



STERLING

Sterling Individual Savings Account and the Sterling
Investment Account

Sterling panel funds guide

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Introduction

The information in this guide is intended for customers working with their adviser, who will help them understand the information. 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 through Sterling's Individual Savings Account and Investment Account which are medium to long-term investment contracts, typically of 5 – 10 years.

Full details of these accounts, including the charges and their affect on investment returns, are given in the key features documents.

Full terms and conditions are available on request.

You can choose from a range of panel funds and wider market funds.

Sterling panel funds

Sterling has a careful initial selection process for Sterling panel funds. Whilst this does not mean that their performance is guaranteed, we have tried to ensure that they are strong fund management companies with appropriate processes and controls. We regularly review their performance and if we identify any concerns, will take any necessary action, which may include removing funds from the panel.

Details of the range of Sterling panel funds are available in this guide and your key features document.

Wider market funds

If you decide to invest in wider market funds, you should understand that Sterling does not have the same selection process and will not review these funds in the way it does for Sterling panel funds.

Funds that Sterling consider no longer appropriate for the Sterling Panel may be re-classified as wider market funds, in which case higher charges would also apply. Before we remove any funds from the Sterling panel fund range, we will write and tell you and give you the option to switch to other funds.

Details of the range of wider market funds are available from your adviser or from our website at www.sterling-assurance.co.uk.

For details of the fund objectives and risks associated with the wider market funds, please refer to the relevant simplified prospectus available from your adviser. Fund fact sheets detailing the fund objectives are also available from our website www.sterling-assurance.co.uk.

Investment returns

By their very nature investment returns of Sterling panel and Wider market funds cannot 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 as well as rise. You may not get back the amount you invested.

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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 believe in offering an exceptional 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.

All investments carry an element of risk. Stock markets can change quickly – the fortunes of individual companies can reverse dramatically.

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

This offers exposure to many investment opportunities and helps to reduce the risk associated with investing in a single company. Funds that invest in a wider range of sectors or shares are likely to carry less risk.

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 Latin 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.

Many of the funds are managed by our main fund manager Threadneedle. We've also appointed some of the UK's largest investment managers, to manage a range of other funds.

We offer a range of managed and multimanaged funds, some specifically tailored to suit different investors' attitudes to risk – from cautious to adventurous.

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

Funds which 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.

Funds which invest in land and buildings 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 the properties in the fund could fall quite sharply.

In more uncertain market conditions we may need to delay your transaction. We will do this if we (or the fund manager) believe it is necessary to sell properties before carrying out your transaction.

Whatever approach you adopt you can change your investment fund choice if your circumstances change or your objectives alter. More information is given in your key features document.

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.

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 funds value will reduce as a result.

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 or by contacting your adviser.

Sectors and fund objectives

Risk rated portfolios

A managed fund allows you to invest in a range of countries and/or market sectors, spreading your investment across often hundreds of different companies. 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. There are also multimanaged funds where the fund manager is able to invest in other managers funds and adjust the make up of the fund.

We offer a number of portfolios specifically tailored to suit different attitudes to risk – from cautious right through to adventurous. Five managed portfolios invest with our primary fund manager Threadneedle. Another four are provided by our chosen risk-rated multimanager 7IM and invest with some of the UK's largest investment fund managers.

Cautious

If you are a 'cautious' investor you are likely to accept limited risks with your money and may want to try to avoid large fluctuations in the value of your investment, accepting the prospect of a more modest longer-term gain to achieve this.

The cautious portfolio includes a high proportion of fixed-interest investments, such as company and government bonds, and some investment in UK company shares.

The fund invests around 15% in UK company shares, although the fund manager can vary this from 5% to 20% to take advantage of changing market conditions.

Defensive*

The investment objective is to provide income and capital growth. The investment policy is to invest in a defensive fixed-income portfolio of funds managed by Threadneedle. It may also invest in funds that invest in index-linked bonds or cash. The fund also has the flexibility to invest in equity funds managed by Threadneedle, however it is not intended that this will represent more than 20% of the portfolio.

*For the Investment Account 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 savings account.

Moderately Cautious

If you are a 'moderately cautious' customer you are likely to accept some risk in return for the prospect of steady investment gains over the longer-term.

You want to try to avoid large fluctuations in the value of your investment, but accept there will be some fluctuation, particularly over the shorter-term.

