



PFS Downing Active Management Fund

Simplified Prospectus

Issued May 2011

The Financial Services Authority (FSA) is the UK's independent financial services regulator. It requires us, Phoenix Fund Services (UK) Limited, to give you this important information to help you decide whether this investment is right for you.

You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.



Contents

Contact us	2
About this document	3
Company details	4
Its aims	4
Your commitment	4
Risks	5
Investment information	6
Additional information	11
Appendix 1 – Fund Information Summary	14
Appendix 2 - Glossary	16

Contact us

Our head office

Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

Please use the details below to buy and sell shares, dealing and administrative queries, literature requests and to contact us if you have a complaint.

Phoenix Fund Services (UK) Ltd
PO Box 10879
Chelmsford
Essex CM1 9QW

Telephone: 0845 305 4215 (dealing 8.30 am to 4.30 pm, Monday to Friday)
Fax: 0845 280 0087
Email: downing@phoenixfundservices.com
Website: www.phoenixadmin.co.uk

We may record telephone conversations to offer you additional security, resolve complaints and improve our service standards. Conversations may also be monitored for staff training purposes.

About this document

This document, the Simplified Prospectus, provides you with key information on the PFS Downing Active Management Fund (the 'Company' or the 'Fund') which is an open ended investment company ('OEIC'). You should read it in conjunction with the relevant Fund Information Summary in Appendix 1 where you will find specific information on the Fund.

Please make sure you are comfortable with the contents of this document before deciding to invest.

For more information, such as the Full Prospectus and the annual and interim reports please contact your financial adviser or use our contact details on the previous page.

Whilst we have tried to avoid using technical language it has not always been possible. The Glossary in Appendix 2 should help to explain some of the words or phrases you may not be immediately familiar with.

We issued this document as at May 2011 and update it at least annually. The documentation and all further communications with you will be in English. Any contract or relationship you enter into with us will be governed by the laws of England and Wales, and subject to the exclusive jurisdiction of the English courts. This document, application form and Full Prospectus, together form the terms of the contract for your investment.

The risk to your investment and its performance can change over time. Up-to-date information can be obtained via the internet at the Downing Corporate Finance Limited website, www.downing.co.uk, or by calling us on 0845 305 4215. Please note that you should not interpret this document as financial advice. Under FSA rules you will be categorised as a "retail client". This means that you will have the maximum amount of protection available under the respective rules.

Company details

The Company is a collective investment scheme as defined in the Financial Services and Markets Act 2000 and is authorised by the FSA. It is an Open-Ended Investment Company ('OEIC') established as a 'UCITS Scheme' being compliant with FSA Rules and was incorporated in England and Wales (IC000563) on 19th September 2007.

The base currency of the Company is pounds Sterling.

Its aims

What are the aims of the Company?

- To provide a way of linking your money to investment markets.
- To provide a way of spreading your investments and the risk.
- To offer professional fund management at an appropriate cost.

What is the aim of the Fund?

The aim of the Fund is provided in the Fund Information Summary in Appendix 1.

We suggest you speak to your financial adviser to determine if this Fund is suitable for you.

Your commitment

What is the profile of a typical investor?

The Fund may be suitable for institutional or private investors who see collective investment schemes as a convenient way of participating in investment markets. You must be willing to accept some risk to your capital; therefore, it may be suitable for you if you are able to set aside your capital for at least 5 years. If you are uncertain whether this Fund is suitable for you, please contact your financial adviser.

US investors

This Fund is not generally available for investment from within the USA and this document is not intended for use by US residents. Further information can be found within the Additional Information section later in this document.

Risks

Any investment in a stock market fund involves risk. Some of these risks are general, which means that they apply to any fund. Others are specific, which means that they apply to an individual fund.

Before you decide to invest, it is important to understand the Fund's aims, detailed in the Fund Information Summary in Appendix 1, and the risks involved. Details of all of the risks can also be found in the Full Prospectus.

What are the general risks associated with the Fund?

