

Phoenix Fund Services PRESS RELEASE

July 2010



PHOENIX WINS FUND ADMINISTRATION CONTRACT WITH QUERNS ASSET MANAGERS LLP

Phoenix Fund Services is pleased to announce that it has won the contract to provide fund accounting and transfer agency services to the Querns Income First Fund.

The fund will primarily focus on providing income seekers with an attractive income, which will be paid monthly.

The fund is one of the first Tax Elected Funds (TEF) that take advantage of the regime introduced in September 2009. The fund pays a dividend distribution from the income from UK equities and a non-dividend distribution from interest earned including from corporate bonds, thereby putting investors in the same tax position as if they held the underlying investments direct. As a result, shareholders holding the fund through tax efficient wrappers, such as an ISA or a pension fund are entitled to receive the non-dividend distribution gross. Until the TEF regime was introduced, it was only possible to receive gross interest (or reclaim the tax credit) from UK funds that paid interest distributions, although such funds were required to have a minimum of 60% invested in fixed interest investments. The Querns Income First Fund does not have that restriction.

Peter Gardner, Chief Operating Officer and Compliance Officer of Quern's Asset Managers LLP stated:

"In line with our vision to provide a low cost fund for income seekers in the post RDR world, finding a fund administrator that could provide an efficient service delivering real value was essential. I am delighted that we are working with Phoenix Fund Services with their commitment to supporting the growth of specialist and boutique fund managers."

Stuart Mathieson, Managing Director of PFS (UK), commented:

"We are delighted to be working with Querns Asset Managers and their team of acknowledged industry figures. Providing a comprehensive service, supporting an innovative fund structure, so fund managers can concentrate on running money, is fundamental to Phoenix's proposition."



2nd Floor, Springfield Lodge, Colchester Road, Chelmsford, CM2 5PW.

Tel: +44 (01)1245 398950 • **Fax:** +44 (01)1245 398951 • **Web:** www.phoenixfundservices.com

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Media Contacts:

Phoenix Fund Services (UK) Limited:

Stuart Mathieson, Managing Director of PFS (UK)

Tel no: 01245 398985

Querns Asset Managers LLP:

Peter Gardner, Chief Operating Officer and Compliance Officer

Tel: 01491 682911

Notes to Editors:

Phoenix Fund Services provides a comprehensive range of investment administration services with a particular focus on supporting the growth of specialist and boutique investment managers.

Phoenix differentiates itself with:

1. An end to end solution based upon cutting edge technology, delivering real straight through processing and
2. A single data entry to address both securities processing and fund accounting, thereby providing clients with an assured high quality service along with significant cost efficiencies

Querns Asset Managers LLP is a partnership established in 2010 of industry professionals that offers investors the opportunity to take advantage of the experience and expertise of two of the industry's leading fund managers with more than 50 years investing experience and proven track records in UK fixed interest and equities.



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