

# Allied Dunbar International Funds

Key features

## Its aims

The investment funds are designed to cater for the needs of investors who wish to invest 'offshore' and offer tax efficient investment through a spread of international funds. They provide the potential for capital growth.

## Your investment

- The minimum additional investment amount into each fund is GBP1,000 (USD1,500, EUR1,500).
- The investment funds are designed for medium- to long-term investment. We therefore recommend that you hold your investment for the medium- to long-term which we consider to be at least five years.
- You do, of course, have access to your investment.

## Risk factors

- You should bear in mind that the value of your investment and your income can go down as well as up. Exchange rates may also cause the underlying investment to go up or down in value.
- Your circumstances may change, forcing you to cash in early and you may not get back what you invested.
- If you decide not to proceed with your investment before the end of the 14 day cancellation period, explained later, and there has been a fall in value, then an amount equal to the fall in value will be deducted from any refund.
- You do not have the protection of the UK Financial Services Compensation Scheme. However, you are protected by the Isle of Man's Authorised Collective Investment Schemes (Compensation) Regulations 2008.
- You should note that investing in some of these markets could result in the possibility of large and sudden falls in the prices of shares. The shortfalls on cancellation or loss on realisation could be considerable. You could get back nothing at all.

## All about your investment

We believe it is essential that you understand your investment so that, with the help of your financial adviser, you can make the best use of it. Below you'll find answers to some of the questions you may have about the investment funds. These together with the details on our range of funds should provide you with the information you need. If there is anything you do not understand, or if you would like further information, please contact your financial adviser.

### What are the investment funds?

- Allied Dunbar International Funds Limited (the funds) is an open ended investment company which offers shares in various investment funds. The funds are 'collective investments' which means that many investors subscribe to the same investment and use their combined purchasing power to buy a wider spread of investments than they could buy individually. By spreading investments across a large number of different holdings, the funds offer the opportunity to invest in shares with a greater spread of risk.

### How do the funds work?

- Your investment buys shares in the relevant fund, each of which represents an equal share in the assets of the fund. Two share prices are quoted for each fund, the offer price at which you buy the shares and the bid price at which we buy the shares back from you.
- The prices and the value of these shares will vary as a result of changes in the value of the underlying assets in the funds.
- We will value shares at 4.00pm on each dealing day to determine the prices at which they are bought and sold. They may be bought and sold on each dealing day between 9.00am and 3.00pm. Shares will be bought on your behalf at the first buying price to be calculated after our Client Services department receives your application and payment and will be sold on your behalf at the first selling price to be calculated after we receive your instructions to cash in all or part of your investment.

### What is the range of funds available?

- There are eight funds available, denominated in different currencies, covering a wide range of world stock markets and asset types. The suitability of each fund will depend on your investment needs, attitude to risk and currency preference. The aims, and where applicable the risk factors, of each fund are listed on page six.

#### What income will I receive?

- The objectives of the funds are to achieve capital growth, not to generate an income. However, if the funds do receive income from the underlying assets it is distributed to you.
- You can either have any income paid into your bank or building society (or sent by cheque to your home), or you can use it to buy further shares in the same fund with a discount, which is currently 2% on the offer price.
- Income will be paid in sterling, or you can request that it is paid in the currency in which the fund is denominated.
- Client money is held in appropriately designated accounts with HSBC. Interest will not be paid on client money held pending investment or money held awaiting payment for client redemptions.

#### How am I affected by currency conversions?

- We can normally accept monies for investment or make payments in a currency other than that in which the fund is denominated. Any currency conversion is at your own risk in terms of exchange rate fluctuations and will be subject to the rates of exchange and charges at that time. The current charge is approximately 1% of the value of the conversion.

#### What happens if my circumstances change?

- We recognise that your circumstances may change, therefore we design all our plans so that they can adapt to your new circumstances.
- You can switch from fund to fund and you may benefit from a discount which is currently 5% on the offer price of your new shares.
- In addition, where the funds involved are not in the same currency, you will pay currency conversion costs which are approximately 1% of the value of the conversion.
- You can cash in all or part of your investment simply by advising us in writing. We'll send you payment no later than four working days from receipt of the necessary documentation.

#### How can I monitor my investment?

- The most recent offer price and redemption price are published each day on [www.ctplc.com/ctifm](http://www.ctplc.com/ctifm) or you can request a current valuation from us.

#### What charges are made?

- Shares quote two prices, the offer price and the bid price. The offer price is the price at which you buy shares and the bid price, which is lower than the offer price, is the price at which you sell them back to us.
- The difference between the two prices is called the bid/offer spread and this is currently 5.65% of the offer price for the Managed fund. This includes an initial charge of 5%, and the normal costs that have to be paid to acquire and dispose of the underlying assets held by the fund. Examples of these costs are stockbroker fees and stamp duty.
- An annual management charge (AMC) is taken to cover the day to day expense of servicing your fund. This is expressed as a percentage of the value of the fund and is taken from the income earned from the fund. In the case of most of the funds where the prospects for income are minimal, any shortfall will be taken from capital. There is also a cost each year for the fees and expenses of the fund, which include the fiduciary custodian's fees, the registrar's fees, the auditors' fees, legal fees and regulatory fees.

These are charged to the fund and are already reflected in the share price.

- The maximum initial charge permitted under the Articles of Association is 7% of the offer price. The maximum annual management charge is 2%, with any increase subject to 90 days notice to all shareholders. Obviously once you have invested, the initial charge on your original investment cannot increase.

