

INVESTMENT DIRECT

The magazine for Fair Investment Company investors

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Take control of your ISAs



Hello and welcome to the latest edition of Investment Direct

The main focus of this edition of the magazine is the launch of the Fair Investment Funds Service, just in time for the new ISA season.

We are now able to offer you an easy to manage platform where you can bring all of your ISAs under one roof, in addition to a range of exciting investment opportunities.

We also have our range of structured investment products, fixed rate savings accounts and Cash ISAs for you to choose from; and we take a look at how these investments can add diversification to your portfolio, including expert opinion from Morgan Stanley and Scottish Widows.

Giving you access to a wide range of investment funds and products will enable



you to maximise the tax efficiency of your portfolio. In this edition we examine tax and your investments, and also explain the recent change to the annual ISA allowance for the over 50s, that will apply to all from 6 April 2010.

The Fair Investment Funds Service has been launched in conjunction with Cofunds – a market leading independent fund platform. The service offers substantial discounts and the opportunity to consolidate investments in one convenient place. Other important features include:

- ✓ Up to 100% discount on initial charges, meaning you save up to 5.50% of your initial investment
- ✓ A low cost switching facility
- ✓ Secure online access and valuations

There is also a £50 cashback offer for any of our clients who transfer or invest £20,000

or more before 31 July 2010 (see terms and conditions on page 11).

We hope you find this publication useful and if you have any queries or would like to talk to our investment team, please call on 0845 308 2525.

Happy investing.

Nick Scarrett

Head of Pension and Investment services

£50 Cashback
when you invest or
transfer £20,000
or more.

See page 11 for details »



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Important note:

Past performance is not necessarily a guide to the future. The value of investments and the income from them can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. Fair Investment Company Limited offers a direct offer / execution-only service. The views expressed by the various managers in this publication are not to be taken as the views of Fair Investment Company Limited or its employees. Investment Direct is not personal advice. Whilst we may draw your attention to certain investment products we cannot know which of them, if any, is best for your particular circumstances and must leave that judgement to you. Should you require individual investment guidance you should seek expert advice.

Introducing the Fair Investment Funds Service

Invest in a fund or fund ISA through us, and you will receive:

Savings

- ✓ We offer discounts of up to 100% on initial charges for ISAs, Unit Trusts, OEICs and transfers

Ease of Management

- ✓ Secure online access
- ✓ Online valuations of your ISA and investment funds
- ✓ Buy, sell, top up or switch your investments online
- ✓ Access to our customer service team

Choice

- ✓ Ready made fund portfolios
- ✓ Our 20 'Popular Funds'
- ✓ Our 'Select 100' funds
- ✓ Access to more than 1300 funds from 90 fund managers

To learn more about the Funds Service and to apply through Fair Investment Company, visit www.fairinvestment.co.uk



About us

Established in 2000 and based in Bristol, Fair Investment Company is one of the UK's leading online independent financial service providers. We seek to help you get a better deal for your money by providing you with exceptional choice, value and service.

We are not a product provider but a gateway between you and the end provider. We work tirelessly to seek out the best deals in the market, working with some of the most recognised UK financial brands and service providers to offer you a quality service in a transparent, impartial and responsible manner. We also distribute our savings and investment deals through partners including, confused.com, gocompare.com and uSwitch.com.



Contributors



George Ladds

Our head of investment and pension research puts his 20 years worth of experience in financial services to the test to bring you the latest market overviews.



Rebecca Sargent

Our savings and investments editor takes an in-depth look at ISAs and how tax can impact on your investments.

A new dawn



George Ladds takes a look at what 2010 has in store for investors, and how you could make uncertain times work in your favour.

In my last review I quoted top UK fund manager Anthony Bolton saying - "it is always darkest just before the dawn". For 2010 he remains upbeat; speaking recently in Seoul he stated that he expected "the bull markets to go on." Furthermore, he believes the global economy is now in a recovery phase and unlikely to fall back into recession, although on a cautionary side he does believe the recovery will lose steam in 2010.

Certainly his sentiment earlier this year rang true during the tail end of 2009 as the FTSE climbed above 5,000 - an amazing turnaround from the lows of early 2009 - the question for many now is whether this can continue.

In November The Times published an article 'Where will the stock market be at the end of 2010?' where the majority of experts settled somewhere between 5000 and 5500. January started strongly, but concerns over some of the Eurozone member states (Greece, Spain, Portugal and Ireland) sent shock waves across the market and showed how fragile the recovery really is.

In this article I want to explore some of the factors which might impact on the markets in 2010 and look to the experts for their views on what they believe will happen to the global markets this year.

Unemployment

There is no hiding the fact that the unemployment figures on both side of the Atlantic make for pretty grim reading - the US unemployment rate soared to 10% at the end of December 2009, compared to 7.4% to the end of December 2008. Threadneedle's Investment Strategy for November 2009 points to unemployment as a factor which may stall growth: "However, we are more sceptical about the quality of this growth and doubt its sustainability. In particular, consumers face considerable headwinds from low income growth, rising unemployment, weak home prices and higher gasoline costs. And surely higher taxes will eventually be required to get the deficit under control?"

Putting these figures into perspective, in the early eighties unemployment figures in the US peaked at 10.8%, while in the early nineties they peaked at 7.4%.

In the UK the unemployment rate has not peaked at the levels of those seen in the early eighties (more than 12%) and the early nineties (more than 10%). But at 7.8% there is a danger this could change. Jupiter Fund Managers state "The FTSE 100 index made its strongest gain since inception in the third quarter, masking some of the longer term problems still facing the UK economy (rising unemployment and anaemic demand)."

Inevitably, with a growing pool of unemployed people in the market, there is less revenue coming into the treasury coffers. This point by Threadneedle is key and applies not only to the US but also the UK: "Surely higher taxes will eventually be required to get the deficit under control?"



Taxes

As Governments remain short of tax revenues, they will need to increase taxes at some point. The good news is that it appears these increases won't happen immediately - according to Invesco Perpetual taxes are most likely to come in via VAT in the UK in the short term. Anatole Kaletsky of Invesco Perpetual sates: "I don't think there will be a huge additional increase in taxes this coming year. I think the emphasis will be on reductions in public spending. If there is a tax increase, it will be a VAT move up to 20%. I don't think it's particularly likely but it's conceivable. If they do that, I suppose they would want to do it straight away."

Brian Tora (formerly Director of Gerrard Investment Management) adds: "My guess is that any subsequent downturn will be shallow but that is only a guess. The reason for so believing is that governments are desperately short of tax revenues right now so they will either treat any signs of economic fading with new stimulatory measures or, more likely, will postpone tightening until they are sure that the economy is back on an upward tack."

Tax receipts in January 2010, historically a good month for the Government for income, were not enough to cover our debt repayments for the first time since records began in 1992.

Many economists believe the Government will need to take prompt action to avert our national credit rating being downgraded.

However, care will need to be taken that increases in taxation will be gradual enough so as not to choke any potential recovery.

Where now for the global economy?