The moderately cautious portfolios include a high proportion of fixed-interest investments, typically around 70%. This includes company and government bonds from the UK and other countries. The portfolios also contain other investments such as company shares, mainly in the UK. The fund manager alters the mix of fixed-interest investment and company shares to take advantage of changing market conditions.

Defensive Equity & Bond*

The investment objective is to provide a return by way of capital growth and income. The investment policy is to invest the assets of the fund mainly in a defensive managed portfolio of funds managed by Threadneedle.

7IM Moderately Cautious*

This fund aims to provide a return by way of income though 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.

Balanced

If you are a 'balanced' customer you are likely to accept a risk in return for the prospect of good investment gains over the longer-term.

You accept there will be some fluctuation in the value of your investment, particularly over the shorter-term. However, you want to limit the amount of your money held in more risky investments.

The balanced portfolios invest in a mix of company shares, typically around 50%, and fixed-interest investments. Investing in shares through the balanced portfolios is a way of benefiting from the performance of many different kinds of companies, mostly in the UK, but including some companies from the major world markets. The manager alters the mix of fixed-interest investment and company shares to take advantage of changing market conditions.

Equity & Bond

The investment objective is to achieve capital growth and income. The investment policy is to invest in a portfolio of funds managed by Threadneedle. The portfolio will normally include lower risk funds from the Threadneedle range.

7IM Balanced

The 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.

*For the Investment Account 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 savings account.

Moderately Adventurous

If you are a 'moderately adventurous' customer you are likely to understand that the value of your investment can go down and up sharply, and accept this to get the potential for greater returns over the longer-term.

The moderately adventurous portfolios include a high proportion of world-wide company shares, typically around 75%, and a smaller proportion of company and government bonds.

Investing in shares through the moderately adventurous portfolios is a way of potentially benefiting from the performance of many different kinds of companies both in the UK and from other major world markets.

Global Equity & Bond

The investment objective is to achieve capital growth with some income. The investment policy is to invest in a portfolio of funds managed by Threadneedle. The portfolio will normally include a broad spectrum of growth funds from the Threadneedle range.

7IM Moderately Adventurous

This fund aims to provide a return mainly 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.

Adventurous

If you are an 'adventurous' customer you are likely to aim for the highest possible returns and accept higher levels of risk, recognising the value of your investment may fluctuate significantly, particularly over the short term.

The adventurous portfolios are fully invested in worldwide company shares. Investing in shares through the adventurous portfolios is a way of benefiting from the performance of many different kinds of companies from around the world's major markets.

Global Equity

The investment objective is to achieve above-average capital growth. The investment policy is to invest in a portfolio of funds managed by Threadneedle. The portfolio will normally include more specialist funds from the Threadneedle range.

7IM Adventurous

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.

Managed funds

Managed funds give exposure to a wider range of investment opportunities and aims to reduce the risk to your capital because it is not tied to the fortunes of just one market area.

Artemis High Income

The fund aims to provide a higher than average initial yield, combined with the prospect of rising income and some capital growth over the long term. Investment may be in all economic sectors worldwide.

CF Midas Balanced Growth

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.

CF Midas Balanced Income

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.

Gartmore Cautious Managed

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

Investec Cautious Managed

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*

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.

Liontrust Distribution*

The fund aims to provide a high level of income and long-term capital growth through investment in a portfolio of mainly fixed-interest securities and UK equities.

*For the ISA and Investment Account 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 savings account.

Merrill Lynch Balanced Portfolio

The fund aims to produce long-term total return either through capital growth and/or income through a global portfolio of equities and fixed-interest securities, but generally with an emphasis on the UK.

M&G Cautious Multi Asset

The fund aims to produce a total return (the combination of income and capital growth) through investment in a varied range of asset types. Subject to this, the fund aims to grow income in the long-term.

M&G Managed Growth

The fund aims to achieve long-term capital growth.

Neptune Balanced

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.

New Star Managed Distribution

The fund aims to seek long-term income and capital growth through investment aimed towards fixed-interest securities and in equities both in the UK and internationally. In addition to fixed-interest securities the fund may also invest in variable and index related securities.

New Star Tri-Star

The fund aims to provide a combination of income and capital growth. The fund will invest in three types of assets – bonds, equities and property – typically in the following proportions:
Bonds 20%-50%, Equities 20%-50%, Property 20%-50%.