- The value of funds and the income from them is not guaranteed and may fall as well as rise. You may get back less than you originally invested. What you get back will depend on investment performance, which is not guaranteed. Past performance is no guarantee of future performance.
- The effect of an initial and redemption charge. If you sell your investment after a short period you may not get back what you originally invested, even if the price of your investment has not fallen.
- The risk of an investment will vary depending on the fund you choose. Funds aiming for relatively high performance can incur greater risk than those adopting a more standard investment approach.
- The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region.
- Inflation will reduce what you could buy in the future.

Note on derivatives:

Derivatives may be used by the Fund for the purposes of efficient portfolio management only, it is not expected that the use of derivatives will lead to a higher risk profile.

What are the specific risks associated with this Fund?

- **Smaller and medium-sized companies** – Investment in smaller and medium-sized companies can be higher risk than investment in well established blue chip companies. Funds investing significantly in smaller and medium-sized companies can be subject to greater share price fluctuations due to their more limited marketability.
- **Concentration** - The Funds may be focused towards particular markets, assets or sectors. This focus may result in higher risk when compared to a Fund that has spread or diversified investments more broadly.

Investment information

How has the Fund performed historically?

You can find information about the Fund's performance in the Fund Information Summary in Appendix 1.

How much tax will I pay?

The rates of, and any relief from tax, depends on your own personal circumstances and are likely to change over time. The information provided below is based on our current understanding of HM Revenue & Customs (HMRC) practice. It summarises the position if you are UK resident but you should note that there may be other taxes applicable to the investment. You can find further information within the Full Prospectus. We recommend that you take professional advice based on your individual circumstances, particularly if you are subject to tax in a jurisdiction other than the UK.

Capital Gains Tax (CGT)

If your total net taxable gains from all investments do not exceed the annual (CGT) exemption (£10,600 for the 2011/2012 tax year) you will not pay any CGT. Any realised gains over this exemption will be taxed at a CGT rate of 18% (28% if you are a higher or additional rate tax payer). Please visit HMRC's website at www.hmrc.gov.uk/cgt/index.htm to check the latest rates and exemption limits.

Income tax

Distributions, whether they are paid out or reinvested, are treated as income for tax purposes.

Distributions of income, whether they are paid out or reinvested, will have an associated tax credit or have suffered income tax which means that if you are a starting or basic rate taxpayer, you will have no further income tax liability. The tax treatment for starting, basic rate, higher and additional rate tax payers is outlined below for the two types of income distribution payments a fund may pay.

- **Interest distributions**

These have income tax deducted at 20%. If you do not pay tax, or are a starting rate taxpayer, you can reclaim all or part of this tax. If you are a basic rate taxpayer, you will not pay any further tax. Higher rate taxpayers have a further tax liability of 20% of the gross distribution and additional rate tax payers have a further liability of 30%. In line with current legislation, we will report all interest distributions to HMRC.

- **Dividend distributions**

Dividend distributions to individual investors carry a tax credit at a rate of 10%. If you are a basic or starting rate taxpayer, you will not have any further tax liability. Higher rate taxpayers will be liable to income tax on their grossed up dividend income at the rate of 32.5% but may offset the 10% tax credit against this. If you are an additional rate taxpayer you will be liable to income tax on the grossed up dividend income at the rate of 42.5% but can offset the 10% tax credit against this. Higher rate taxpayers will therefore be liable to pay income tax equivalent to a rate of 25% of their net receipt (36.1% if you are an additional rate tax payer). It is not possible for investors to reclaim any amount in respect of the tax credit.

How much tax will the Fund pay?

The Fund is treated as an open-ended investment company for tax purposes.

The Fund may receive dividends from UK equity investments. These are not subject to UK corporation tax in the Fund. The Fund is liable to UK Corporation Tax at the current rate of 20% on its other types of income after deducting management expenses, charges and the gross amount of any interest distributions. The Fund is exempt from UK Corporation Tax on profits from the sale of investments.

What are the charges?