Many fund managers point to the Asian and emerging markets as clear signs of growth. Bob Yerbury of Invesco Perpetual states: "Asia and emerging markets have clearly come through the global crisis in a strong position, with banks in those regions posing smaller credit losses and their economies now on a fundamentally sounder footing."

This view is shared by Goldman Sachs' relatively strong forecasts for global economic growth in 2010, led by the strength in the emerging economies in general and China in particular.

Turning to specific markets, Philip Ehrmann of Jupiter believes: "China will continue to grow its economy by between 7% and 9% year-on-year for the foreseeable future."

Jupiter goes on to state: "Growth is returning to French and German manufacturing and the global economic recovery continues to strengthen. The eurozone and the US are heading towards positive growth."

AEGON takes a more cautionary view of the global market, saying: "The outlook remains very uncertain given the signification movements we have seen in economic activity, financial market conditions and global policy response."

In the UK the view is less upbeat - Jupiter in the fourth quarter of 2009 stated: "The UK economy is still in recession, but contracting less sharply albeit with the help of huge stimulatory packages. For now, the medicine is working, but the bigger question is not whether there are green shoots of recovery but what type of fertiliser is being used on them."

"For now, the medicine is working, but the bigger question is not whether there are green shoots of recovery but what type of fertiliser is being used on them."

Jupiter

Threadneedle's Investment Strategy for November 2009 stated: "We find it very difficult to see how the UK can jump back into a sustainable period of self-sustaining and balanced growth."

Looking at the UK job market, Gerwyn Davies, public policy adviser at the Chartered Institute of Personnel and Development (CIPD), said: "The UK jobs market remains flat on its back. Things aren't anywhere near as bad as they were earlier in the year when redundancies spread through the economy like a virus, however the patient remains seriously weak and won't recover for several years, even if a return to robust economic growth provides the necessary tonic, and could easily relapse if the recovery is as fragile and anaemic as many economists fear."

In summary we can see some very positive signs for the global markets (particularly Asian and emerging markets). However, UK and Eurozone economies remain fragile, but with UK interest rates at an all time low, long term growth prospects can only be achieved by investing in the markets. The key to investing is diversification of assets, and that message is more important during these uncertain times than ever before. ●



ISAs - 'tis the season to invest



Rebecca Sargent takes an in-depth look at ISAs and how you can make the most of yours this ISA season.

As UK national debts exceed £800 billion, we all know that it is only a matter of time before taxes begin to rise, eating into our hard earned cash. But what is one of the single most effective ways of shielding a proportion of your savings from the tax man?

The ISA (Individual Savings Allowance)

Your ISA allowance is your personal tax haven that allows you to save money without paying any capital gains tax and with no further tax on any income that you receive from the investment within the tax free savings wrapper.

Making the most of your ISA is therefore essential when it comes to taking control of your investments and making your money work in the most beneficial way for you.

What makes ISAs so special?

- They are free from capital gains tax and any further tax on income.
- Any UK resident aged 18 or over (16 for Cash ISAs) can invest in the tax efficient savings wrapper and there is no upper age limit.
- You can use a number of investment products within them, including funds, structured investment products or Cash ISAs.

How much can I invest in an ISA?

- For those of you under the age of 50, the current limit is £7,200 (up to £3,600 of which can be placed in a Cash ISA). This increases to £10,200 from April 6 2010 (£5,100 of which can be placed in a Cash ISA).
- For those of you aged 50 or over on or before April 5 2010 the limit is now £10,200 (up to £5,100 of which can be placed in a Cash ISA).

Please note: that these are individual limits, so a husband and wife can benefit from their separate personal allowances.



If you have already invested into a Cash ISA, the balance of your annual allowance can then be invested into a Stocks and Shares ISA, within which there are a number of investment products that you can choose to hold. However, you will only be able to choose one product to invest your Stocks and Shares ISA in per tax year.

Examples of products you may use your Stocks and Shares ISA allowance in include:

- Unit Trusts
- OEICs (Open Ended Investment Companies)
- Structured Investment Products

How can I manage my ISAs?

As you are allowed to invest in a different ISA each year, you may have several ISAs in several different places, which you might find hard to manage.

However, you may be able to use an online investment platform to bring some or all of your ISAs under one roof.

If you have several ISAs that are invested into Unit Trusts and OEICs, the Fair Investment Funds Service will be able to help you to consolidate these, bringing them onto one easy to manage platform.

Most investment funds allow re-registration, which means that your ISAs can be transferred onto a platform through the Fair Investment Funds Service free of charges and without spending any time out of the market, and without losing the tax benefits. ➔

How do I transfer my ISAs onto an easy to manage platform?

There are two ways to transfer your ISAs:

1. Re-registration – Where your existing funds can be re-registered onto the platform at no additional cost and without you spending any time out of the market. If your funds are available for re-registration, all you need to do is fill in the ISA Transfer Application provided along with the ISA Transfer Authority and return it to us using the Freepost envelope provided.
2. Transfer – Your existing ISA provider may not allow re-registration, meaning you will have to transfer your existing ISAs onto the new platform in cash. You can then select your previous or new investment funds on the platform. Please note that this way you will be out of the market while the transfer takes place and you may be subject to a standard initial charge on investing in the new holding – although through the Fair Investment Funds Service this will be discounted by up to 100%.

You can also transfer any Cash ISAs that you have onto the Cofunds platform via the Fair Investment Funds Service. However, please note that once you transfer your Cash ISA onto the Fair Investment Funds Service it will become a Stocks and Shares ISA and you will not be able to switch it back to a Cash ISA.

What if I want to use existing investments to fund my ISA?

If you do not have the cash available to open a new ISA, but you have existing investments, you could use your existing investments to open your ISA.

Under current tax regulations you must sell your investments before buying them back or choosing a different investment within an ISA. To do this through the Fair Investment Funds Service you can either:

- Sell your holdings externally and complete a new ISA application form, or
- Re-register your funds onto the Cofunds platform using a transfer form and then sell and buy back as an ISA.

There are Capital Gains Tax advantages of doing this because:

- If you sell at a loss, once you have declared that loss you can carry it forward indefinitely and offset it against any future gains that you make.
- If you sell at a profit, you can realise that gain up to your £10,100 (for 2009/10 tax year) CGT limit without paying any tax.

Wherever you stand with your ISAs, we offer a wide selection of investment and savings products to help you to make the most of yours. Read on to learn more about the range of products on offer through Fair Investment Company, or visit www.fairinvestment.co.uk to learn more. ●

BlackRock

BLACKROCK

UK Absolute Alpha Fund

Seeks to achieve a positive absolute return for investors by investing primarily in equities - income paid twice yearly.

✓ Growth ISA Fund

- Initial Charge: 5.00%
- Initial Charge through Fair Investment: 0.00%
- Annual Management Charge: 1.50%

Save 100%*

For full information visit www.fairinvestment.co.uk

*Discount applies to initial fund charge. Annual management charge still applies. Please see important note on page 2.

