



The Chelsea Leaders

UK Aggressive funds

Artemis UK Special Situations

Derek Stuart, one of the founders of Artemis, manages this fund with the flexibility to invest within the UK stock market without size or sector restrictions. Stuart looks for companies where there has been a change of management, companies currently unpopular with the market or those in recovery.

Yield*	1.80%
Standard and Poor's fund rating	-
OBSR fund rating	AAA
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	7
Unit type	Acc

AXA Framlington UK Select Opportunities

Nigel Thomas employs a stock picking approach, actively managing his circa 80 stocks, with a small/mid-cap bias. Select Opportunities has no benchmark constraints and focuses on companies with new management, those implementing new technologies/products, etc.

Yield*	1.66%
Standard and Poor's fund rating	-
OBSR fund rating	AAA
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	7
Unit type	Acc/Inc

Fidelity Special Situations

Managed by Sanjeev Shah since January 2008, this fund of around 150 stocks aims to achieve growth using a combination of top-down and bottom-up stock picking. His contrarian approach enables him to invest in stocks that go against the main market trend, whereby he identifies stocks in these categories: recovery situations; unrecognised growth; corporate activity potential and hidden jewels. He is also able to draw upon Fidelity's extensive research team.

See page 8 for more details.

Yield*	0.65%
Standard and Poor's fund rating	AA
OBSR fund rating	AA
Standard initial charge	3.50%
Lump sum Chelsea ISA discount	3.50%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	6
Unit type	Acc

Marlborough Special Situations

Giles Hargreave has managed this fund for over 10 years. He aims to achieve capital growth via investment in smaller companies, and those experiencing difficulties that are deemed to have good recovery prospects. The portfolio is well diversified with almost 200 stocks, of which no single holding can make up more than 3% of the fund.

Yield*	1.08%
Standard and Poor's fund rating	-
OBSR fund rating	-
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	4.75%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	8
Unit type	Inc

Schroder UK Alpha Plus

This concentrated fund (20-40 stocks) is managed on a top-down thematic basis. The manager, Richard Buxton, analyses macroeconomic themes and combines this with rigorous stock selection. He tends to invest with a 2-3 year view, with a large and mid-cap bias.

Yield*	1.20%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	7
Unit type	Acc/Inc

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

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† 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, January 2010.

Fund charges are taken from Cofunds Consolidation Service Key Features Schedule, January 2010.

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, January 2010.

*Yield Financial Express 08/01/10.



UK Core funds

Artemis Income

The managers Adrian Frost and Adrian Gosden conduct their own fundamental analysis and complement this with Artemis' SmartGARP quantitative screen. Although multi-cap, this fund tends to have a large-cap bias and they will move the fund around to areas of best value. Furthermore, they have the capability to place 10% into bonds and 10% into Europe if they find better value in those areas.

Yield*	4.40%
Standard and Poor's fund rating	-
OBSR fund rating	AAA
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	4
Unit type	Acc/Inc

Invesco Perpetual High Income

Neil Woodford's investment style combines a top-down view of the economy with industry and company analysis. A large number of holdings helps to mitigate any risk associated with the aggressive sector weightings.

Yield*	4.70%
Standard and Poor's fund rating	AAA
OBSR fund rating	AAA
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	4
Unit type	Acc/Inc

J O Hambro UK Opportunities

This fund is managed by John Wood who joined JOHCM from Newton, where he managed a fund by the same name. Its portfolio of around 40 stocks, with a large-cap bias, aims to achieve attractive absolute returns over the long term, through a combination of a top-down thematic overlay and bottom-up stockpicking approach.

Yield*	3.10%
Standard and Poor's fund rating	AA
OBSR fund rating	AA
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†	5.5
Unit type	Acc/Inc

M&G Recovery

As the name implies, this fund invests in companies that are in recovery, for instance those which are out of favour with the market, have been experiencing difficulties or had a management change. The fund has a multi-cap approach where investments are made with a long-term view and hence turnover is extremely low.

Yield*	1.25%
Standard and Poor's fund rating	AAA
OBSR fund rating	AAA
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	5
Unit type	Acc/Inc

Rathbone Income

Carl Stick's investment process is based firstly on the identification of correct sectors, industries and businesses and secondly, locating specific companies. There is a clear focus on businesses that offer both value and dividend yield. A buy and hold strategy is followed, with a small and mid-cap stock bias, although recently FTSE 100 weightings have increased.

Yield*	6.11%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	5.50%
Lump sum Chelsea ISA discount	5.25%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	4.5
Unit type	Acc/Inc

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For performance statistics please refer to pages 42-43.*

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OBSR ratings taken from website, January 2010.
*Yield Financial Express 08/01/10.
**Performance fee of 15% applied to any returns above the benchmark, the FTSE All Share Total Return Index.