Initial charge

An initial charge (expressed as a percentage of your investment) is deducted from your investment before we buy shares in the Fund and will vary according to the share class. Please refer to the Fund Information Summary in Appendix 1 for details of the initial charge. You should note that the initial charge will affect the value of your investment and you may not get back what you originally invested if you sell after a short period, even if the price of your investment has not fallen.

Annual Management Charge (AMC)

The AMC is an annual charge that is taken out of the Fund. The AMC will vary according to the share class. Please refer to the Fund Information Summary in Appendix 1 for details of the AMC.

We will not increase our charges without giving at least 60 days' notice to investors.

Dilution levy and Stamp Duty Reserve Tax (SDRT)

A dilution levy is a possible charge we can make to protect on-going investors if you make large investments or encashments. SDRT is a transaction tax of 0.5% which is normally paid for by Funds which invest in UK shares. Further information can be found within the Glossary and the Full Prospectus.

Other charges

The Fund pays expenses that are taken into account when calculating the price of shares. These expenses include depositary and custody fees, fees for registration, regulation and audit. The Total Expense Ratio (TER) is the sum of the annual management charge and these other current expenses. The TER can help you compare the annual operating expenses of different funds. Please note that the initial charge and transaction costs are not included in the TER calculations.

We normally recover these fees from the Fund's income. The charges and expenses of the Fund are summarised in the Fund Information Summary in Appendix 1.

Dealing costs and Portfolio Turnover Rate ('PTR')

The PTR represents the percentage of a fund's portfolio that is bought and sold over a 12 month period. If the PTR is high, the dealing costs incurred may have a higher impact on your investment. At the same time, active management may mean that changing investments increases the performance of a fund sufficiently to outweigh these costs. The PTR of the Fund is listed in the Fund Information Summary in Appendix 1.

Cost of advice

Your financial adviser will give you details about the cost. The amount will depend on the size of your investment. It will normally be paid for out of the charges unless you have a different arrangement with your financial adviser.

How do I invest?

Initial investments can only be made by sending a completed application form to the ACD accompanied by a cheque drawn in the currency of the shares applied for in all cases. Application forms are available from the ACD.

There is no maximum investment level. The minimum and holding investment levels are as follows:

Minimum lump sum investment	£1,000
Additional lump sum investment	£1,000
Minimum partial redemption	£ 500
Minimum balance	£1,000

By post

Simply complete the relevant application form. Then either:

- post it to the address on the form, or
- send it to your financial adviser.

You must send your application with the payment and identity information that we may require.

By telephone

An initial investment must be accompanied by a completed application form, however, subsequent lump sum investments may be made directly by calling 0845 305 4215.

By fax

It is possible to buy and sell shares in the Funds by fax. The fax number is 0845 280 0087.

Payment

You can invest a lump sum by sending a personal cheque made payable to **Phoenix Fund Services (UK) Limited** with your completed application form. Please check the minimum investment limits for the Fund in the table above.

We will use your investment to buy shares in the Fund. Where applicable, we will deduct an initial charge (expressed as a percentage of your investment) from the money you invest. We will buy shares on a forward pricing basis, which means that for all applications received money will be invested using the share prices calculated at the next valuation point, which is 10am on each business day.

Confirmation of your investment

For lump sum investments we will send you a welcome letter and a contract note after your initial investment, which will tell you your customer number, the number of shares you have purchased, the amount invested and the share price. We will send you a contract note for any subsequent investments.

It is very important to keep this contract note safely, because we do not issue share certificates. Evidence of ownership is on the shareholder register.

Changing my mind

After you make your initial investment, we will send you information about 'Your right to cancel'. After you receive this, you will have 14 days to change your mind and send the completed Cancellation Form to us. We will then return your investment to you, however, if the value of your investment has fallen by the time we receive your Cancellation Form, you may not get back the full amount you invested.

If you have not received information or advice on a face-to-face basis before applying for our investments you do not have a statutory right to cancel.

How do I sell?