Invesco Perpetual



Monthly Income Plus Fund

Popular monthly income fund that invests in high yielding corporate and Government bonds, together with UK equities.

- ✓ Income ISA Fund
- ✓ Discount on charges: 100%

7.39% Yield*

- Initial Charge: 5.00%
- Initial Charge through Fair Investment: 0.00%
- Annual Management Charge: 1.25%

For full information visit www.fairinvestment.co.uk

*The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. The distribution yield is also the underlying yield for this fund. Information correct as at February 2010.

**Discount applies to initial fund charge. Annual management charge still applies. Please see important note on page 2.

Please note that if purchasing a unit trust there may be additional dealing costs contained in the bid/offer spread, typically around 0.25%, which includes stamp duty and dealing charges. Therefore if you buy a unit trust with an initial charge of 5.00% and a saving of 5.00% you may still pay a bid/offer spread of approximately 0.25%. The key features section of the application pack shows the full initial charges BEFORE applying our discount.

Making your money work harder

George Ladds looks at how diversification can help you to make the most of your money – particularly as the outlook remains unstable.

Our working life should enable us to save and provide capital and income to ensure we enjoy a comfortable retirement. Market volatility has meant many investors have seen their investments fall. This has been particularly painful for those coming up to retirement, or those using capital to provide income in retirement.

Our focus for this latest edition of Investment Direct is to look at different investment solutions including cash, structured investment products and investment funds, and how these options could address your attitude to risk and help you to build a diverse investment portfolio.

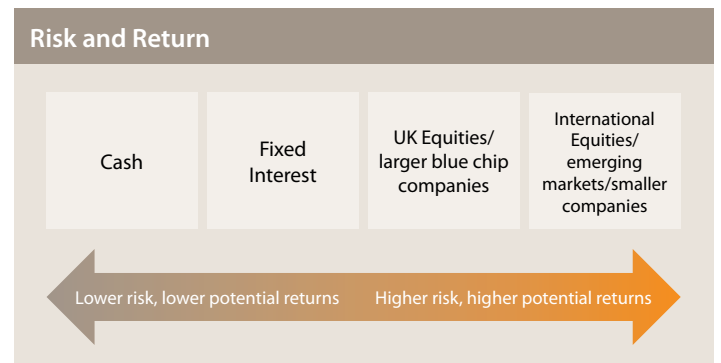
As Martin Walker, UK Fund Manager for Invesco Perpetual puts it “We have all heard the old adage of not putting all your eggs in one basket. The same principle applies to investing, where diversification - be it geographical or by asset class - can help to limit portfolio risk.”

What level of risk are you happy with?

Whether you are seeking income, growth or a combination of the two you will be exposed to some degree of investment risk, the question is how much risk to your capital or income are you prepared to take? The diagram above illustrates risk and return.

“We have all heard the old adage of not putting all your eggs in one basket. The same principle applies to investing, where diversification - be it geographical or by asset class - can help to limit portfolio risk.”

Martin Walker, Invesco Perpetual



To achieve higher levels of income or growth there is likely to be a higher element of risk to your capital. For example, cash tends to offer the lowest level of risk but is likely to have lower potential returns, whereas equities tend to have the highest level of risk but higher potential returns. For many investors it's about finding a balance between the two.

When considering the risk you are comfortable with you may consider a number of factors, including:

1. Your time horizon, i.e. short term or medium to long term investment
2. Your goals, whether you are focused on capital growth or income generation or a combination of the two
3. Your overall financial situation

So how can you apply your appetite for risk to your investment portfolio? ➔



Achieving your investment goals

When looking at investments, spreading your portfolio across different asset classes (i.e. cash, fixed interest investments and equities) can enable you to match the level of risk you are happy with. This may mean having a mix of low to medium to high risk investments. The amount in each area will depend on the level of risk you are comfortable with. This is called diversification, and helps reduce the overall investment risk as you are not reliant on one single asset class, particularly as asset classes tend to perform differently at different stages of the economic cycle.

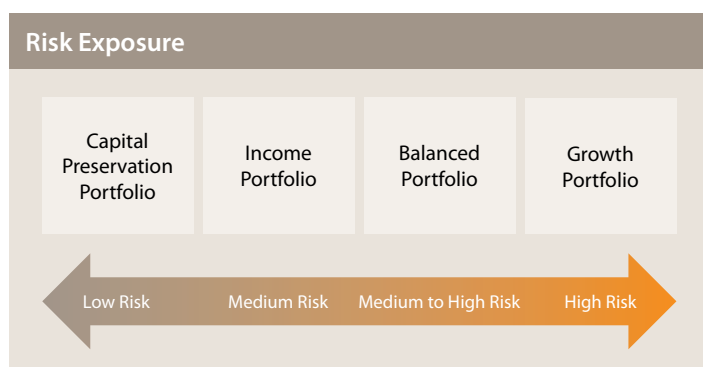
As Trevor Greetham of Fidelity explains: "Each time a bull-run in one asset class comes to a halt, leadership passes to another. When equities peaked in 2007, commodities surged. When commodities ran out of steam in mid 2008, government bonds started the charge."

So, how do you build a portfolio to match your level of risk?

Building a portfolio

When considering a portfolio of investments, a model portfolio might provide a solid foundation to work from. There are many different models and you don't have to be tied to one. What they have in common is that they identify the types of assets you might consider to deliver the goals you have set for yourself. Your exposure to any particular asset can be through different investment vehicles for example, structured investment products, investment funds, cash deposit accounts, pension funds or directly in shares.

As a summary the diagram below shows four model portfolios and the risk exposure of each portfolio.



Model portfolios

To provide an indication of what each portfolio might look like we have provided a short summary:

1. Capital preservation

Who may benefit from capital preservation?

- Individuals needing access to their capital
- Individuals who do not wish to lose even a small percentage of the principal capital.

What are structured investment products?



Structured investment products are typically fixed term investments that offer an element of capital protection.

Where will the money be invested?

- Primarily in cash deposit accounts, national savings and investment products

What are the risks?

- Over the long term cash often doesn't keep pace with inflation, eroding purchasing power in real terms

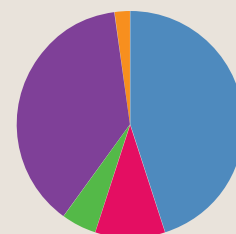
2. Income portfolio

Who may benefit from an Income Portfolio?

- Individuals seeking income from their capital
- Cautious investors looking to reinvest income back into their portfolio.

Where will the money be invested?

- Uk Equities : **45%**
- Overseas Equities : **10%**
- Cash : **5%**
- Bonds : **38%**
- Commercial Property : **2%**



Source: FTSE/APCIMS indices

What are the risks?