The Chelsea Leaders

UK Core funds (continued)

Schroder Income Maximiser

This fund is a direct derivative of the Schroder Income fund and invests in stocks and selling 'covered call options', with the aim of producing a high level of income compared with the original equity income fund. In flat markets this style of investment has the potential to outperform. However, in a strongly rising market it may underperform. It invests in a carefully selected high quality portfolio of 30-40 UK large-cap stocks.

Yield*	7.00%
Standard and Poor's fund rating	-
OBSR fund rating	-
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	4
Unit type	Acc/Inc

Standard Life UK Equity High Income

Karen Robertson has been managing this fund for over 10 years. She invests predominantly in the FTSE 350 and typically holds 50-65 stocks. Robertson draws on the expertise of a strong UK team and sector analysts. Change in company expectations drives stock selection and, as a best ideas fund, stock and sector weightings may deviate considerably from the benchmark.

Yield*	4.09%
Standard and Poor's fund rating	AA
OBSR fund rating	AAA
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	4
Unit type	Acc/Inc

European funds

BlackRock Continental European

This team-managed fund is run by Vincent Devlin, alongside team head Nigel Bolton, who both joined from Scottish Widows in 2008. The fund is multi-cap and holds around 40 stocks today. Its flexible mandate also allows the fund to look for restructuring and turnaround opportunities.

Yield*	1.15%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	4.75%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	6
Unit type	Acc/Inc

Jupiter European Special Situations

Fund manager Cedric de Fonclare spends the majority of his time analysing companies with a strong operating niche, looking for specific criteria such as a good track record, innovative products and services and high barriers to entry. He has a distinct bottom-up stockpicking approach, with a large-cap bias and is aided by a team of six fund managers and three analysts headed by Alex Darwall.

Yield*	1.30%
Standard and Poor's fund rating	AA
OBSR fund rating	AA
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	6
Unit type	Acc

Neptune European Opportunities

Fund manager Rob Burnett focuses on generating capital growth by investing in a concentrated portfolio of around 50 stocks. Neptune's investment process of forming positive views on asset classes and screening equities by global industry sectors is combined with both top-down and bottom-up stock picking. This can result in a wide divergence from the benchmark, however Burnett seeks to spread risk across a range of sectors.

Yield*	1.32%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.75%
Chelsea Risk Rating†	7
Unit type	Acc/Inc

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*Yield Financial Express 08/01/10.



European funds (continued)

Schroder European Alpha Plus

Leon Howard-Spink, former manager of Jupiter European Special Situations concentrates firmly on stock selection in this circa 60 stock portfolio, keeping turnover very low. It is a multi-cap fund and risk is controlled via diversification, so that the fund is not unduly exposed to any theme, sector or style

Yield*	1.40%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	6
Unit type	Acc/Inc

Specialist funds

Allianz RCM BRIC Stars

Managed by Michael Kostantinov, investment is predominantly concentrated in Brazil, Russia, India and China. The benchmark is split 25% in each country, however the fund manager can under/overweight where he finds value. The fund holds a relatively concentrated portfolio of approximately 50-80 stocks.

Yield*	0.23%
Standard and Poor's fund rating	-
OBSR fund rating	A
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.75%
Chelsea Risk Rating†	10
Unit type	Acc

Ignis HEXAM Global Emerging Markets

HEXAM was formed as a joint venture with Ignis Asset Management in 2006, and is an investment boutique specialising in emerging markets. This team-managed fund, headed by Bryan Collings, focuses on a concentrated portfolio of approximately 30-50 stocks. The team's best ideas are selected from the following regions: Emerging Europe; Latin America; Europe; Asia; Middle East and Africa. A blended approach of bottom-up and top-down analysis is used.

Yield*	-
Standard and Poor's fund rating	-
OBSR fund rating	A
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.25%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	10
Unit type	Acc

JPM Natural Resources

Managed by JPM's specialist resources team, this fund provides exposure to commodities via various mining and energy stocks. The portfolio's split is approximately 30% energy, 30% gold and precious metals and 30% base metals. It offers a way of participating in emerging market growth and is therefore a volatile area of investment.

See page 9 for more details.

Yield*	-
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	4.25%
Lump sum Chelsea ISA discount	4.25%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	10
Unit type	Acc

Jupiter Emerging European Opportunities

This fund is largely concentrated in Russia, with circa 30% invested in Turkey, Poland and the Czech Republic. The fund also consists of a small holding in other emerging European countries. Economic growth in this region far outpaces that of Western Europe. However, it should be noted that there are greater risks associated with investment in this area.

