



# PFS Hawksmoor Open-Ended Investment Company

Simplified Prospectus and application forms

Issued 1 May 2010

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.**



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## 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 10380  
Chelmsford  
Essex  
CM1 9JX

Telephone: 0845 026 4283 (dealing 8.30 am to 4.30 pm, Monday to Friday)  
Fax: 0845 280 2425  
Email: [hawksmoor@phoenixfundsolutions.com](mailto:hawksmoor@phoenixfundsolutions.com)  
Website: [www.phoenixadmin.co.uk](http://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 investors with key information on the PFS Hawksmoor Open-Ended Investment Company (the 'Company') and its sub-fund (the 'Fund'). It should be read 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.

This document is issued as at 1 May 2010 and is updated at least annually. The documentation and all further communications with you will be in English. Any contract or relationship entered 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 Hawksmoor Investment Management Limited website, [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk), or by calling us on 0845 026 4283. 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 'Non-UCITS Retail Scheme' being compliant with FSA Rules and was incorporated in England and Wales (IC000729) on 5 February 2009.

The base currency of the Company is pounds sterling.

The following Fund is available within the Company:

### **The Vanbrugh Fund**

## 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 are the aims of the Fund?**

The aims of the Fund are 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?**

Typical investors in the Fund are likely to fall into three main categories:

- High net worth individuals who are experienced investors;
- Clients of discretionary investment managers<sup>1</sup>; and
- Clients of independent financial advisers, especially those needing a core, well-diversified holding<sup>1</sup>.

*<sup>1</sup>In the latter two cases where the manager or adviser deems the fund suitable for their client.*

### **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 stock market funds involves risk. Some of these risks are general, which means that they apply to all funds. Others are specific, which means that they apply to individual funds.

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.

- 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 may depend on Investment performance, which is not guaranteed. Past performance is no guarantee of future performance;
- 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.
- The annual management charge will normally be charged 50% to the income of the Fund and 50% to the capital. This may restrict capital growth and result in capital erosion.
- The Fund may invest in other collective investment schemes, including unregulated collective investment schemes, in accordance with the investment restrictions set out in the Prospectus. Unregulated schemes can include hedge funds and alternative investment funds which can be established, for example, as open-ended investment companies, closed-ended schemes, limited partnerships, or unit trusts. Such schemes may also be subject to less rigorous regulation than authorised or regulated schemes, and therefore may expose investors in such schemes to a higher degree of risk. Unregulated schemes may be subject to restrictions on redemption or be otherwise illiquid, restricting investors' ability to sell interests in the scheme. Such schemes may also be geared, that is, amounts borrowed by the scheme may cause a small movement (up or down) in the value of the scheme's assets to create a correspondingly high movement (up or down) in the net asset value of the scheme making the scheme volatile.
- As this Fund is invested in overseas markets or holds currencies other than Sterling, then currency exchange rate movements may cause the value of your investment in Sterling terms to fall as well as rise.



- Emerging Markets may experience greater share price and currency value fluctuations when compared to more developed markets. You may therefore see significant increases and decreases in the value of your investment. Emerging markets tend to be riskier than more developed markets because they may not always have the equivalent:
  - level of government supervision and regulation of stock exchanges;
  - reliability of trading and settlement systems;
  - financial reporting standards;
  - level of economic and political stability;
  - level of liquidity.
- Derivatives may be used by this Fund to increase performance as well as offset risk. Although using derivatives to increase performance may lead to a greater swing in the price of shares in this Fund, appropriate risk monitoring will ensure that there is no significant increase in the Fund's risk profile.
- Credit and fixed interest securities are the debts of governments or companies, generally in the form of bonds. These securities held by the Fund are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the security may fall, and vice versa. Inflation will reduce the real value of the security. However, any changes in value are generally likely to be less than those of investments in shares. The value of these securities will fall if the issuer is unable to repay their debt or have had their credit rating reduced. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer.
- Specific Persons - the Investment Manager has complete discretion over the investment decisions within the Fund. The performance of the Fund is therefore directly linked to the ability of the Investment Manager. Shareholders should be aware that, whilst no change in the Investment Manager is anticipated, a change, for whatever reason, may adversely affect the performance of the Fund.



## Investment information

### How has the Fund performed historically?

The Fund's performance since its launch on 18th February 2009 up to the previous month and over shorter time periods is set out on monthly factsheets that can be found on The Vanbrugh Fund section of the Investment Manager's website ([www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk)).

### 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 given below is based on our current understanding of HM Revenue & Customs (HMRC) practice. It summarises the position of investors who are UK resident. Your potential tax liability is set out below but it should be noted that there may be other taxes applicable to the investment. 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 (£10,100 for the 2010/11 tax year) you will not pay any CGT. Any realised gains over this exemption will be taxed at a single CGT rate of 18%.

#### 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, and higher 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. It is not possible for investors to reclaim any amount in respect of the tax credit (36.1% if you are an additional rate tax payer).

## **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 a Fund and will vary according to the share class. Please refer to the relevant 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 a Fund. The AMC will vary according to the share class. Please refer to the relevant Fund Information Summary in Appendix 1 for details of the AMC.