Newton Managed

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

Threadneedle fund

Managed Income

The investment objective is to provide a growing income with capital growth. The investment policy is to invest the assets of the funds in a portfolio of funds managed by Threadneedle. The portfolio will normally include more income orientated funds from the Threadneedle range.

Multimanaged funds

These add another level of management from managed funds. The fund manager splits the portfolio between fund managers, choosing 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.

7IM Income*

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 back to Sterling at any time. Forward foreign exchange transactions may be used to hedge currency risk.

Fidelity MultiManager Growth

The fund aims to achieve long-term capital growth.

Fidelity MultiManager Income

The fund aims to provide an income along with the possibility of capital growth.

Jupiter Merlin Balanced Portfolio

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

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 Worldwide Portfolio

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.

*For the ISA and Investment Account 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 savings account.

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.

AEGON Ethical Equity

The main investment objective 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.

Artemis Capital

The investment objective of the fund is capital growth. The trust deed allows great flexibility, though the main content of the fund is in companies of UK origin.

Artemis Income

The fund aims 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 Growth

The fund aims 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

The fund aims 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. Investment will be made in companies which mainly comprise the bottom 10% of the UK stock market. The fund aims to provide investors with a total return in excess of that of the Hoare Govett Smaller Companies Index (excluding investment companies).

Artemis UK Special Situations

The fund aims 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. The fund aims to provide investors with a total return in excess of that of the FTSE Actuaries All-Share Index.

AXA Framlington Monthly Income

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. The fund provides monthly income payable direct to a UK bank or building society account.

AXA Framlington UK Select Opportunities

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.

AXA Framlington UK Smaller Companies

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

Baring UK Growth

The fund aims to achieve long-term capital growth through selective investment in economic sectors in the UK through securities in any country and/or economic sectors throughout the world represented in the UK markets.

Cazenove UK Dynamic

The fund aims to achieve long-term capital growth by investment in an actively managed portfolio of UK equities. Investment will be made mainly in any economic sector of the UK market, but may extend to other geographic areas.

Cazenove UK Growth & Income

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.

Fidelity MoneyBuilder UK Index

The aim is to achieve long-term capital growth by matching the performance of the FTSE All-Share Index as closely as possible.

Fidelity Special Situations

The fund aims to achieve long-term capital growth.

Gartmore UK Focus

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

- companies having their registered office in the UK,
- companies that do not have their registered office in the UK but either:
 - (i) carry out most of their business activity in the market, or
 - (ii) are holding companies which mainly own companies with registered offices in the UK.

HSBC UK Growth & Income

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

Invesco Perpetual High Income

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. 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.

Invesco Perpetual Income

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. 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.

JPM Premier Equity Growth

The fund aims to provide long-term capital growth from investment in stocks and shares. The fund currently invests mainly in a portfolio of UK equities.

Jupiter High Income

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

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

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

Jupiter Undervalued Assets

The fund aims to achieve long-term capital growth by investing in companies which the manager believes have recovery potential and considers to be undervalued, mainly in UK equities with the potential for some overseas exposure.

Lazard UK Alpha

The fund aims to achieve long-term capital growth by investing in a concentrated portfolio of UK equities.

Liontrust First Income

The fund aims to provide a high level of income with capital values keeping pace with inflation.

Merrill Lynch UK Dynamic

The fund aims to achieve long-term capital growth for investors. The fund invests mainly in the shares of companies incorporated or listed in the UK which the manager considers exhibit either growth or value investment characteristics, placing an emphasis as the market outlook warrants. The fund may also invest in collective investment schemes.

Merrill Lynch UK Special Situations

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.

M&G Recovery

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 Income

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.

New Star Higher Income

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

New Star UK Alpha

The fund aims to seek capital growth through a relatively concentrated portfolio mainly investing in the securities of UK companies.

New Star UK Growth

The fund aims to seek long-term capital growth mainly through investment in the securities of UK companies.

Newton Higher Income

The fund aims to achieve increasing yearly distributions together with long-term capital growth.

Old Mutual UK Select Mid Cap

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

Rathbone Income

The fund aims 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.