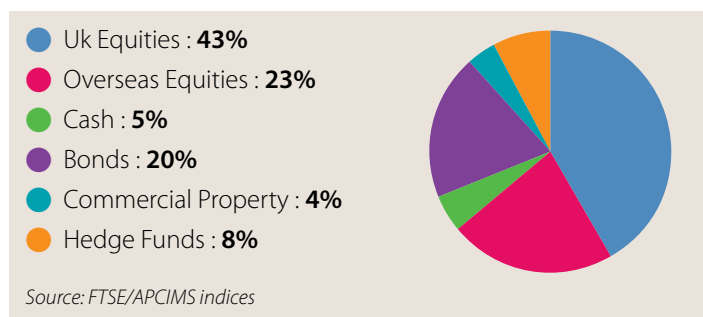
- Potential lack of growth as this is sacrificed to obtain a higher level of income
- These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.

3. Balanced portfolio

Who may benefit from a Balanced portfolio?

- Individuals seeking income from their capital, as well as having the potential for growth

Where will the money be invested?



What are the risks?

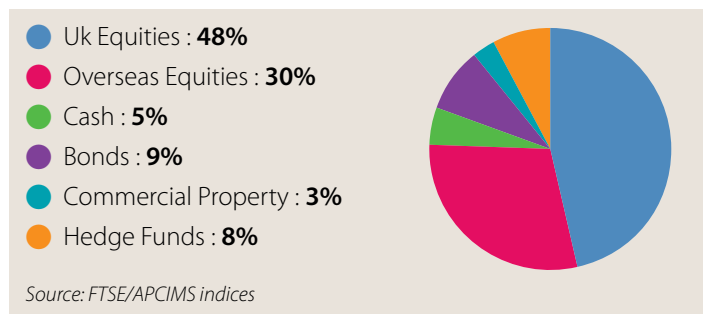
- Higher level of income is sacrificed for the potential of growth
- These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.

4. Growth portfolio

Who may benefit from a Growth portfolio?

- Individuals seeking to build long-term wealth

Where will the money be invested?



What are the risks?

- Hardest hit when the markets fall, but have the potential for long term growth
- These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.

Are your investments ready for a makeover?

Once you have identified the risk you are comfortable with you can then start to look at what assets you have and start to see if your portfolio is ready for a makeover. Perhaps ask yourself are you over or under exposed in any one area? If you are ready for a makeover then over the next pages we are going to look at different solutions which might help you. We can't promise that you are going to avoid the falls in the market but you can have a smoother ride by reviewing your portfolio each year and, if necessary, adjusting it to ensure it keeps in line with the level of equity exposure (risk) you are happy with. ●

Allianz

Allianz 
Global Investors

BRIC Stars Fund

Aims to achieve capital growth in the long term by investing mainly in the equity markets of Brazil, Russia, India and China.

✓ Specialist ISA Fund

- Initial Fund Charge: 4.00%
- Initial ISA charge: 3.00%
- Initial Charge through Fair Investment: 0.00%
- Annual Management Charge: 1.75%

Save
100%*

For full information visit
www.fairinvestment.co.uk

*Discount applies to initial fund charge. Annual management charge still applies. Please see important note on page 2.

Threadneedle

 threadneedle.

UK Property Trust

Aims to provide you with a total return based on income and capital appreciation primarily through investment in certain kinds of UK real estate, property related securities, government and public securities and units in collective investment schemes.

✓ Specialist ISA Fund

- Initial Fund Charge: 5.00%
- Initial Charge through Fair Investment: 0.00%
- Annual Management Charge: 1.50%

Save
100%*

For full information visit
www.fairinvestment.co.uk

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Please note that if purchasing a unit trust there may be additional dealing costs contained in the bid/offer spread, typically around 0.25%, which includes stamp duty and dealing charges. Therefore if you buy a unit trust with an initial charge of 5.00% and a saving of 5.00% you may still pay a bid/offer spread of approximately 0.25%. The key features section of the application pack shows the full initial charges BEFORE applying our discount.

ISA Solutions

We introduce the Fair Investment Funds Service – we also take a look at the ISA solutions available to you through structured products and cash deposit accounts.

Funds Service



Fair Investment is committed to empowering you to make your own investment decisions. If your investment funds (ISA or non ISA) are spread across a number of different fund managers then transferring your funds to the Fair Investment Funds Service could be the solution you are looking for.

Why bring all my investments together?

- You can save up to 5.50% on standard initial fund and fund ISA charges
- Get online valuations of your investments
- You can buy, switch and top up your investments online
- Use our fund portfolios, popular funds and Select 100 to help you choose new investments

What can I transfer?

- Stocks and Shares ISAs and funds (outside an ISA)
- Cash ISAs (Please note that once you transfer your Cash ISA onto the Fair Investment Funds Service it will become a Stocks and Shares ISA and you will not be able to switch it back to a Cash ISA)

Can I keep my existing funds?

- Yes, most fund managers allow you to transfer existing holdings (called re-registration)
- There is no charge for re-registration and you will not be out of the market at any time
- If you want to sell your holdings and invest in new funds, then you will be out of the market during the period of selling funds and buying new funds

How do I transfer?

- Please read the Key Features found on **pages 22-40** of the Application Forms pack.

- Read the Terms of Business found on **pages 41-42** of the Application Forms pack
- For fund transfers complete the form on **pages 19-21** in the Application Forms pack
- Send the form and completed declaration to us using the Freepost envelope provided, and we will do the rest

Can you invest your annual ISA allowance?

Once you have consolidated your investments you can look to invest your annual allowance through the Fair Investment Funds Service, either through a single payment or through regular monthly investments.

Selecting funds

We know that choosing funds can be daunting, which is why we offer ready-made fund portfolios. The Fair Investment Portfolio Service consists of four portfolios catering for a range of investment risk profiles, these are:

- Income
- Cautious Managed
- Balanced Managed
- Global Growth

Each portfolio is invested in a multi-manager fund, managed by an expert in the specified area.

What are multi-manager funds?

Multi-manager funds are also called fund of funds. As the name suggests, it is a fund that predominantly invests in a number of other underlying funds rather than directly in shares. The job of a fund of funds manager is to know about fund managers in the same way that other fund managers know about shares. They use this expertise to select and access what they believe to be the best performing funds in each asset class and geographical region, and blend these funds together with the aim of producing enhanced returns.

What are the key benefits of multi-manager funds?

- Diversification – your investment is spread across a range of funds
- Core holding – you have access to a ready-made and diversified portfolio of holdings
- Actively managed – the fund is actively managed, so you don't need to worry about changing funds

- Balance/risk management – your investment is not dependent on just one fund, asset class or geographical region
- Tax efficiency (for non ISA investments) - the manager can switch funds as often as is necessary without having to pay any Capital Gains Tax (CGT)

However, you should be aware that multi-manager funds generally have higher charging structures than individual funds due to the fund structure, active management and underlying diversification.

£50 Cashback when you invest or transfer £20,000 or more



Terms & conditions apply.

Cashback terms & conditions

To qualify for this offer you must invest a minimum of £20,000 into a fund ISA or into a non ISA fund investment via the Fair Investment Funds Service. You will only qualify for one cashback irrespective of the number of investments made. Offer is valid for investments placed between 20.01.2010 and 31.07.2010.

