

The Chelsea Easy ISA

investing made easy – with no initial charges



When it comes to considering funds for your ISA, the range is vast and the task of choosing just a few for your portfolio can be daunting. So we have selected funds for the Chelsea Easy ISA and put them together within four different portfolios. All you have to do is choose one of the

four options based upon your own requirements and attitude to risk: Cautious; Balanced; Aggressive or Income. Your ISA investment will then be spread equally across the corresponding six funds, within our fund supermarket the Chelsea Portfolio (for more details see page 19).

Once you have selected your preferred Easy ISA option, simply fill in the ISA application form on page 21, ticking one box only to select either Cautious, Balanced, Aggressive or Income, and send the application back to us in the pre-paid envelope enclosed.

- The Chelsea Easy ISA is also available for ISA transfers.
- If you would like to know more about the funds we have chosen, details are provided on pages 11-18.
- Please note that the minimum investment is £2,100 lump sum or £150 per month into any Easy ISA.

EASY ISA CHANGES

Cautious Growth – M&G Global Dividend replaces BlackRock Continental European.

Balanced Growth – Schroder US Mid Cap replaces Martin Currie North American.

Aggressive Growth – BlackRock Continental European replaces Neptune European Opportunities.

PLEASE NOTE:

We are not able to manage these portfolios for you.

It is up to you to switch funds if you wish, either online or by simply writing to us. You may wish to sign up to our regular e-Viewpoint to keep in touch with any fund manager changes or simply check the portfolios to see if we have made any alterations each time a new Viewpoint comes out.

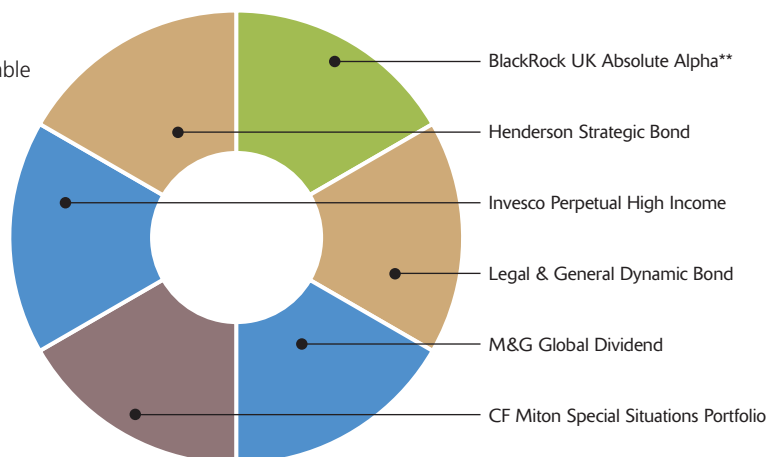
We select the funds for the Chelsea Easy ISA, but it is up to you to decide whether this selection will suit your investment requirements. Returns cannot be guaranteed, and your attention is drawn to the Important Notice on page 2.

CAUTIOUS GROWTH

**(Average Chelsea Risk Rating 3.66)*
Application form on page 21**

Cautious Growth is for those who feel uncomfortable with a higher level of risk. This aims to provide a steady level of growth, with limited volatility. Approximately one third of the portfolio is in corporate bonds, which lowers the exposure to equities and thus stock-market volatility. A large proportion of your investment (over 60%) will be in the UK, thereby reducing any fluctuations in foreign markets and there is a bias towards large-cap stocks, which tend to be less volatile.

Zero initial charge after CFS discount
Average annual management charge: 1.42% **



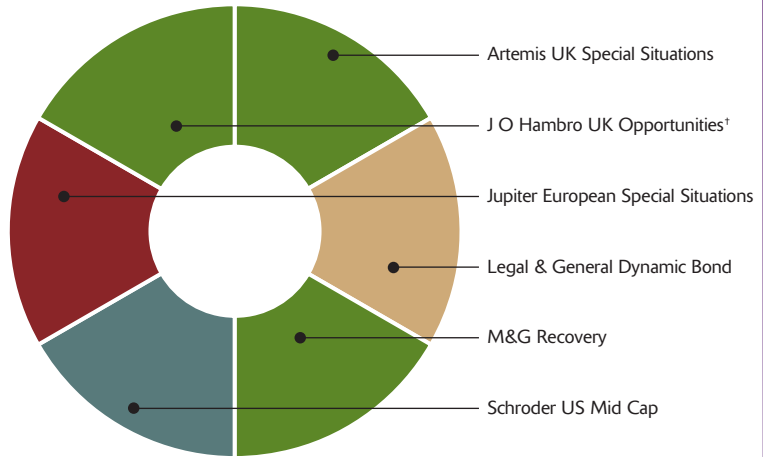
Note: *The Chelsea Risk Rating denotes a fund's risk profile, where 1 is the least risky and 10 has the highest risk.
**A performance fee may be applied – See page 18 for more details.