Rathbone Special Situations

The fund aims to achieve capital growth from investment in shares temporarily out of favour with the market in which significant recovery is expected. Investment may be in special situations in all economic sectors worldwide. The income yield is likely to be low.

Schroder Income Maximiser

The fund aims 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

The fund aims to provide capital growth through investment in UK and other companies.

Schroder UK Mid 250

The fund aims to achieve long-term capital growth by investing mainly in companies listed in the FTSE 250 (ex Investment Trusts) Index. However, the fund may also hold former components of, or expected entrants into, that index if in the opinion of the manager it may be advantageous to do so.

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.

Threadneedle funds

Monthly Extra Income

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

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 Income

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

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

The investment objective is to achieve an above-average 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 Select

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

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.

Artemis European Growth

The fund aims to provide long-term capital growth through investment mainly in companies in Europe (excluding the UK). The fund aims to provide investors with a total return in excess of that of the FTSE Europe (excluding 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.

Fidelity European

The fund aims to achieve long-term capital growth.

Gartmore European Selected Opportunities

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

The fund aims to achieve capital growth in Continental Europe, although it may include other European related investments. The fund managers may include investments such as transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions.

Jupiter Emerging European Opportunities

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

Newton Continental European

The fund aims to achieve capital growth from a portfolio of mainly European securities.

ResolutionAsset Argonaut European Alpha

The fund aims to produce returns by investing in a concentrated portfolio of 30 – 55 (with a maximum of 60) stocks selected mainly from European markets excluding the UK.

ResolutionAsset Argonaut European Income

The fund aims to provide an income in excess of the yield of the MSCI Europe ex UK Index by investing in a concentrated portfolio of approximately 30 – 50 securities of companies mainly incorporated in Europe (excluding the UK) or which produce a significant part of their business from Europe (excluding the UK), whilst preserving the value of capital.

Threadneedle funds

European

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

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

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

The fund aims to achieve long-term capital growth.

Gartmore US Opportunities

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

- companies having their registered office in North America,
- companies that do not have their registered office in North America 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 North America.

The fund will have a bias towards small and medium-sized companies.

HSBC American Index

The fund aims to provide long-term capital growth by matching the capital performance of the Standard & Poor's 500 Index.

Legg Mason US Equity

The fund aims to achieve capital growth, mainly through investment in securities of US issuers.

M&G American

The fund's aim is long-term capital growth through investment wholly or mainly in securities of North American (including Canadian) issuers. When not wholly invested as above, it may only invest in companies which are listed, registered or trading within North America.

UBS US Equity

The fund aims 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.

Threadneedle funds

American

The investment objective is to achieve capital growth. The investment policy is to invest the assets of the fund in medium to large companies based in North America or which have significant North American 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).

American Select

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

The fund aims 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.

Invesco Perpetual Japanese Smaller Companies

The fund aims to achieve capital growth, mainly through a portfolio of investments in smaller Japanese companies.

JPM Japan

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

SG Japan CoreAlpha

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. The fund may also invest in other investments to the extent permitted by the Financial Services Authority.

Threadneedle funds

Japan

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.

Japan Smaller Companies

The investment objective is to achieve capital growth. The investment policy is to invest mainly in the equity of smaller companies in the Japanese market.

Other regional equity funds

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

Allianz RCM BRIC Stars

The fund aims to achieve capital growth in the long-term by investing mainly in the equity markets and policy of Brazil, Russia, India and China.

First State Asia Pacific Leaders

The fund aims to achieve long-term capital growth. The fund invests in large and mid capitalisation leaders fund equities in the Asia Pacific region (excluding Japan, but including Australasia).

Gartmore China Opportunities

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.

ResolutionAsset Pacific Growth

The fund aims to achieve growth by investing in companies throughout the Far East and Pacific Basin, including Australia and India but not Japan. At least 80% of the fund's assets are invested in Far Eastern securities. The fund is actively managed with its investments spread across the region with focus on companies with above-average growth prospects.

Schroder Pacific

The fund aims to achieve capital growth. Income will be minimal.

Threadneedle funds

Asia

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.

Latin America

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 Global Technology

The fund aims 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

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

Fidelity Global Special Situations

The fund aims 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 Managed International

The fund aims to achieve long-term capital growth.

Fidelity WealthBuilder

The fund aims to achieve long-term capital growth. It invests mainly in a range of worldwide funds managed by Fidelity. The fund may invest in derivatives for the purposes of the efficient management of the fund.