Income Portfolio

SAVE 5.00%

The Income Portfolio could be the solution for you if you are:

- Looking for income
- Looking to invest predominantly in UK equities
- Prepared to sacrifice potential growth in capital for higher income returns.

These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.

Fund Manager Information

Funds invested in the T. Bailey Equity Income Fund



The T. Bailey Equity Income Fund has been co-managed by Jason Britton and Elliot Farley since its launch in 2004. The primary objective of the fund is to provide a yield in excess of 110% of the yield on the FTSE All-Share Index.

Current Top 5 holdings

	FTSE 100 ETF	19.6%
	Income Maximiser	12.2%
	Income Fund	12.1%
	UK Equity High	11.9%
	Income Fund	10.5%
TOTAL		66.3%

Key Fund Information

Income Yield	6.14% (Paid Quarterly)
Initial charge	5.00%
Initial charge after discount	0.00%
Annual management charge	1.50%
Total expense ratio	3.08%
IMA Sector	UK Equity Income

Cautious Managed Portfolio

SAVE 5.00%

The Cautious Managed Portfolio could be the solution for you if you are:

- Looking for long-term capital growth
- Looking to invest a maximum of 60% in equities and the rest in less risky assets
- Seeking a moderate income yield.

These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.

Fund Manager Information

Funds invested in the Henderson Multi Manager Income and Growth Fund



The Henderson Multi Manager Income and Growth Fund is managed by Bill McQuaker and was launched in 1998. The aim of the fund is to provide an income in excess of the FTSE All-Share Index with prospects for some capital growth.

Current Top 5 holdings

	Dynamic Bond Fund
	Gilt March 2010 Future
	Asian Local Currency Debt Fund
	Strategic Bond Fund
	Horizon Asian Dividend Income Fund
TOTAL	Not Supplied

Key Fund Information

Income Yield	2.45% (Paid Quarterly)
Initial charge	5.25%
Initial charge after discount	0.25%
Annual management charge	1.50%
Total expense ratio	2.59%
IMA Sector	Cautious Managed

Balanced Managed Portfolio

SAVE 4.75%

The Balanced Managed Portfolio could be the solution for you if you are:

- Looking for a moderate income yield
- An investor seeking a balanced portfolio invested in a wide range of assets
- Prepared to sacrifice some income for growth potential

These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.





Fund Manager Information

Funds invested in the Jupiter Merlin Balanced Fund



The Jupiter Merlin Balanced Fund has been co-managed by John Chatfeild Roberts, Peter Lawery and Algy Smith-Maxwell since its launch in 2002. The objective of the fund is to provide income as well as achieving some capital growth.

Current Top 5 holdings

	Monthly Income Plus Fund	13.63%
	Findlay Park Partners LLP US Smaller Cos	8.04%
	Asian Equity Plus Fund	8.00%
	UK Special Situations Fund	7.58%
	Strategic Bond Fund	7.04%
TOTAL		44.29%

Key Fund Information

Income Yield	3.10% (Half Yearly)
Initial charge	5.25%
Initial charge after discount	0.50%
Annual management charge	1.50%
Total expense ratio	2.28%
IMA Sector	Balanced Managed

Global Managed Portfolio

SAVE 4.75%

The Global Managed Portfolio could be the solution for you if you are:

- Looking for long-term capital growth
- An adventurous investor looking to invest primarily in equities from stock markets around the world
- Not looking for income.

These are asset backed investments which will fluctuate in value and so are not suitable for those investors wishing to have their initial capital guaranteed.





Fund Manager Information

Funds invested in the Jupiter Merlin Worldwide Fund



The Jupiter Merlin Worldwide Fund is co-managed by John Chatfeild Roberts, Peter Lawery and Algy Smith-Maxwell and was launched in 1993. The objective of the fund is to achieve long-term capital growth.

Current Top 5 holdings

	Asia Pacific Leaders Fund	23.42%
	Findlay Park Partners LLP US Smaller Cos	20.26%
	North American Income Fund	6.38%
	Physical Gold ETF	6.25%
	American Growth Fund	5.94%
TOTAL		62.25%

Key Fund Information

Income Yield	N/A
Initial charge	5.25%
Initial charge after discount	0.50%
Annual management charge	1.50%
Total expense ratio	2.52%
IMA Sector	Global Growth

About the Fund Management Groups



In April 2009, Henderson Global Investors acquired New Star Asset Management and rebranded its UK retail business as Henderson New Star. Henderson New Star offers investors a greater diversity of funds, managed by some of the most talented fund managers in the industry.

The Henderson New Star Multi-Manager team operates as a specialist investment division within Henderson New Star. With more than £1.3 billion in retail assets under management (at 30 June 2009), the team is recognised as one of the leaders in fund of funds investing, with a broad and diverse product range. Both the Henderson and New Star teams have proven performance track records, with particular strengths in active managed, balanced managed and cautious managed portfolios.

The experienced eight-strong Multi-Manager team brings together a broad range of complementary skills, from global economic analysis to in-depth fund and manager research. Together they offer a blend of skills across the three core disciplines of asset allocation, fund research and fund selection. The team is encouraged to draw on the knowledge base and investment expertise accumulated across Henderson's investment teams, including its offices in Europe, the US and Asia. Global market knowledge enables them to move quickly between different asset classes, tailoring portfolios to optimise returns.

Bill McQuaker, Head of Equities and Fund Manager of the Henderson Multi-Manager Income & Growth fund explains their strategy: ***"We look to offer investors a selection of portfolios capable of performing in a variety of economic conditions. This includes a core range of cautious, balanced and active managed funds that focus on doing the simple things well, as well as specialist portfolios covering particular regions. This innovative approach and commitment to performance provides investors with real diversity and choice when selecting their investment portfolios."***



Launched in 1985 as a specialist boutique, Jupiter has grown to be one of the UK's most successful and respected investment management groups. Jupiter currently manages assets spread across a range of UK and offshore mutual funds, multi-manager products, hedge funds, institutional mandates and investment companies.

For more than 20 years, Jupiter has gained a reputation for achieving outperformance across a broad variety of portfolios specialising in different markets, including UK equities, Europe, global financials and emerging Europe.

It's this consistency which has earned them a series of awards, including the Citywire Team All Stars Award for 2007*. In addition Jupiter is the only fund management group to have achieved the Investment Week Global Group of the Year for three years in succession - 2004, 2005 and 2006**. Jupiter is the only fund management group to have achieved this record in the 11 years since these prestigious awards have been in existence.

John Chatfeild Roberts, Head of the Jupiter Merlin Team, explains their strategy: ***"It is my job, along with Peter and Algy, to put in all the leg-work for our investors, deciding which funds it makes sense to hold at which time. This has enabled us to provide investors with good performance and also diversification, aiming to reduce risk and ensure that investors have the right combination of funds in their portfolios."***

* Awarded to Jupiter Asset Management in July 2007

** Awarded to Jupiter Unit Trust Managers in July 2006

Important Note

The yield (income) shown is supplied by the Fund Manager and is correct as at the end January 2010 (Source: Trustnet). Further details on how the yield (income) is calculated and whether this is gross or net of tax and charges is provided on the individual fund factsheets. Please note that if purchasing a unit trust there may be additional dealing costs contained in the bid/offer spread, typically around 0.25%, which includes stamp duty and dealing charges. Therefore if you buy a unit trust with an initial charge of 5.00% and a saving of 5.00% you may still pay a bid/offer spread of approximately 0.25%. The key features section of the application pack shows the full initial charges BEFORE applying our discount.



