.95% of the value of the fund for all other funds.

For full details of all charges, please refer to the Scheme Particulars, a copy of which is available on request.

Income

The assets held by the funds may pay income in the form of dividends and interest. At least once a year, this income accrued will be paid to you (or re-invested if you wish) in the form of a distribution. Full details of the distribution dates and estimated yields are available on request.

Accessibility

You can have access to all or part of your investment at any time. Simply complete a redemption form (available on request). Please remember that the price of shares can go down as well as up. Consequently, investments should be made with the medium to long-term in mind – medium being at least five years.

Nominee Investment Service

We offer a Nominee Investment Service through Allied Dunbar International Nominees Limited, a subsidiary of the manager, the features of which include:

- **Confidentiality** – your shareholding is registered in the name of a nominee company, Allied Dunbar International Nominees Limited.

- **Dealing** – we are happy to receive your instructions over the telephone or by fax.

- **Regular valuations** – a valuation of your shareholdings will be sent on a regular or ad-hoc basis.

There is a one-off fee of GBP50 for this service.

The Nominee Investment Service Terms and Conditions are available on request.

The tax position

This breaks down into two distinct areas, the first being the tax position of ADIFM, and the second, your personal tax liability as a shareholder.

ADIFM is registered in the Isle of Man and being managed and controlled there, is not liable to UK taxation. The Isle of Man has no capital gains tax, stamp duty, corporation tax, capital transfer tax, estate duty or inheritance tax.

Currently, we pay any income or redemption proceeds to you without deducting tax. Your own tax liability will depend on the rules applying in the country where you are resident. We suggest you discuss this with your own tax adviser.

Currencies

We can normally accept applications in any major convertible currency. Any currency conversion is at your own risk in terms of exchange rate fluctuations and is subject to the rates of exchange, charges or commission that we may set from time to time. More details will be supplied upon request.

How to make an investment

You simply complete and sign an application form and hand it to your relevant financial professional. Also, please complete the telegraphic transfer request form and send it to your bank, or attach a bank draft or cheque made payable to ADIFM and crossed 'a/c payee only'.

Further information

Allied Dunbar International Fund Managers is licensed by the Financial Supervision Commission of the Isle of Man to provide collective investment scheme services.

You do not have the protection of the UK Financial Services Compensation Scheme. However, you are protected by the Isle of Man's Authorised Collective Investment Scheme's (Compensation) Regulations 2008.

Past performance is not a guide to future performance. The value of any investment and the income from it can fall as a result of market and currency fluctuations, and you may get back less than the amount originally invested.

Threadneedle is the brand name for Threadneedle Asset Management Limited. Threadneedle Asset Management Limited is the Investment Manager to Allied Dunbar International Fund Managers Limited.

Threadneedle Asset Management Limited is authorised and regulated by the Financial Services Authority.

The information contained in this brochure is based on Allied Dunbar International Fund Managers Limited's understanding of relevant legislation, regulation and taxation issues as at March 2009 and may change in the future. Allied Dunbar International Fund Managers Limited is unable to provide individual tax guidance and recommend that you always seek professional tax advice.

The value of tax benefits depends on individual circumstances and can change.

Allied Dunbar International Fund Managers Limited does not accept responsibility for any actions or inaction resulting from this document.

This information is only a summary and may be subject to change without notice. It was obtained from what we believe to be reliable sources. However, its accuracy and completeness cannot be guaranteed. Neither Allied Dunbar International Fund Managers Limited nor its representatives, can accept responsibility for any errors or omissions.

A copy of ADIFM's scheme particulars is available on request.

Isle of Man

The Isle of Man is one of the most highly regulated international financial centres in the world. The licensing of banks, investment and insurance companies is strictly controlled and subject to comprehensive legislation.

The Island, whilst part of the British Isles, is not part of the United Kingdom. In fact, it is a completely independent jurisdiction with its own laws, including those on taxation.

Important information

This brochure is not intended as an offer to invest.

Allied Dunbar International Fund Managers Limited is only able to give information on the products of Allied Dunbar International Fund Managers Limited.

The Company has been recognised by the Financial Services Authority of the United Kingdom under Section 270 of the Financial Services and Markets Act 2000 (of the United Kingdom) – the Isle of Man having been granted designated territory status by the United Kingdom for the purposes of such Act.

For full details of the Allied Dunbar International Funds Managers Limited products, please refer to the product brochure and the policy terms and conditions, copies of which are available on request.

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Calls may be recorded for training and quality purposes.

Issued by Allied Dunbar International Fund Managers which is licensed by the Financial Supervision Commission of the Isle of Man to provide collective investment scheme services.

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