First State Global Opportunities

The fund aims to achieve long-term capital growth.

Gartmore Global Focus

The fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from global equity markets, by investing in a concentrated portfolio of companies having their registered office in global markets.

Henderson Global Technology

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

Henderson Industries of the Future

The fund aims to provide capital growth by investing in companies that meet the ethical criteria applied by the Authorised Corporate Director. The fund may invest in companies in any economic sector and any area of the world.

Invesco Perpetual International Equity

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

Investec Global Energy

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

Investec Global Free Enterprise

The fund aims to achieve long-term capital growth mainly through investment in equities issued by companies from around the world that are expected to benefit from the process of privatisation, deregulation or demutualisation or otherwise believed to offer above-average opportunities for capital gains.

JPM Global Equity Income

The fund aims to provide a portfolio designed to achieve 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

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.

Merrill Lynch Global Titans

The fund aims 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.

Merrill Lynch Gold & General

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 spreading risk 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.

M&G Global Basics

The fund aims to achieve long-term capital growth through investing wholly or mainly in companies operating in basic industries ('primary' and 'secondary' industries) and also in companies that service these industries. The fund may also invest in other global equities.

Neptune Global Equity

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

Threadneedle fund

Global Select

The investment objective is to achieve above-average capital growth. The investment policy is to invest 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).

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 the properties in the fund could fall quite sharply.

In more uncertain market conditions we may need to delay your transaction in these funds. We will do this if we (or the fund manager) believe it is necessary to sell properties before carrying out your transaction.

Fidelity Global Property

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

M&G Property Portfolio

The portfolio aims to maximise long-term total return (the combination of income and growth of capital) through investment mainly in commercial property.

New Star International Property

The fund aims to achieve long-term capital growth and income. The fund will invest mainly in commercial property and property-related securities. The fund may also invest in residential property, non-property related securities, collective investment schemes, money market instruments, deposits, derivatives and forward exchange contracts.

New Star Property

The fund aims to achieve a high income together with some growth of both income and capital.

Norwich Property Trust

The fund aims to obtain optimum returns compatible with security by way of income and capital growth. This is mainly through investment in certain kinds of real property, property related securities, government and other public securities and units in collective investment schemes.

Schroder Global Property Securities

The fund aims to provide a total return mainly through investment in real estate investment trusts, equity and debt securities of other types of property companies worldwide.

Threadneedle fund

UK Property Trust

The investment objective is to obtain a total return based on income and capital growth mainly through investment in certain kinds of real estate, property-related securities, government and public securities and units in collective investment schemes.

Protected funds

A protected fund seeks to protect most of your investment from a fall in the stock market by continuous unit price protection. Over time a pure equity fund is likely to offer greater potential for higher returns, but with it less stability. For that reason protected funds often appeal to the more cautious investor or to an investor looking to balance their investment portfolio.

Continuous unit price protection

The protected profits funds invest in medium-term notes from a large UK financial institution. The notes combine the returns from a range of equity funds chosen by the managers and a cash fund, with an aim of ensuring the fund's unit price won't fall below 80% of the highest-ever price.

If the UK financial institution that issues the medium-term note contracts fails to fulfil its financial obligations, you could lose some or all of your investment in the protected profits funds as the 80% 'protection' may not apply.

The relative proportions between the underlying funds may vary daily in accordance with a prescribed formula. Details of the formula are available on request.

The equity proportion of the fund, determined by the formula and not the fund managers, varies between zero and 70% depending on investment conditions and how close the fund is to its protected price.

The level of protection applies only to the selling price of the fund. Neither Sterling nor the fund managers guarantee the performance of the funds or the level of protection.

Multimanager Protected Profits

The fund combines the returns from a selection of equity funds actively managed by some of the UK's leading fund managers, and cash invested through the BGI Sterling Liquidity First fund with an aim of ensuring that the selling price should not fall below 80% of the highest ever selling price.

Tracker Protected Profits

The fund combines the returns from a selection of passively managed equity tracker funds, and cash invested through the BGI Sterling Liquidity First fund with an aim of ensuring that the selling price should not fall below 80% of the highest ever selling price.

More information about these funds is available from your adviser or us.

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, returns are generally lower than those from equities and are more stable. 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 bank or building society savings 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. 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.