T. Bailey Asset Management (T. Bailey) was established in 1999 to offer the original investors, the Forman Hardy family, an alternative to the traditional private client stockbroker. Today T. Bailey is a multi-manager specialist, with state-of-the-art research and analytical resources. T. Bailey has a proven investment process which has delivered consistent, benchmark-beating performance. The business remains independent and is small enough to be truly client-driven. There are no hidden agendas or conflicts of interest between T. Bailey and their clients as both interests are the same – to make the most of their investments.

Jason Britton, Chief Investment Officer and Fund Manager explains their strategy: ***"Our preferred strategy at T. Bailey is investing in a portfolio of funds, rather than investing directly in shares, bonds or other securities. We believe that this approach reduces risk, generates better long-term returns and adds flexibility. Some elements of risk control used in our approach include using tracker funds where markets are uncertain or have difficulties and having a smaller exposure to high-risk funds."***

T. Bailey's multi-manager funds allow our fund managers to invest in a diverse range of asset classes and funds, as well as having the freedom to choose who we perceive to be the finest fund managers."

Structured Products



Interest in structured investment products has soared in recent years, as investors tap into their flexibility, potential returns and capital protected elements, which make them a useful tool when it comes to diversifying your investment portfolio – particularly during uncertain times.

In fact, in a recent survey, 37% of Fair Investment Company's investors said that they are most likely to invest in structured products, whereas just 24% said they are most likely to invest in cash.

Structured Products and your ISA allowance

Most structured products are eligible to be used within your ISA. Whether this is a Cash ISA or Stocks and Shares ISA will depend on the way that the product you choose is structured.

The main reason for selecting a structured product is that it aims to beat cash returns, which may be particularly appealing to investors while interest rates remain at record lows. They also provide choice – there are a number of variables within the structured product range, meaning you can match the level of risk you are happy with, as well as the degree of protection and tax structure.

What the experts say – Morgan Stanley

Commenting on structured investment products and how they can fit into a diverse investment portfolio, Marc Chamberlain, executive director at Morgan Stanley said:

Morgan Stanley “The past twelve months have proved challenging for global markets and investors are increasingly seeking opportunities for returns independent of market direction. For uncertain investors, in uncertain markets, structured products can be an attractive addition to their portfolios.

“Structured products have grown in popularity over recent years. Our 2009 mid-year IFA survey found that advisers were, on the whole, recommending more structured products than they were 6-months previously. So what is the appeal, and how can these products help investors achieve returns in these uncertain times?”

“The beauty of structured products is in their flexibility – the ability to match an investors' view with a defined return at maturity. Products are available that offer fixed returns, upside performance or even downside performance in a wide range of underlying assets.

“To help determine the right product, investors need to ask themselves a series of questions:

- What is my market view (bullish, neutral or bearish), and how strong is that view?
- Over what time horizon do I hold that view?
- Am I looking for growth returns or a regular income?
- Do I want some kind of capital-preservation feature, in case the market moves against my expectations?
- What level of risk I feel comfortable with?

“Many of the products available have fairly simple structures and offer exposure to the upside of an underlying asset in a capital protected format. These are particularly attractive for investors expecting growth in that market while, at the same time, looking to preserve capital should that market unexpectedly fall. However, with structured products, the possibilities are virtually endless: product providers are able to construct products that match any investment outlook. As providers, we gather feedback on current market sentiment and launch products that broadly match this.

“The beauty of structured products is in their flexibility – the ability to match an investor's view with a defined return at maturity.”

Marc Chamberlain, Morgan Stanley

“As long as markets remain uncertain, there are a huge array of payouts available to help individuals weather the storm. Those looking to diversify their portfolio could consider using structured products.”

The views expressed in this article are those of its author and do not necessarily represent those of the company he represents.

This article is issued and approved by Morgan Stanley & Co. International plc which is authorised and regulated in the UK by the Financial Services Authority. The article has been prepared solely for informational purposes and is not an offer to buy or sell any financial instrument or participate in any trading strategy.

At Fair Investment Company we want to help you to make your own mind up about the right investment product for you.

So we offer access to a range of structured products, across a number of providers, which means that there should be a structure to suit you. So, whether you are looking for income or growth, capital protection or capital at-risk, take a look at the selection of products we have to offer.

For more information on any of the products featured in this edition of Investment Direct, visit www.fairinvestment.co.uk

Important Note

Counterparty Risk – The protection behind most products is provided by a financial institution or counterparty and if they were to default on financial obligations, any promise of capital return might not be met. For this reason, financial strength of the institution backing the product is paramount; the lower the financial strength, the increased chance of default and, in turn, capital loss.

Royal Bank of Scotland

The Royal Deposit Plan

3 year fixed rate deposit plan that returns 4.00% a year.

✓ **Minimum Deposit: £3,600**

✓ **Term: 3 Years**

**4.00%
Gross***

- ISA Transfer Deadline - 1 April 2010
- 2009/2010 ISA Deadline - 5 April 2010
- 2010/2011 ISA Deadline - 16 April 2010
- Direct Investment Deadline - 16 April 2010

For full information visit
www.fairinvestment.co.uk

*Gross - this is the contractual rate of interest payable before the deduction of income tax at the rate specified by law (currently 20%). Fixed annual interest payment.

Macquarie

FTSE Income Plan

A 5 year structured investment plan with two investment options, paying annual income (gross) in arrears.

✓ **Minimum Investment: £3,600**

✓ **Term: 5 Years**

**Up to
6.50%***

- 2009/2010 ISA Deadline: 5 April 2010
- 2010/2011 ISA Deadline: 27 April 2010
- ISA Transfer Deadline: 16 April 2010
- Direct Investment Deadline: 27 April 2010

For full information visit
www.fairinvestment.co.uk

*Option 1 pays a fixed annual income of 5.80% gross in arrears, Option 2 pays a conditional income of 6.50% per annum, gross in arrears – the payment is subject to the performance of the FTSE 100 Index.
UBS AG, London Branch (the Securities Issuer) is the issuer of the securities (the Securities). The Plan Manager will acquire the Securities in order to meet the Plan's objectives as described in the Plan Brochure. The key symbol and UBS are among the registered and unregistered trademarks of UBS.

Cash



Cash deposit accounts have and probably always will be popular with investors, offering a relatively safe haven for your money. Some offer instant access and others offer favourable rates in return for a fixed term investment, depending on what your investment requirements are.

Generally speaking, the longer you are prepared to keep your money locked away for, the better the return will be, particularly while the Bank of England maintains base rate at its record low of 0.5%.