You can sell all or part of your investment at any time. The minimum amount for partial withdrawals is £500. After you have made the withdrawal, the remaining value must be at least £1,000 in the Fund. Your financial adviser will be pleased to provide you with details of the options open to you. If you wish to sell your investments, please write to us with your sale instructions using the contact details on page 2.

Does my investment pay an income?

At present, accumulation shares only are in issue. We reinvest all the net income to maximise growth potential, increasing the value of shares held.

Please see the Fund Information Supplement in Appendix 1 for when income is accumulated.

How can I find out how my investment is doing?

You can obtain the latest share prices of the Fund by:

- Visiting www.downing.co.uk, where Fund performance information is also available and on the Investment Management Association's website at www.investmentuk.org.
- Calling us on 0845 305 4215 for details of the current prices, estimated yields and valuations.

Please note that these prices are historical and are not the prices at which you would be able to deal. The assets of the Fund are valued at 10am each dealing day.

Every six months you will receive:

- A statement showing a valuation of your investment as at 31st July (annual) and 31st January (interim) each year, together with a list of transactions during the six month period. Statements are issued within 25 business days of the statement valuation date.
- A copy of the annual and interim OEIC Short Report, for the Fund in which you hold shares. This will provide up-to-date details of investments and a commentary from the Investment Manager about the Fund you hold. These will be sent to you by 30th November (annual) and 31st March (interim).
- You will be sent tax vouchers detailing income allocations for each income accumulation made during the tax year.

What happens to my investment on death?

- If your investment is held in joint names, it will continue to be held by the surviving holder(s).
- Your personal representatives may ask us for information about the value of your investment, which we will provide.
- When your personal representatives have proved that they are legally entitled to the money invested, they may instruct us to cash in your investment or transfer it to another name.
- Until the shares are sold, they will be affected by daily price movements as normal.
- The value of your investment is treated as part of your estate, so your personal representatives may need to declare it for inheritance tax purposes.

Additional Information

Authorised Corporate Director (ACD)

Phoenix Fund Services (UK) Ltd
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

Investment Manager and promoter of the Fund

Downing Corporate Finance Limited
10 Lower Grosvenor Place
London SW1W 0EN

Depository

BNY Mellon Trust & Depository (UK) Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Auditor

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds LS1 4DW

Financial Services Authority (FSA) contact details

The ACD is authorised and regulated by the FSA.

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

UK: 0845 606 1234 (local call rates)
Overseas: +44 20 7066 1000
Email: consumer.queries@fsa.gov.uk
Website: www.fsa.gov.uk

Complaints

If you would like to raise an issue with us please contact our Head of Shareholder Services at:

Phoenix Fund Services (UK) Ltd
PO Box 10879
Chelmsford
Essex CM1 9QW

You can request from us details of our complaints procedures. If we are unable to resolve the issue to your satisfaction, you may be eligible to complain directly to the Financial Ombudsman Service at the following address:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0800 0234 567
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint will not prejudice your right to take legal proceedings.

Compensation arrangements

We and our bankers are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000. This is the maximum compensation. Further information about compensation arrangements is available from the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme
7th Floor
Lloyds Chambers
Portsoken Street
London E1 8BN

UK: 0800 678 1100
Overseas: +44 20 7741 4100
Email: enquiries@fscs.org.uk

Conflicts of interest

The ACD, the Investment Manager and other companies within Downing Corporate Finance Limited may, from time to time, act as investment managers or advisers to other funds which follow similar investment objectives to those of this Fund. It is therefore possible that potential conflicts of interest could arise. We have policies in place to ensure we act in the best interests of the Fund as far as possible. Please see our website www.downing.co.uk for further details of our conflict of interest policy.

Dealing arrangements

The Investment Manager has entered into 'dealing arrangements' with certain brokers under which a proportion of commission paid to the broker on transactions may be used to pay for execution and/or research services provided to the Investment Manager by the broker or a third party. They have entered into 'Commission Sharing Agreements' and you can request their policy in relation to these dealing arrangements.

