



Corporate Bond funds

AEGON Investment Grade Bond

This fund is primarily investment grade and government bonds, with a maximum of 20% in high yield bonds and some cash. The fund may also comprise holdings in deposits, money market instruments and derivative instruments. There is no limit on global exposure, provided that all non-UK investments are hedged back into sterling. *Please note that this fund replaces AEGON Sterling Corporate Bond due to its greater degree of flexibility, although both invest in common asset classes.*

Yield*	4.22%
Standard and Poor's fund rating	–
OBSR fund rating	–
Standard initial charge	4.50%
Lump sum Chelsea ISA discount	4.25%
Initial charge after discount	NAV + 0.25%
Annual management charge	1.25%
Chelsea Risk Rating†	1
Unit type	Acc/Inc

Henderson Strategic Bond

This fund shifts between investment grade and high yield bonds, generally with a combination of the two but with the flexibility to move wherever the best value is found. It invests in the UK and Europe and tends to hold some unrated bonds too. The emphasis is on providing both a high yield and some capital growth.

Yield*	7.15%
Standard and Poor's fund rating	AA
OBSR fund rating	AA
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.25%
Chelsea Risk Rating†	1.5
Unit type	Inc

Invesco Perpetual Monthly Income Plus

This distinct fund holds a minimum of 80% in bonds but may also hold up to a maximum of 20% in equities. The bond element is managed by Paul Causer and Paul Read and is focused upon high yield debt (50-70%). The equity element is managed by Neil Woodford and accounts for around 15% of the portfolio at present.

Yield*	8.85%
Standard and Poor's fund rating	AA
OBSR fund rating	AAA
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.25%
Chelsea Risk Rating†	2.5
Unit type	Acc/Inc

Legal & General High Income

This is a pure high yield corporate bond fund and it invests globally, with approximately 54% currently invested in the US and 22% in developed Europe (excluding UK). It benefits from a strong fixed interest team, who formulate both the top-down strategic allocation of assets and bottom-up stock selection.

Yield*	7.20%
Standard and Poor's fund rating	–
OBSR fund rating	AA
Standard initial charge	3.00%
Lump sum Chelsea ISA discount	3.00%
Initial charge after discount	NAV
Annual management charge	1.00%
Chelsea Risk Rating†	2
Unit type	Acc/Inc

M&G Optimal Income

This fund provides fund manager Richard Woolnough with a flexible mandate, allowing him to make investment allocations between investment grade corporate bonds, high yield bonds, government debt, convertible and preference stocks, equities, derivatives and money market instruments. He primarily adopts a top-down approach and draws on M&G's specialist teams for stock selection ideas. There is no limit on global exposure, provided that at least 80% is hedged back into sterling.

Yield*	5.75%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.25%
Chelsea Risk Rating†	1.5
Unit type	Acc/Inc

*All discounts quoted are to the nearest 0.05%
For performance statistics please refer to pages 42-43.*

Notes: We always strive to reduce your costs to a minimum. Units bought with No Initial Charge are described as being bought at the Creation/NAV. You can see from our table of funds that we have secured this Creation/NAV on many of the funds and these are highlighted in the tables.

† The Chelsea Risk Rating denotes a fund's risk profile, where 1 is the least risky and 10 has the highest risk.

Standard & Poor's and Micropal ratings taken from Money Management, September 2008.

Fund charges are taken from Cofunds Consolidation Service Key Features Schedule, September 2008.

These discounts apply to new ISA purchases only, although the majority of ISA/PEP transfers will also attract the same discounts. Please telephone 020 7384 7300 for further details.

OBSR ratings taken from website, September 2008.

*Yield Financial Express 12/09/08