## Charles Taylor International Fund Managers (IOM) Limited

### Further information

#### Fund Manager and fiduciary custodian

- Charles Taylor International Fund Managers (IOM) Limited act as the fund manager.
- The fiduciary custodian on all our international funds is BNP Paribas Securities Services S.C.A., Jersey Branch.

#### Taxation

- Allied Dunbar International Funds Limited is situated offshore in the Isle of Man. Under Isle of Man law any income or gains made within the funds will be free of Manx taxes.
- Withholding tax will be deducted at source by certain countries on local dividends.
- When we pay any income (whether you take it or have it reinvested) or the redemption proceeds to you, you may be liable to your own local taxes.
- If you are a UK resident and UK domicile you will generally be liable to UK income tax on your dividends and capital gains tax on disposal or part disposal of your investment.
- Changing the funds in which your shares are invested constitutes a disposal for the purposes of capital gains tax. It is not possible for the fund manager to reclaim tax relating to a foreign income dividend.
- The information contained in this document is based on Charles Taylor International Fund Managers (IOM) Limited's understanding of relevant legislation, regulation and taxation issues as at September 2015 and may change in the future. Charles Taylor International Fund Managers (IOM) Limited is unable to provide individual tax guidance and recommend that you always seek professional tax advice. Charles Taylor International Fund Managers (IOM) Limited does not accept responsibility for any actions or inaction resulting from this document.

#### The right to change your mind

- If you receive advice about this product from a financial adviser in the United Kingdom, you will be sent a notice of your right to cancel the investment after your application has been accepted. You will then have 14 days in which you can change your mind if you wish. This 14 day period does not apply to 'execution only/ direct' cases.

#### Dealing with queries or complaints

- We can resolve many issues straight away, so you should contact our Policy Administration team in the first instance. They will be able to provide you with a response concerning any of the products or services we provide.
- If you are not satisfied with our response to your complaint, you have the right to complain to: The Financial Services Ombudsman Scheme, Thie Slieau Whallian, Foxdale Road, St John's, Isle of Man, IM4 3AS. In legal disputes the Isle of Man law will apply.
- The rules and regulations made by the Financial Conduct Authority and made under the Financial Services and Markets Act 2000 may not apply to investors outside the United Kingdom.

#### Compensation for losses

- You are protected by the Isle of Man's Authorised Collective Investment Schemes (Compensation) Regulations 2008. The effect of these regulations is to provide compensation for losses of up to GBP48,000 (based on the following formula: 100% of the first GBP30,000; 90% of the next GBP20,000, 0% of the balance) to an eligible investor should the fund manager of an authorised scheme be unable or unlikely to be able to satisfy claims in respect of any description of civil liability incurred in connection with regulated business carried on by the fund manager.

#### Important documents

- Within three working days of investing we will send your contract note which will show the current gross distribution yield, the number of shares and price appropriate to your investment. Please keep this in a safe place. No certificates will be issued.

#### How to find out more

- We believe the short summary in these key features will help you understand your investment. However, in such a small space we can only provide key information. Further information in the form of scheme particulars (please be advised that you are required to read and understand the funds scheme particulars before making an investment), terms and conditions, half-yearly reports and annual report and accounts are available from the address on the back page.

## Our range of funds

Below you'll find details of the aims and, where applicable, additional risk factors appropriate to individual funds.

### Managed fund.

Currency denomination: US dollar

To invest primarily for capital growth from a balanced and managed portfolio of asset types in various economies. Investments are held primarily in equity and fixed interest stock markets of the major economies. This is the most suitable fund for the majority of investors looking to build up a professionally managed spread of investments over the medium- to long-term.

### Managed Currency fund.

Currency denomination: US dollar

To invest in a portfolio of short-term fixed interest investments throughout the world. The fund will normally have a bias towards US dollar denominated assets. The majority of the fund is in short dated bonds and interest bearing time deposits in a spread of major currencies, and is earning the higher rates of interest not normally available to the individual investor.

### Gilt and Income fund.

Currency denomination: sterling

To achieve a high total return with limited capital risk from a portfolio of sterling denominated fixed interest investments and money market assets. Up to 100% of the fund may be invested in government and other public securities issued or guaranteed by the International Bank of Reconstruction and Development, the European Investment Bank, or those HM Government securities that can pay income free of UK withholding tax to the fund.

### Worldwide Equity fund.

Currency denomination: US dollar

To invest primarily for capital growth in a portfolio of international equities. Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the investment fund may consist of investments in the North American market. Investments are made principally in international stocks, generally in shares of leading companies. This investment fund is suitable for investors wishing to participate in a professionally managed spread of equity investments.

### UK Capital Growth fund.

Currency denomination: sterling

To invest primarily for capital growth from a portfolio of equities based in the United Kingdom. Investments are made primarily in shares of leading companies. This fund has all the general attributes of funds in equities, but gives specific exposure to the UK market.

### Europe fund.

Currency denomination: euro

To invest primarily for capital growth from a portfolio of European equities. Investments are made principally in Continental European stocks, generally in shares of leading European companies.

### North American Growth fund.

Currency denomination: US dollar

To invest primarily for capital growth in a portfolio of equities based in North America. Investments are made primarily in shares of leading companies, but may also be held indirectly through other types of permitted investments.

### Far East fund.

Currency denomination: US dollar

To invest primarily for capital growth from a portfolio of equities in the principal Far Eastern and Asian markets. Exposure to individual economies will generally reflect the level of market capitalisation. Consequently, a relatively large proportion of the investment fund may consist of investments in the Japanese market. Investments are made primarily in shares of leading companies, but may also be held indirectly through other types of permitted investments.