These funds can invest in the UK or be more internationally orientated.

UK fixed-interest

AEGON Ethical Corporate Bond

The fund aims to provide a total return (income plus capital) 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.

AEGON Sterling Corporate Bond

The fund aims to produce a total return (income plus capital) 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.

BAM Corporate Bond

The objective of the Fund is to achieve a high level of income by investing primarily in sterling denominated fixed interest securities in the UK and Europe with the aim of outperforming the Merrill Lynch Sterling Non-Gilt 5-15 Years Index which is the Fund's benchmark index.

Fidelity MoneyBuilder Income

The fund aims to achieve an attractive level of income.

Henderson Strategic Bond

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.

Invesco Perpetual Corporate Bond

The fund aims to achieve a high level of overall return, with relative security of capital. It intends to invest mainly 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. The fund will not invest in any instrument which gives rise to a stamp duty liability.

Invesco Perpetual Monthly Income Plus

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.

New Star High Yield Bond

The fund aims to achieve a high level of income with modest long-term capital growth through investment in fixed and variable rate and index-related securities issued by corporate, government, supranational institutions and local and regional agencies, both in the UK and internationally, as well as any other security that the investment adviser deems appropriate.

New Star Sterling Bond

The fund aims to provide a high and stable income through investment in Sterling denominated fixed-interest securities including preference shares, with an emphasis on those assets that offer a higher yield than gilts.

Old Mutual Corporate Bond

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

ResolutionAsset Corporate Bond

The fund aims to produce an income and capital growth by investing in UK fixed-interest securities (which includes corporate bonds) and gilts. The fund can invest up to 15% of its investments in fixed-interest securities outside the UK. The fund is actively managed to produce a stable level of income (which is paid out every three months) and capital growth. This is done by focusing mainly on investment-grade (lower risk) corporate bonds, where a higher yield can be obtained than from gilts, and bonds with different maturity dates.

Schroder All Maturities Index Linked Bond

The fund aims to achieve capital growth and income mainly through investment in index-linked gilts. The fund may also invest in a wide range of investments including transferable securities, derivatives, cash deposits, collective investment schemes, warrants and money market instruments.

Schroder Gilt & Fixed Interest

The fund aims 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.

SG Sterling Bond

The fund aims to achieve market rates of income from investment mainly in Sterling denominated fixed-interest securities.

Threadneedle funds

Sterling Bond

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

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.

UK Money Securities

The investment objective is to achieve a high level of security together with a competitive wholesale money market rate of return. The investment policy is to invest mainly in UK money market securities and overseas money market securities hedged into Sterling.

This fund is available with the Investment Account only.

International fixed-interest

AEGON Global Bond

The main investment objective is to produce a total return (income plus capital) 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 back to Sterling. This fund's management style incorporates tactical asset allocation with high frequency portfolio adjustments.

Henderson Preference & Bond

The fund aims to provide a return by investing mainly in Sterling denominated preference shares, government securities, corporate bonds, Eurobonds and other bonds.

Newton International Bond

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

Threadneedle funds

Emerging Market Bond

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.

European Bond

The investment objective is to achieve total return mainly 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 based in Europe or with significant European operations, denominated in a range of European currencies. The fund has the flexibility to invest in bonds issued by Eastern European issuers.

Global Bond

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

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

Strategic Bond

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 back into Sterling.

Funds closed to new investors

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 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.

Aberdeen UK Growth

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. May be suitable for investors seeking long-term capital growth with a moderate level of volatility.

AXA Framlington Equity Income

The fund aims to produce a higher than average yield combined with long-term growth of income and capital. Investment is made mainly in UK equities and convertible shares of companies which, in the manager's opinion, show above-average profitability, management quality and growth.

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.

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. Unitholders 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.

Henderson European Capital Growth

The fund aims to provide capital growth by investing in European companies, excluding the UK. The fund is not restricted in the size of companies in which it can invest.

Henderson Independent Growth Portfolio

The fund aims to provide capital growth through investment in a spread of authorised unit trusts and/or authorised companies selected from those available in the whole market. The trust will not be restricted to any particular economic sectors and the investment policy will take a long-term balanced view of stock markets worldwide while maintaining a core holding in the UK.

Merrill Lynch Cash

The fund aims to achieve a high rate of interest, mainly 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.