### **Other charges**

An OEIC 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.

We normally recover these fees 50% from the fund's income and 50% from the fund's capital.

The charges and expenses for 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 will be published once the Fund has been running for a minimum 12 month period.

### 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?

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

Minimum lump sum investment	£5,000
Additional lump sum investment	£1,000
Minimum partial redemption	£1,000
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.

Your application must be accompanied by the appropriate payment and relevant identity information that we may require.

### By telephone

If you wish to invest a lump sum, you can invest directly by calling 0845 026 4283.

### 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.

Your investment will be used 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 you will receive 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. You will receive a contract note for any subsequent investments or switches you place on your account.



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 switch between Funds?**

Currently only one fund has been launched, however as additional funds are launched we understand that your investment aims may change, so we've made it easy to switch shares from one fund to another. Provided you switch between the same share classes then we will waive our initial charge for the Funds you switch into.

Please note that minimum initial investment limits will apply to switches between Funds.

A switch of your investment from one fund to another in an OEIC will be regarded as a chargeable disposal by HMRC, and could give rise to a CGT liability if your annual allowance has already been used.

Your financial adviser will be pleased to provide you with details of the options open to you. If you wish to switch your OEIC investments, please write to us with your switching instructions using the contact details on page 2.

### **How do I sell?**

You can sell all or part of your investment at any time. A redemption charge based on the value of the shares sold will be levied on the redemption of shares; however the ACD may, at its sole discretion, in any particular case or generally, waive such charge. The minimum amount for partial withdrawals is £1,000. 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, income shares only are in issue. Net income is distributed to investors on 30 June and 31 December, provided sufficient income is available.

### **Income shares**

The income will be paid into your nominated bank or building society account on the Fund's income payment date or by cheque to the address we have registered for you. We will reinvest your income if we do not have any bank account details. The payment dates are shown in the Fund Information Summary in Appendix 1.

## **How can I find out how my investment is doing?**

The prices of shares are published daily on the Investment Manager's website at [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk) which links to prices on the Investment Management Association and Bloomberg websites ([www.investmentuk.org](http://www.investmentuk.org) and [www.bloomberg.com](http://www.bloomberg.com)). You can also obtain prices from us on 0845 0264282.

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 which is any weekday in the UK and excludes weekends and bank holidays.

Every six months you will receive:

- A statement showing a valuation of your investment as at 31st March (annual) and 30 September (half-yearly) 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 half-yearly 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 28 February (annual) and 30th June (half-yearly).
- You will be sent tax vouchers detailing income allocations for each distribution 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) Limited  
Springfield Lodge  
Colchester Road  
Chelmsford  
Essex  
CM2 5PW

### **Investment Adviser**

Hawksmoor Investment Management Limited  
3 Barnfield Crescent  
Exeter  
Devon  
EX1 1QT

### **Depository**

BNY Mellon Trust & Depository (UK) Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

### **Auditor**

Shipleys LLP  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

## **Complaints**

If you would like to raise an issue with us please contact our Compliance Officer at:  
Phoenix Fund Services (UK) Limited  
PO Box 10380  
Chelmsford  
Essex  
CM1 9JX

Details of our complaints procedures are available on request. If we are unable to resolve the issue to your satisfaction, you will, in most circumstances, have the right to complain directly to the Financial Ombudsman Service at the following address:

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

Telephone: 0845 080 1800  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://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% up to a maximum compensation of £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  
Portsocken Street  
London E1 8BN

Telephone: 020 7892 7300  
[enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

## **Conflicts of interest**

The ACD, the Investment Adviser and other companies within Hawksmoor Investment Management Limited may, from time to time, act as investment managers or advisers to other funds which follow similar investment objectives to those of these Funds. 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 Funds as far as possible. Please see our website [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk) for further details of our conflict of interest policy.

## **Dealing arrangements**

The ACD 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 ACD by the broker or a third party. We have entered into 'Commission Sharing Agreements' and our policy in relation to these dealing arrangements is available on request.

## **Dilution levy**

The dilution levy is a method to ensure fair treatment between investors joining, leaving or remaining in a Fund. Because the costs of buying and selling the underlying investments of a Fund are generally different, but the price of buying and selling shares in a Fund are the same, the price of shares may be adjusted to protect the value of the Fund from being reduced through the associated costs of large scale movements in or out of the Fund (typically in excess of 5% of the value of the Fund, although there may be exceptions). Further details can be found in the full Prospectus.

## **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 wholly or partly 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.

## **Disability Discrimination Act**

If you require a copy of this brochure in large text format, braille or on audiotape, please telephone us on 0845 026 4283.

## **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 investors?**

The ACD will use, analyse and assess information held about investors in servicing its relationship with them. The ACD may also exchange similar information with Hawksmoor Investment Management 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**

This Fund has 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 Fund 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 half yearly 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](http://www.phoenixadmin.co.uk), for this information.

## **Financial Services Authority (FSA) contact details**

The ACD is authorised and regulated by the FSA.