Equality Act

If you require a copy of this brochure in large text format, braille or on audiotape, please telephone us on 0845 3054215.

European Savings Directive

This only applies to investors who are not resident in the UK for tax purposes, or if you move to another approved country after you have invested.

The regulations that implement the European Savings Directive require us to obtain additional customer information. If you invest in a fund with a fixed interest or cash content of more than 15% we are required to obtain either your tax identification number and tax country code, or your date and place of birth, and report these to HMRC.

Are there any UK anti-money laundering requirements?

To comply with UK Anti-Money Laundering Regulations, we may require you to supply evidence of identity and address. We may validate these details against any database (public or other) to which we may have access. We will retain a record if such an enquiry is made.

If you do not want your details validated against a database, please tick the 'opt-out' box on the application form.

How does the Data Protection Act impact on you?

We will use, analyse and assess information held about you when providing services to you. We may also exchange similar information with Downing Corporate Finance Limited, in order that they can send you periodic information. If you do not wish to receive this information, please tick the 'opt-out' box on the application form.

US investors

These Funds have not been and will not be registered in the US according to the US Investment Company Act of 1940 and the shares will not be registered in the US in accordance to the US Securities Act of 1933. Shares of the Funds will not be publicly offered, sold or distributed within the US or to US persons except where there is an exemption from registration available and applicable.

In particular the information in this document is not for distribution within the USA and does not constitute an offer to US residents or US organisations.

Prospectus / Report & Accounts

You, as either an existing or potential investor, can ask for free copies of the latest Prospectus and annual and interim Reports & Accounts (short and/or long form) by contacting us using the contact details at the beginning of this document. You can also visit our website, www.phoenixadmin.co.uk, for this information.

Appendix 1 - Fund Information Summary

This section contains important information on the Fund. You should read this, in conjunction with the other parts of this Document, and understand it prior to making an investment. You should retain it for future reference. For the Fund's full objective and policy please see the Full Prospectus.

Please cross-reference this section to the main part of the Simplified Prospectus and the Glossary in Appendix 2 for full explanations of the terms used below.

The PFS Downing Active Management Fund

Aims

The Fund seeks to achieve capital growth by investing mainly in a concentrated portfolio of UK smaller companies (typically those with market capitalisations between £20 million and £150 million).

The Fund will aim to outperform typical returns from other UK small-cap equity funds by identifying investments that the Investment Manager believes are undervalued by the market, in spite of having strong management and corporate strategies. For full investment objective and policy details refer to the Prospectus.

Fund specific risk warnings

- Smaller and medium sized companies
- Concentration

Please see page 5 for details of these specific risks.

Charges and expenses

Share Class	Initial charge %	AMC %	TER%*	PTR %*
A class Accumulation	5.0	1.75	2.58	24.58

*As at December 2010

Effect of charges and expenses

The following table illustrates the effect of charges and expenses on an investment. These figures are not guaranteed.

The table shows the effect of charges and expenses on a £1,000 lump sum investment in A class accumulation shares and assumes a growth rate of 6% per annum before charges.

At the end of year	Investment to date	Effect of deductions	What you might get back (assuming a growth rate of 6% (per annum)
1	£1,000	£79	£983
3	£1,000	£145	£1,053
5	£1,000	£223	£1,127
10	£1,000	£485	£1,337