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 domiciled 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.

Protected Profits

The fund combines the returns from a selection of equity funds actively managed by Threadneedle, and cash invested through the BGI Sterling Liquidity First fund with an aim of ensuring that the selling price should not fall below 80% of the highest ever selling price.

(Please refer to the Protected funds section on page 26 for an explanation of 'Continuous unit price protection').

Availability of funds by product

Protected Profits funds	Investment Account	ISA	Page No.
Multimanager Protected Profits	✓	✓	26
Tracker Protected Profits	✓	✓	26

Threadneedle funds	Investment Account	ISA	Page No.
American	✓	✓	19
American Select	✓	✓	20
American Smaller Companies	✓	✓	20
Asia	✓	✓	22
Defensive ¹	✓	✓	6
Defensive Equity & Bond ¹	✓	✓	7
Emerging Market Bond	✓	✓	29
Equity & Bond	✓	✓	7
European	✓	✓	18
European Bond	✓	✓	29
European Select	✓	✓	18
European Smaller Companies	✓	✓	18
Global Bond	✓	✓	30
Global Equity	✓	✓	8
Global Equity & Bond	✓	✓	8
Global Select	✓	✓	24
High Yield Bond	✓	✓	30
Japan	✓	✓	21
Japan Smaller Companies	✓	✓	21
Latin America	✓	✓	22
Managed Income	✓	✓	10
Monthly Extra Income	✓	✓	16
Sterling Bond	✓	✓	29
Strategic Bond	✓	✓	30
UK	✓	✓	16
UK Corporate Bond	✓	✓	29
UK Equity Income	✓	✓	16
UK Growth & Income	✓	✓	16
UK Money Securities	✓	X	29
UK Monthly Income	✓	✓	16
UK Property Trust	✓	✓	25
UK Select	✓	✓	16
UK Smaller Companies	✓	✓	16

Other funds	Investment Account	ISA	Page No.
7IM Adventurous	✓	✓	8
7IM Balanced	✓	✓	7
7IM Income ²	✓	✓	11
7IM Moderately Adventurous	✓	✓	8
7IM Moderately Cautious ¹	✓	✓	7
AEGON Ethical Equity	✓	✓	12
AEGON Global Bond	✓	✓	29
AEGON Ethical Corporate Bond	✓	✓	27
AEGON Sterling Corporate Bond	✓	✓	27
Allianz RCM Bric Stars	✓	✓	22
Artemis Capital	✓	✓	12
Artemis European Growth	✓	✓	17
Artemis High Income	✓	✓	9
Artemis Income	✓	✓	12
Artemis UK Growth	✓	✓	12
Artemis UK Smaller Companies	✓	✓	12
Artemis UK Special Situations	✓	✓	12
AXA Framlington Global Technology	✓	✓	23
AXA Framlington Health	✓	✓	23
AXA Framlington Monthly Income	✓	✓	12
AXA Framlington UK Select Opportunities	✓	✓	13
AXA Framlington UK Smaller Companies	✓	✓	13
BAM Corporate Bond	✓	✓	28
Baring UK Growth	✓	✓	13
Cazenove UK Dynamic	✓	✓	13
Cazenove UK Growth & Income	✓	✓	13
CF Midas Balanced Growth	✓	✓	9
CF Midas Balanced Income	✓	✓	9
Fidelity American	✓	✓	19
Fidelity European	✓	✓	17
Fidelity Global Property	✓	✓	25
Fidelity Global Special Situations	✓	✓	23
Fidelity Managed International	✓	✓	23
Fidelity MoneyBuilder Income	✓	✓	28
Fidelity MoneyBuilder UK Index	✓	✓	13
Fidelity Special Situations	✓	✓	13
Fidelity WealthBuilder	✓	✓	23
Fidelity MultiManager Growth	✓	✓	11
Fidelity MultiManager Income	✓	✓	11
First State Asia Pacific Leaders	✓	✓	22
First State Global Opportunities	✓	✓	23
Gartmore Cautious Managed	✓	✓	9
Gartmore China Opportunities	✓	✓	22
Gartmore European Selected Opportunities	✓	✓	17
Gartmore Global Focus	✓	✓	23
Gartmore UK Focus	✓	✓	13
Gartmore US Opportunities	✓	✓	19

