Sterling Fixed Interest Strategy

Investment objective - The objective of the Strategy to achieve long-term capital growth with an emphasis on capital preservation & low volatility from a portfolio of funds, the aggregate of which will have a bias towards sterling fixed interest securities.

Investment approach - Each of the Strategy’s underlying funds invests primarily in investment grade bonds. Investment grade bonds represent the top four tiers of bond ratings, AAA, AA, A & BBB.

Specific Strategy risks - This Strategy is lower risk in nature and, as it will hold funds which invest almost entirely in fixed interest, will be affected by any fluctuations in bond markets. Fixed interest securities are generally less volatile than equity markets.

Who should choose this Strategy?
- This Strategy would suit an investor who is primarily concerned with capital preservation but who is also seeking the potential for capital growth ahead of prevailing cash rates.

Risk Category - 3 (where 1 is lowest and 10 is highest)

Benchmark - FSA Offshore Recognised (FO) Fixed Interest – Sterling Fund Sector

Valuations - Annual (also available online)

How is this Strategy invested?
The Sterling Fixed Interest Strategy invests in selected funds that hold a broad range of fixed interest securities. The aggregate of these funds will have a bias towards sterling fixed interest securities. Between them these funds will typically have a very diverse number of underlying investments.

Each of the funds held in this Strategy is a well diversified bond portfolio in its own right. As each holding will grow at a different rate it is inevitable that the initial equal weightings which make up the Strategy will change over time, and for this reason, from time to time, the portfolio will be rebalanced according to the weightings shown.

* In order to facilitate the deduction of charges, a small cash weighting is maintained in a non-interest bearing account on the platform, and this forms part of your portfolio. Holding a small cash weighting for such purposes is normal portfolio practice.

Investment Allocation (at inception)

| Fidelity Funds - Sterling Bond A Acc GBP | 24.8% |
| Invesco Sterling Bond A | 24.8% |
| Kames Global Strategic Bond | 24.8% |
| UBS (Lux) Bond Fund - GBP P-acc | 24.8% |
| Cash* | 1.0% |
| Total | 100.0% |

Asset Allocation

- Global Fixed Interest (71.41%)
- UK Fixed Interest (24.43%)
- Money Market (7.20%)
- American Emerging Fixed Interest (1.19%)
- UK Gilt (0.81%)
- Property (0.32%)
- Alternative Investment Strategies (4.09%)

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## Charging Schedule

### Explanation of Charges/Rebates

An explanation of the charges and the services provided by each of the parties involved in providing and managing the PERSPECTIVE Investment Service is set out below.

**Initial Fee** – Covers the cost of reviewing your arrangements, providing advice and setting up your investments.

**Administration Fee** – Rossborough Financial charge a fee for the administration of your investments and ongoing monitoring of the underlying funds. The fee is calculated on the monthly average value of your account and charged on a pro rata basis at the end of each quarter. The fee is deducted directly from the cash holding of your portfolio.

Note: The cash balance of your portfolio is excluded from the calculation of the fee.

**Rebate of Trail Commission** - The quarterly ‘trail’ commission paid by the underlying Fund Managers from their fund management fee is fully credited to the cash holding of your portfolio.

Note: If an investor sells their investment between quarter dates they may forgo the benefit of the refund of their proportion of the trail commission for that quarter.

**Fund Management Fees** – This is expressed as the average charge made by all the Fund Managers for managing the underlying funds which make up the Strategy in which you are invested.

This charge is calculated daily and is factored into the price of the fund.

Note: The investment performance figures are stated net of these charges.

**Platform Fees** – These are charged by the provider of the administration platform on which the Strategy in which you are invested is administered and covers the cost of placing trades, rebating trail commission to your account, switches/redemptions, web access etc.

A fee of 0.32% is collected from the cash holding of your portfolio on the same basis as the Annual Administration Fee.

There is also a flat annual platform fee of £36 for single lump sum contributions or £48 if there are regular contributions. This is collected once a year.

**Dealing Fees** – There are no dealing fees for all transactions on the normal monthly dealing date (£25 flat fee for transactions on any other date).

### Contribution Type

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Minimum sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single lump sum</td>
<td>£5,000</td>
</tr>
<tr>
<td>Additional lump sums</td>
<td>£1,000</td>
</tr>
<tr>
<td>Regular contributions</td>
<td>£150 per month</td>
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</tbody>
</table>

All investment transactions, be they lump sum investments or regular contributions, will take place on a single day per month (currently 15th). Transactions can take place on any other business day other than 15th, but will be subject to a flat transaction fee of €25, which is levied by the platform.

**Initial Fee**

Rossborough Financial reserves the right to apply an initial fee deducted from each contribution to the account. The amount will be notified in advance prior to the contribution being made.

### Annual Cost

**Annual Net Cost**  1.36% (excludes Initial Fee and Flat Platform Fee)

The Annual Cost is made up as follows:

- Rossborough Financial Administration Fee 0.50%
- Fund Management Fees* 0.54% (net of 0.34% trail commission rebate)
- Platform Fee 0.32%
- Total Annual Fund Based Cost 1.36%**

### Other Charges

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Platform Fee</td>
<td>€36 per annum (€48 for regular contributions)</td>
</tr>
<tr>
<td>Dealing Fees</td>
<td>Nil (for all transactions on monthly dealing date, €25 flat fee otherwise)</td>
</tr>
<tr>
<td>Redemption charge</td>
<td>Nil</td>
</tr>
<tr>
<td>Exit charge</td>
<td>Nil</td>
</tr>
</tbody>
</table>

*The fund management fees are expressed after the rebate to the investor’s account of the trail commissions levied by the underlying funds and are subject to change.

**The fund management fees of the underlying funds within the investment strategies are averages, based on an equal weighting to each fund. These averages may vary if any of the underlying funds are switched to other funds or if any of the funds change their fees.

Please note: For PERSPECTIVE to work efficiently in terms of administration charges, regular reporting, and to maintain the integrity of our Investment Strategy performance data, only clients who confirm their approval of our switch and rebalancing recommendations will be able to remain part of the PERSPECTIVE service.

If an investor does follow our recommendations or does not respond to our letters then they will automatically fall outside of the PERSPECTIVE service and it will be necessary to establish a new basis of service and fees in addition to the above charges.

Rossborough Financial Services Limited reserves the right to review this charging structure at any time in the future subject to 30 days prior notification.

Potential investors should note that the capital value of investments and any income from them may fall as well as rise and an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance. Movements in currency exchange may cause the value of underlying investments to fall in price. Issued by Rossborough Financial Services Limited which is regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 and licensed by the Guernsey Financial Services Commission. Registered Office: 41 La Motte Street, St Helier, Jersey.