Cash ISAs

From April 6 2010, you will be able to invest up to £5,100 into a Cash ISA, regardless of your age. This increased limit is currently only available to those of you aged 50 or over on or before April 5 2010, the rest will be able to invest up to £3,600 into a Cash ISA this tax year.

One of the main benefits of Cash ISAs is their relative safety compared to Stocks and Shares ISAs, although the return you receive will usually be lower as a result.

The interest rate you receive will depend on the Cash ISA that you choose – as with standard savings accounts, there are a range of Cash ISAs to choose from, including easy access, fixed rate and notice accounts, while some offer introductory bonuses. And, as interest rates remain at record lows, fixed term ISAs are, like fixed term savings accounts, offering some of the highest rates.

What the experts say – Scottish Widows Bank

Scottish Widows Bank comments on the role that fixed rate deposit accounts can play in a diversified investment portfolio.



"A responsible approach to financial planning encourages savers not to put all of their eggs in one basket. It's a good idea to

spread the risk and save funds with a number of institutions and in different types of investments. Sensible saving can be about spreading liquid funds, allowing for longer term security and shorter term easier access and flexibility.

"Fixed rate accounts can form an important part of a balanced portfolio, guaranteeing a known return over a set period and also offering no real risk to capital. In the current economic climate fixed rate accounts offer an attractive and secure home for savings that customers know they won't need access to in the short term.

"Throughout 2009 fixed rate accounts hit the market at a fast pace, leading to healthy competition and improved interest rates for customers. Many of these are simple and straightforward to open which is great news for customers looking for good deals.

"Scottish Widows Bank can offer straightforward short term savings solutions: The 1 Year Fixed Term Deposit Account is ideal for personal customers and pension fund customers who don't want to commit for a long time, and the 5 Year Fixed Term Deposit Account offers a longer term option for those who do. These accounts offer competitive rates and there are no fees or charges."

See right for more information on the Scottish Widows Bank fixed term deposit accounts.

At Fair Investment Company we offer a range of fixed rate, fixed term savings accounts from 1 year to 5 years, in addition to Cash ISAs, so depending on your investment requirements we should have a deal to suit you.

To find out more and view the full range of up to date products available through us, visit www.fairinvestment.co.uk

Scottish Widows Bank



5 Year Fixed Term Deposit Account

A fixed interest rate cash deposit account offering a competitive AER over a period of five years. Please note, this product is not an ISA.

- ✓ **Minimum Deposit: £10,000**
- ✓ **Term: 5 Years**



- Deadline: 09/03/2010
- Maturity Date: 06/03/2015

For full information visit www.fairinvestment.co.uk

Interest must be paid away for all customers, either monthly (4.65% gross), quarterly (4.67% gross) or annually (4.75% gross). Scottish Widows Bank reserves the right to close the issue early if demand is higher than expected.

**AER - stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded once each year. Gross - this is the contractual rate of interest payable before the deduction of income tax at the rate specified by law (currently 20%).*

Royal Bank of Scotland



The Royal Deposit Plan

3 year fixed rate deposit plan that returns 4.00% a year. Available for Cash ISAs.

- ✓ **Minimum Deposit: £3,600**
- ✓ **Term: 3 Years**



- ISA Transfer Deadline - 1 April 2010
- 2009/2010 ISA Deadline - 5 April 2010
- 2010/2011 ISA Deadline - 16 April 2010
- Direct Investment Deadline - 16 April 2010

For full information visit www.fairinvestment.co.uk

**Gross - this is the contractual rate of interest payable before the deduction of income tax at the rate specified by law (currently 20%). Fixed annual interest payment.*

Scottish Widows Bank



1 Year Fixed Term Deposit Account

A fixed rate, capital protected account that is not linked to any investment products. Please note, this product is not an ISA.

- ✓ **Minimum Deposit: £10,000**
- ✓ **Term: 1 Year**



- Deadline: 09/03/2010
- Maturity Date: 09/03/2011

For full information visit www.fairinvestment.co.uk

Scottish Widows Bank reserves the right to close the issue early if demand is higher than expected.

**AER - stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded once each year.*

Tax and your investments

Rebecca Sargent examines the way that tax affects various types of investments, from cash deposits to investment funds.

Different types of investment have different tax treatment, which can be confusing, therefore it is important to be aware of the various ways that your money can be taxed, depending on your investment choices.

Taxation of income from savings deposit accounts and fixed interest investments

Any income you receive from your savings will normally have 20% tax taken off it at source, which means it is taken before you receive your interest - this is called net interest.

However, if your savings account pays gross interest, it will not deduct this 20 per cent at source and you will have to declare it on your tax return, and you may need to register to receive the interest gross.

There is a starting band when it comes to tax on savings income, which is currently on amounts up to £2,440 for the tax year 2009/10, where you will only be taxed 10%.

As with all tax, the amount of savings tax you pay will depend on whether you are a non, starting, basic or higher rate taxpayer. See below for details:

Type of taxpayer	Savings income taxed at source (net)	No tax deducted at source (gross)
Non	May reclaim any tax deducted	Has no tax to reclaim
Starting (Earnings of less than £2,440)	May reclaim the difference between the 20% paid and the 10% owed	Must pay 10% tax
Basic (Earnings of less than £37,400)	Liability for tax has been met by 20% deduction at source	Must pay 20% tax
Higher (Earnings of more than £37,401)	Must pay the difference between the 20% paid and the 40% owed (an extra 20% tax)	Must pay 40% tax <i>*This increases to 50% from April 6 2010</i>

Please note: personal allowances are not included in the calculations above.

Taxation of income from dividends

Taxation of income from dividends is treated differently to the income you receive from savings deposit accounts and fixed interest investments.

Income from dividends will be paid to you with a 10% tax credit, which meets the tax liability for basic rate taxpayers. However non taxpayers are unable to receive a return of the tax paid.

As a result, to calculate the gross dividend (before tax has been deducted), you will need to divide the net (after tax is deducted) dividend by 0.9.

Net Dividend	£90
Gross Dividend	£100

However, if you are a higher rate taxpayer, you have a tax liability of 32.5%, but the tax credit of 10% reduces this to 22.5%, so net dividend for a higher rate taxpayer is therefore:

$$£90 \div 0.9 = £100$$

$$£100 - £32.50 \text{ (32.5% of gross dividend)} = \mathbf{£67.50} \rightarrow$$

Tax and investment funds

As a result of the different types of tax treatment, the way you are taxed on an investment fund will depend on the type of fund you choose.

For example, if you receive income from bonds and fixed interest securities, these will be taxed at savings tax of 20% (unless you are a non or higher rate taxpayer).

But, if you receive dividends income from shares you will have to pay tax in the way seen above (10% tax credit unless a higher rate taxpayer).

There will be no capital gains tax to pay on any gains in investments held within a fund. However, if you sell your funds, you may have to pay capital gains tax - although this will depend on how much of your capital gains tax allowance (£10,100 for the 2009/10 tax year) you have used.