	Investment Account	ISA	Page No.
Henderson Global Technology	✓	✓	23
Henderson Industries of the Future	✓	✓	23
Henderson Preference & Bond	✓	✓	29
Henderson Strategic Bond	✓	✓	28
HSBC American Index	✓	✓	19
HSBC UK Growth & Income	✓	✓	13
Invesco Perpetual Corporate Bond	✓	✓	28
Invesco Perpetual European Equity	✓	✓	17
Invesco Perpetual High Income	✓	✓	13
Invesco Perpetual Income	✓	✓	13
Invesco Perpetual International Equity	✓	✓	24
Invesco Perpetual Japanese Smaller Companies	✓	✓	21
Invesco Perpetual Monthly Income Plus	✓	✓	28
Investec Cautious Managed	✓	✓	9
Investec Global Energy	✓	✓	24
Investec Global Free Enterprise	✓	✓	24
JPM Global Equity Income	✓	✓	24
JPM Japan	✓	✓	21
JPM Natural Resources	✓	✓	24
JPM Premier Equity Growth	✓	✓	14
Jupiter Distribution ²	✓	✓	9
Jupiter Emerging European Opportunities	✓	✓	17
Jupiter High Income	✓	✓	14
Jupiter Income	✓	✓	14
Jupiter UK Growth	✓	✓	14
Jupiter Undervalued Assets	✓	✓	14
Jupiter Merlin Balanced Portfolio	✓	✓	11
Jupiter Merlin Growth Portfolio	✓	✓	11
Jupiter Merlin Worldwide Portfolio	✓	✓	11
Lazard UK Alpha	✓	✓	14
Legg Mason US Equity	✓	✓	19
Liontrust Distribution ²	✓	✓	9
Liontrust First Income	✓	✓	14
Merrill Lynch Balanced Portfolio	✓	✓	10
Merrill Lynch Global Titans	✓	✓	24
Merrill Lynch Gold & General	✓	✓	24
Merrill Lynch UK Dynamic	✓	✓	14
Merrill Lynch UK Special Situations	✓	✓	14
M&G American	✓	✓	19
M&G Cautious Multi Asset	✓	✓	10
M&G Global Basics	✓	✓	24
M&G Managed Growth	✓	✓	10
M&G Property Portfolio	✓	✓	25
M&G Recovery	✓	✓	15

	Investment Account	ISA	Page No.
Neptune Balanced	✓	✓	10
Neptune Global Equity	✓	✓	24
Neptune Income	✓	✓	15
New Star Higher Income	✓	✓	15
New Star High Yield Bond	✓	✓	28
New Star International Property	✓	✓	25
New Star Managed Distribution	✓	✓	10
New Star Property	✓	✓	25
New Star Sterling Bond	✓	✓	28
New Star Tri-Star	✓	✓	10
New Star UK Alpha	✓	✓	15
New Star UK Growth	✓	✓	15
Newton Continental European	✓	✓	17
Newton Higher Income	✓	✓	15
Newton International Bond	✓	✓	29
Newton Managed	✓	✓	10
Norwich Property Trust	✓	✓	25
Old Mutual Corporate Bond	✓	✓	28
Old Mutual UK Select Mid Cap	✓	✓	15
Rathbone Income	✓	✓	15
Rathbone Special Situations	✓	✓	15
ResolutionAsset Argonaut European Alpha	✓	✓	17
ResolutionAsset Argonaut European Income	✓	✓	18
ResolutionAsset Corporate Bond	✓	✓	28
ResolutionAsset Pacific Growth	✓	✓	22
Schroder All Maturities Index Linked Bond	✓	✓	28
Schroder Gilt & Fixed Interest	✓	✓	28
Schroder Global Property Securities	✓	✓	25
Schroder Income Maximiser	✓	✓	15
Schroder Pacific	✓	✓	22
Schroder UK Alpha Plus	✓	✓	15
Schroder UK Mid 250	✓	✓	16
SG Japan CoreAlpha	✓	✓	21
SG Sterling Bond	✓	✓	29
UBS US Equity	✓	✓	19
Total number of funds available through each plan:	161	160	

- 1 For the Investment Account 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 savings account.
- 2 For the ISA and Investment Account 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 savings account.

Please contact us or your adviser if you would like this in large print, Braille or on audio tape or CD.