The FSA can be contacted at:

25 The North Colonnade  
Canary Wharf  
London E14 5HS

From UK: 0845 606 1234 (local call rates)

From Overseas: +44 20 7066 1000

Website: [www.fsa.gov.uk](http://www.fsa.gov.uk)

## Appendix 1 - Fund Information Summary

This section contains important information on the Fund offered within the PFS Hawksmoor Open-Ended Investment Company. 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 investment 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 Vanbrugh Fund

#### Aims

The Fund's portfolio will consist primarily of a diversified range of open and closed ended funds, although significant exposure to other investments such as fixed interest securities are expected to be included in the portfolio from time to time. The portfolio will be actively managed, with the Investment Manager seeking to take advantage of inefficiencies in the pricing of closed ended funds and significant movements in financial markets.

Through its investments the Fund will be exposed to a range of asset classes, underlying currencies and geographic areas. The portfolio will include funds managed by a variety of fund management groups and style of investment manager.

**The Company permits the use of derivatives for investment purposes by the Fund; however, this policy is not currently applied and may not be applied without giving the required 60 day notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.**

#### Fund risk profile

Typical investors in the Fund are likely to fall into three main categories: (i) high net worth individuals who are experienced investors; (ii) clients of discretionary investment managers; and (iii) clients of independent financial advisers, especially those needing a core, well-diversified holding; in the latter two cases where the manager or adviser deems the fund suitable for their client.

#### Fund specific risk warnings

Overseas investments

Derivatives

Fees taken from capital

Please see page 5 for details of these specific risks.



## Charges and expenses

Share Class	Initial charge %	AMC %	Total Expense Ratio (TER)%*	Portfolio Turnover Rate (PTR) %**
Income	5.0	1.50	2.70	N/A

\*As at 31 October 2009. As at April 2010 the estimated TER had fallen to 2.4%.

\*\*Please note the PTR is currently not available as this Fund only launched in February 2009 and an audited set of accounts showing this figure over 12 months has not been completed as at the date of this document.

## Effect of charges and expenses

The following tables illustrate the effect of charges and expenses on an investment. These figures are not guaranteed. Please note that the figures in this table assume a full 5% front end charge is applied at the time of the initial investment. If an investment is made at 0% front end charge, or a charge of between 0% and 5% then the figures in the “what you might get back” column would be significantly higher.

The table below shows the effect of charges and expenses on a £5,000 lump sum investment where income has been withdrawn 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	5,000.00	399	4,900
3		738	5,210
5		1,130	5,550
10		2,460	6,490

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £2,460. Putting it another way, this would have the same effect as bringing down investment growth from 6.0% a year to 2.7% a year.

\* The 6% growth rate is an assumed total return generated by the Fund before charges are deducted. In other words it is a combination of income and some additional growth in capital. These are illustrative rates only to demonstrate the effect of charges on an investment and are unlikely to reflect those actually achieved.

### Accounting information

Accounting reference dates	Payment dates	Dividend or interest distribution	Fees from income or capital
31 Oct (Final)	31 Dec (Final)	Dividend	50% from capital
30 Apr (Interim)	30 Jun (Interim)		50% from income

### Performance information

The Fund's performance since its launch on 18th February 2009 up to the previous month and over shorter time periods is set out on monthly factsheets that can be found on The Vanbrugh Fund section of the Investment Manager's website ([www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk)).

## Appendix 2 - Glossary

### **Authorised Corporate Director (ACD)**

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

### **Collective investment schemes**

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

### **Credit ratings**

An assessment of a bond's security, given by an independent ratings agency such as Standard & Poors. Ratings descriptions for different agencies will vary, for Standard & Poors the highest rating is AAA, and the lowest is D Bonds rated between AAA and BBB – are known as investment grade bonds and are considered more secure. Bonds with a lower rating are considered less secure.

### **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 fund managers to control particular aspects of a portfolio's risk, or as an investment in their own right.

### **Forward transactions**

These are transactions where the buyer and seller agree on a price now for a delivery of a commodity at a later date.

### **Gilts**

An abbreviated name for fixed interest securities such as gilt edged securities or index linked securities issued by the UK Government.

### **Hedging**

A transaction involving derivatives, with the aim of offsetting a particular financial risk, for example exchange rate risk.

### **Investment grade bonds**

Bonds issued by a company that has a high credit rating, and so are considered more secure.

### **Money-market instruments**

Short-term debt instruments, usually running for a year or less. Examples of these include Treasury bills. These are issued by the Treasury, via the Debt Management Office, and represent a promise to repay a set sum of money on a specified date in the future.

### **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.

### **Pay dates**

Income from funds is paid or reinvested on these dates.

### **Securities**

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

### **Sub-investment grade bonds**

Bonds with a rating of BB or below. These tend to be issued by a company that has a lower credit rating and so are considered more likely to fail to make their repayments.

### **Transferable securities**

These are securities which can be freely traded on a market.

### **Non-UCITS**

An authorised collective investment scheme, which is not constituted in accordance with UCITS, shares in which can be sold to retail investors in the UK.