Yield*	-
Standard and Poor's fund rating	A
OBSR fund rating	AA
Standard initial charge	5.50%
Lump sum Chelsea ISA discount	5.25%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	10
Unit type	Acc

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*Yield Financial Express 08/01/10.



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Specialist funds (continued)

M&G Global Dividend

Fund manager Stuart Rhodes focuses on dividend growth by investing in a concentrated portfolio of around 50 global income stocks, with a 2-3 year view. He employs a bottom-up stockpicking approach combined with strong quantitative screening which focuses on earnings upgrades, to seek out the best opportunities without any geographic constraints.

Yield*	3.70%
Standard and Poor's fund rating	-
OBSR fund rating	-
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	6
Unit type	Acc/Inc

CF Miton Special Situations Portfolio

Co-fund managers Martin Gray and James Sullivan focus on returns with low volatility. Its circa 50 stock portfolio is picked on a conviction led basis, with the flexibility to invest in different asset classes such as equities, fixed interest, investment trusts, property and cash. This global balanced fund uses a top-down investment process, concentrating on special situations using a fund selection process that is both qualitative and quantitative.

Yield*	0.00%
Standard and Poor's fund rating	-
OBSR fund rating	A
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	4
Unit type	Acc

Far East and Japan funds

First State Asia Pacific Leaders

Angus Tulloch, who has over 20 years' Asian investment experience, and his extensive and experienced team aim to find reasonably valued growth stocks throughout the Far East, excluding Japan. Their relatively concentrated portfolio (approximately 45 stocks) invests in large and mid-cap companies with a long-term view.

Yield*	0.73%
Standard and Poor's fund rating	AAA
OBSR fund rating	AAA
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	7.5
Unit type	Acc

First State Greater China Growth

Co-fund managers Martin Lau and Ho Hsiu Mei draw upon the extensive Asian investing expertise at First State. The 40-60 stock portfolio has a small and mid-cap bias. Rigorous research and extensive company visits are combined with considerable macroeconomic analysis when selecting stocks. A long-term view is taken and hence the portfolio turnover is remarkably low.

Yield*	0.58%
Standard and Poor's fund rating	AAA
OBSR fund rating	A
Standard initial charge	4.00%
Lump sum Chelsea ISA discount	4.00%
Initial charge after discount	NAV
Annual management charge	1.75%
Chelsea Risk Rating†	10
Unit type	Acc

Jupiter Japan Income

Manager Simon Somerville aims to achieve long-term capital growth and income growth with this multi-cap fund. It aims to invest largely in companies participating in the growing dividend culture, although it should be noted that the yield is not comparable to UK equity income funds. It has a concentrated portfolio of approximately 45 holdings, which focuses on domestic-orientated stocks.

Yield*	2.40%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	9.5
Unit type	Acc/Inc

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*Yield Financial Express 08/01/10.



Far East and Japan funds (continued)

Martin Currie Asia Pacific

This team-managed fund is headed by Jason McCay and focuses on large and mid-cap companies, in a concentrated portfolio. Stock selection is driven by the idea that the markets underestimate change and this value can be exploited. Turnover in the fund is relatively low. It holds between 40-60 stocks.

Yield*	0.70%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	8
Unit type	Acc

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.

Yield*	6.07%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	4.50%
Lump sum Chelsea ISA discount	4.50%
Initial charge after discount	NAV
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*	6.68%
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 (up to 20% of the portfolio) is managed by Neil Woodford.

Yield*	7.66%
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 Dynamic Bond

This fund has an extremely flexible global mandate, which allows for shifts between investment grade, high yield bonds, equities, derivatives and collective investment schemes. Although it benefits from a strong fixed income team, fund manager Richard Hodges is responsible for portfolio construction and has a top-down stockpicking approach.

Yield*	6.10%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	3.00%
Lump sum Chelsea ISA discount	3.00%
Initial charge after discount	NAV
Annual management charge	1.25%
Chelsea Risk Rating†	1.5
Unit type	Acc/Inc

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*Yield Financial Express 08/01/10.



The Chelsea Leaders

Corporate Bond funds (continued)

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*	4.55%
Standard and Poor's fund rating	AAA
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	Acc/Inc

US funds

Investec American

Managed by Bill Fries, Connor Browne and Ed Maran, this fund focuses on a relatively concentrated portfolio of 40-50 stocks. The managers buy promising companies with sound business fundamentals that are priced at a discount to their intrinsic value. Performance is driven by a bottom-up stockpicking process, consistently applied since inception.