Tax and Structured Investment Products

The tax treatment of structured products depends entirely on the structure of the product, and any tax wrapper in which you want to hold the product.

For example, deposit based structured investment products will usually be subject to savings income tax of 20% (unless you are a higher rate or non taxpayer).

However, many structured investment products will be subject to capital gains tax because of the way they have been set up, which may mean that you receive any gains free from tax if you have not used your capital gains tax allowance for the tax year.

Some structured products may also be subject to both income and capital gains tax.

As a result, it is important that you understand the tax treatment of the structured product you are investing in.

If you are interested in any of the structured products, investment funds or cash deposit accounts featured in Investment Direct, or on the Fair Investment Company website, and would like to know about the tax treatment, please call our investment team on **0845 3082525** or email helpdesk@fairinvestment.co.uk

Please note: this is only a summary of the tax position as at February 2010. You should be aware that tax legislation changes constantly and you should find out the most current position. ●

Introducing the Fair Investment Venture Capital Trusts (VCT) Service

In addition to our funds service, we are pleased to announce the launch of our VCT service.

The service, which is non-advised, brings you access to VCTs from two of the leading VCT providers – Downing and Octopus. By investing through Fair Investment Company you will save up to 2.50% of your initial investment because we have given up all of our initial commission to bring you discounted initial charges.

VCTs are risky investments because they are long-term investments in small, growing companies. However, because the Government is keen to encourage investment into small business there are a number of tax breaks for those who invest in VCTs, including:

- 30% up front tax relief on investments of up to £200,000 a year (limited to the amount that would reduce your tax bill to nil if you hold the investment for at least five years)
- Dividends are free from income and capital gains tax (which could become more attractive for those earning more than £150,000 from April 2010 when the Government is raising the higher rate of income tax from 40% to 50%)
- Any gains made from the sale of VCTs are free from capital gains tax.

In addition to tax breaks, many VCTs can offer high dividend yields, which may be an attractive proposition while interest rates remain at record lows.

To learn more about VCTs and to apply through Fair Investment Company, visit http://www.fairinvestment.co.uk/venture_capital_trusts.aspx

Win a case of wine










Log on to www.fairinvestment.co.uk/competition.aspx to fill in our quick survey and be entered into a prize draw for a free case of wine!

Prize draw terms & conditions


1. No cash alternative to the prize will be available
2. Only one entry per person will be accepted
3. Incomplete entries will be disregarded.
4. The winner will drawn at random and notified by e-mail by July 14th 2010
5. Fair Investment Company's decision is final and correspondence will not be entered into
6. The closing date for entries is midnight on June 30th 2010
7. The draw is not open to employees of Fair Investment Company Ltd or their direct relatives
8. Entrants must be aged 18 or above

Featured Products

	Investment Product	Product Summary	Product Type	ISA Transfer Available
BLACKROCK	BlackRock UK Absolute Alpha Fund	Seeks to achieve a positive absolute return for investors by investing primarily in equities - income paid twice yearly	Growth Fund	✓
	Invesco Perpetual Monthly Income Plus Fund	Popular monthly income fund that invests in high yielding corporate and Government bonds, together with UK equities.	Income Fund	✓
	Allianz BRIC Stars	Aims to achieve capital growth in the long term by investing mainly in the equity markets of Brazil, Russia, India and China.	Specialist Fund	✓
	Threadneedle UK Property Trust	Aims to provide you with a total return based on income and capital appreciation primarily through investment in certain kinds of UK real estate, property related securities, government and public securities and units in collective investment schemes.	Specialist Fund	✓
	RBS The Royal Deposit Plan	3 year fixed rate deposit plan that returns 4.00% a year. The plan can be used for cash ISA investment or cash ISA transfer.	Cash Deposit Account/Cash ISA*	✓
	FTSE Income Plan	A 5 year structured investment plan with two investment options, paying annual income (gross) in arrears.	Structured Investment product	✓
	Scottish Widows Bank 5 Year Fixed Term Deposit	Interest can be paid Annually at 4.75% AER, Quarterly at 4.67% AER or Monthly at 4.65% AER. Minimum Deposit £10,000	Cash Deposit Account	N/A
	Scottish Widows Bank 1 Year Fixed Term Deposit	Minimum Deposit £10,000. 1 year fixed rate bond available to new and existing customers.	Cash Deposit Account	N/A

*This is not a 'normal' deposit account and there may be charges if you withdraw funds early.

The Fair Investment Portfolio Service

	Investment Product	Product Summary	Product Type	ISA Transfer Available
	Income Portfolio (invested in the T. Bailey Equity Income Fund)	Aims to provide a yield in excess of 110% of the yield on the FTSE All-Share Index.	Fund Portfolio	✓
	Cautious Managed Portfolio (invested in the Henderson Multi-Manager Income and Growth Fund)	Seeks to provide an income in excess of the FTSE All-Share Index with prospects for some capital growth.	Fund Portfolio	✓
	Balanced Managed Portfolio (invested in the Jupiter Merlin Balanced Portfolio)	Aims to provide income as well as achieving some capital growth.	Fund Portfolio	✓
	Global Managed Portfolio (Invested in the Jupiter Merlin Worldwide Portfolio)	Seeks to achieve long term capital growth. The underlying funds invest in international equities, fixed interest stocks, commodities and property.	Fund Portfolio	✓

How do I invest?

To invest in funds / ISA funds

- Fill in the relevant application form in the Application Pack enclosed
- Complete our declaration
- Return to us, including payment using the Freepost envelope enclosed
- We will process your investment for you

Alternatively, you can apply to invest online by visiting www.fairinvestment.co.uk

To invest in cash / structured products

- Fill in your details on the insert enclosed
- Tick the product you are interested in
- Return to us using the Freepost envelope enclosed
- We will then send you the product details, including application forms through the post

Customer Services Team

Head of Investment Administration, Julie Smith and the rest of our customer service team are here to help you with any queries about your investment.

If you are experiencing any problems applying online or through the post, please do not hesitate to contact our Customer Services team who will be able to assist you.

Email

helpdesk@fairinvestment.co.uk

Tel:

0845 308 2525



Introducing the Fair Investment Advisory Service



Dear Investors,

I am pleased to announce that Fair Investment Company will shortly be launching an Advisory Service.

This service will follow the Fair Investment philosophy of independence, clarity and value for money. We will be able to offer a full range of advice from pensions to investments, although as part of our commitment to fairness we will let you know if you would be better off arranging your finances direct - as the Advisory Service will carry an extra charge, those of you with lower value portfolios may be financially better off dealing direct through our non-advisory solutions.

We are developing the service from our Bristol office, but through technology we will be able to deal with clients across the UK. We firmly believe that offering both advisory and non-advisory helps us to provide you with more choice. Even the most experienced investors among you may encounter a complex financial situation that will require advice from a qualified, independent Financial Adviser.

If you are interested in this service please email our Customer Services team on helpdesk@fairinvestment.co.uk or call on **0845 308 2525** and an adviser will contact you on launch.