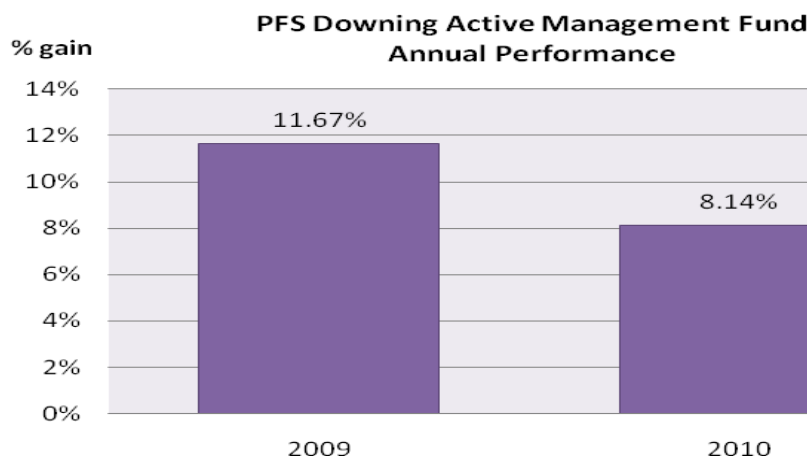
The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £485. Putting it another way, this would have the same effect as bringing down investment growth from 6% a year to 2.9% a year.

Accounting information

Accounting reference dates	Income Accumulation dates	Dividend or interest distribution	Fees from income or capital
31 July (Final)	30 September	Dividend	Income
31 January (Interim)	31 March		

Performance information

Please note that past performance is not a guide to future performance. The following graph displays annual performance (which is the gains or losses made by the Fund for each complete calendar year). Also provided is the cumulative performance (gains or losses over the entire period) to 31st December 2010 for as many complete calendar years that are available. The Fund was launched in September 2008. Further information about the Fund can be found on the manager's website www.downing.co.uk.



Cumulative performance: over the same time period, the total return was +20.76%.

Source: Phoenix Fund Services Ltd

Appendix 2 – Glossary

Accumulation dates

Income from the Fund is accumulated on these dates.

Authorised Corporate Director (ACD)

A corporate body and an authorised person given powers and duties under FSA regulations to operate an OEIC.

Cancellation Form

Applicants who have received advice may have the right to cancel their application any time during the 14 days after the date on which they receive a Cancellation Form from the ACD.

Collective Investment Schemes (CIS)

A generic term encompassing authorised unit trusts, common investment funds, OEICs and investment trusts.

Commission Sharing Agreement

We may enter into dealing arrangements with certain brokers, under which a proportion of commission paid to them on transactions may be used to pay for execution and /or research services provided to us by that broker or a third party.

Derivatives

A general name for investments such as futures and options whose value depends on another financial asset, for example the price of a bond, currency or share. Derivatives can be used by investment advisors to control particular aspects of a portfolio's risk, or as an investment in their own right.

Dilution levy

Dilution levy – Investors should note that in certain circumstances a dilution levy may be applied. The need to charge a dilution levy will depend on the volume of shares being created or redeemed and whether, in the opinion of the ACD, it will have an adverse affect on existing or remaining investors. The dilution levy, where applicable, is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commission and transfer taxes. See Full Prospectus for further details. The ACD does not at present intend to charge a dilution levy. If a dilution levy is required then, based on future projections the estimated rate or amount of such a levy would be 0.5%. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

Open Ended Investment Company (OEIC)

An OEIC is a type of investment product that offers indirect investment in stock markets. Your money is pooled with that of other investors who choose to invest in the same fund. Funds will use this money to buy investments, such as stocks and shares, as selected by the Investment Manager for the fund. The value of your shares in the fund is directly related to the underlying value of these investments. Because the investments are spread across a range of assets, the risk may be lower than investing in a single asset such as a company's shares.

Securities

An investment instrument such as shares or bonds, issued by a corporation, government or other organisations which offers evidence of debt or equity.

Stamp Duty Reserve Tax (SDRT)

HM Treasury requires up to 0.5% SDRT to be applied on transactions in shares in a fund rather than it being charged to the individual investor. SDRT is only payable on funds that invest in UK shares.

It is the current policy to meet the cost of SDRT directly from the Fund's assets, however, there may be exceptions to this, and the policy could change in the future. Further information can be found in the Full Prospectus.

Transferable securities

These are securities which can be freely traded.

Date: May 2011

Issued by Phoenix Fund Services (UK) Ltd. Head office Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW. Registered in England and Wales. Registered no. 06525929. Authorised and regulated by the Financial Services Authority. FSA Firm reference number 469627.