BALANCED GROWTH

(Average Chelsea Risk Rating 5.33)* Application form on page 21

This offers you a medium level of risk. It gives broader exposure to developed foreign markets to provide diversification outside the UK and has a slightly more aggressive UK stance, with some exposure to smaller companies. This is balanced with lower risk fixed interest and equity income and equity income holdings. With approximately 60% in the UK, foreign exposure is limited to approximately 15% in the US and 16% in Europe.

Zero initial charge after CFS discount
Average annual management charge: 1.42%†

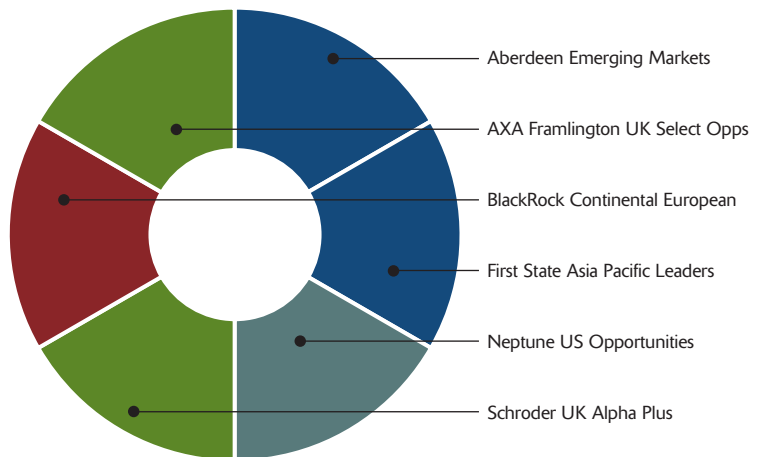


AGGRESSIVE GROWTH

(Average Chelsea Risk Rating 7.58)* Application form on page 21

If you have a sufficiently long time horizon and feel comfortable with a certain amount of risk, you may wish to choose Aggressive Growth. This encompasses a greater degree of volatility, with the prospect of higher long-term growth. It offers a broad-based portfolio, with global exposure, enabling you to take advantage of any upturn in markets worldwide. It combines large, medium and small-cap companies.

Zero initial charge after CFS discount
Average annual management charge: 1.56%

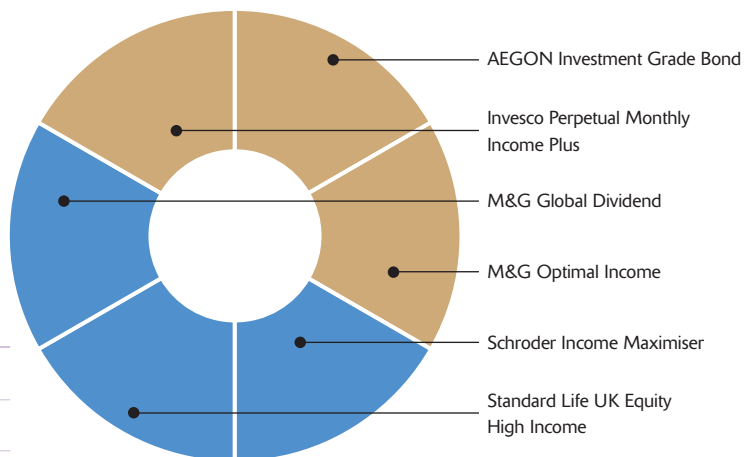


INCOME

(Average Chelsea Risk Rating 3.16)* Application form on page 21

If your priority is income, the Chelsea Easy ISA Income option could suit your requirements. A combination of corporate bond and equity income funds provides a regular income with an element of capital appreciation. This should enable you to maintain the real value of both your capital and income. **The average yield for this portfolio is 4.78%+.**

	Yield*	Paid out
AEGON Investment Grade Bond	4.45%	Jan, Apr, Jul, Oct
Invesco Perpetual Monthly Income Plus	6.52%	Monthly
M&G Global Dividend	3.31%	Mar, Jun, Sep, Dec
M&G Optimal Income	4.19%	Jun, Dec
Schroder Income Maximiser	7.00%	Feb, May, Aug, Nov
Standard Life UK Equity High Income	3.18%	May, Nov



Zero initial charge after CFS discount
Average annual management charge: 1.38%

*Source: Financial Express 19th January 2011

Note: *The Chelsea Risk Rating denotes a fund's risk profile, where 1 is the least risky and 10 has the highest risk.
†A performance fee may be applied – See page 11 for more details.