Yield*	0.13%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	4.50%
Lump sum Chelsea ISA discount	4.50%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	7
Unit type	Acc

M&G American

Manager Aled Smith takes an active bottom-up investment approach. The fund holds between 40-70 stocks with a standard weighting of 2% for each holding. The core focus of the fund is on companies in the process of capital allocation change, as well as looking at thematic changes in the corporate environment.

Yield*	0.22%
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	1.50%
Chelsea Risk Rating†	7
Unit type	Acc/Inc

Martin Currie North American

A focused portfolio of 40 stocks keeps fund manager Tom Walker focused on his best ideas. He will also invest in Canada (on average 10% of the portfolio) when he has strong stock conviction. The fund has a low turnover and is predominantly large cap. Fundamental proprietary research is conducted by a strong team of global sector analysts.

Yield*	0.00%
Standard and Poor's fund rating	-
OBSR fund rating	AA
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	7
Unit type	Acc

Neptune US Opportunities

Manager Felix Wintle aims to generate capital growth by investing in a concentrated portfolio of around 50 stocks with a mid/large-cap bias. His process is in line with Neptune's investment approach, which is to form positive views on asset classes, global sectors and stocks – this can lead to marked sector weightings. A bottom-up screening process is used, having identified the most promising sectors, where he selects market-leading stocks that he believes will grow more profitably.

Yield*	0.19%
Standard and Poor's fund rating	-
OBSR fund rating	A
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.60%
Chelsea Risk Rating†	8
Unit type	Acc

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*Yield Financial Express 08/01/10.



Absolute Return funds

Absolute Return funds are a relatively new concept for the retail investor, with a low correlation to equities. Their aim is to make a positive return in all market conditions. This is achieved by utilising the capacity to short currencies, stocks and other asset classes e.g. enabling the managers to reduce risk within the portfolio and potentially capitalise on falling markets.

BlackRock UK Absolute Alpha

Managed by Mark Lyttleton, who aims to achieve an absolute return by buying shares that he believes will rise in value and shorting shares that will fall in value. He also combines both techniques through 'pairs trading' by buying and shorting two or more companies in the same sector. This combination allows him to reduce risk within the portfolio and potentially capitalise on falling markets. Its benchmark is three month sterling LIBOR, any outperformance is subject to a 20% performance fee.

Yield*	0.97%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	4.75%
Initial charge after discount	Creation
Annual management charge	1.50%
Chelsea Risk Rating†	5
Unit type	Acc

Gartmore UK Absolute Return

Manager Ben Wallace applies a high conviction strategy to this UK equity long-short fund, investing in typically 65-125 stocks, with a large-cap bias. The fund is divided between core and tactical holdings; core holdings are identified using a variety of sources including the alpha team and external research. The tactical portion takes advantage of short-term trading opportunities, an area in which the fund manager has a proven track record. Its benchmark is three month sterling LIBOR, any outperformance is subject to a 20% performance fee.

Yield*	0.00%
Standard and Poor's fund rating	-
OBSR fund rating	A
Standard initial charge	5.00%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	NAV
Annual management charge	1.50%
Chelsea Risk Rating†	7
Unit type	Acc

Jupiter Absolute Return

Managed by Philip Gibbs, who has a successful track record with his Jupiter Financial Opportunities fund, this fund aims to generate absolute returns by investing on a global basis. The use of investment tools such as cash and derivatives will enable Philip to respond to changing market conditions. This best ideas fund will combine his macroeconomic views with company valuations, enabling him to adjust positions regularly to maximise returns and protect client capital. Its benchmark is three month sterling LIBOR, any outperformance of which is subject to a 15% performance fee.

Yield*	0.00%
Standard and Poor's fund rating	-
OBSR fund rating	-
Standard initial charge	5.25%
Lump sum Chelsea ISA discount	5.00%
Initial charge after discount	Creation
Annual management charge	1.25%
Chelsea Risk Rating†	5
Unit type	Acc

Threadneedle Absolute Return Bond

Co-fund managers Quentin Fitzsimmons and Peter Allwright focus on combining a high quality portfolio of short-dated, high-grade bonds with their global investment approach. Through a series of high-conviction macro strategies, the fund primarily invests in derivatives, cash, fixed interest securities, index-linked securities and money market instruments. Its benchmark is three month sterling LIBOR.

Yield*	0.00%
Standard and Poor's fund rating	AA
OBSR fund rating	A
Standard initial charge	3.00%
Lump sum Chelsea ISA discount	3.00%
Initial charge after discount	NAV
Annual management charge	1.25%
Chelsea Risk Rating†	2
Unit type	Acc

*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 Mircopal ratings taken from Money Management, January 2010.

Fund charges are taken from Cofunds Consolidation Service Key Features Schedule, January 2010.

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, January 2010.

*Yield Financial Express 08/01/10.