

# Manek Growth Fund UNIT TRUST & ISAs

This Simplified Prospectus describes the Manek Growth Fund and investment in it. It applies, whether you invest directly in the Unit Trust or through an ISA. It should be read in full and retained.

## AIMS

- The Manek Growth Fund ("the Fund") aims to achieve long-term capital growth by investment in UK equities whilst retaining the flexibility to invest worldwide in any economic sector.
- The Fund's investment policy is to combine growth, value and momentum strategies.
- The Manek Growth ISA provides investors with the ability to invest in the Manek Growth Fund in a tax-efficient way.

## YOUR INVESTMENT

The Manek Growth Fund is an Authorised Unit Trust established on 5 November 1997. Your investment is used to buy units in the Fund. Only accumulation units are available. This means that any income will automatically be reinvested in the Fund.

The most recent Manager's report & accounts are available on our website.

## RISK FACTORS

- The value of investments, and the income from them, can fall as well as rise. There can be no guarantee that the objectives of the Fund will be achieved. Consequently and particularly in the case of early encashment, you might not get back the amount originally invested.
- Movement in exchange rates may cause the value of your investment to go up and down.
- Past performance should not be regarded as a guide to future performance.
- Any tax concessions are not guaranteed. They can change at any time and their value will depend on your individual circumstances.
- The Fund strategy may involve frequent changes to the portfolio.
- Derivatives may be used for efficient portfolio management including hedging.

## YOUR QUESTIONS ANSWERED

### What is a unit trust?

A Unit Trust combines the investments of many individuals within one fund. By pooling investors' money, the Manager is able to invest across a range of equity shares and diversify risk.

The value of the trust is divided up into units, which are allocated to an investor in proportion to the amount of money he or she invests. The value of each unit reflects the value of the underlying investments of the trust.

The advantages to you are that this spread of investments reduces the risks of direct stock market investment whilst still allowing you access to the potential gains of the stock market.

In addition, your money is able to benefit from the full-time expertise and resources of a professional investment manager that would often be too expensive for individual investors.

### What is an ISA?

ISA is an Individual Savings Account which is a tax-efficient savings scheme and allows the proceeds of your investment to be free from personal income and capital gains tax. Manek is a fully authorised provider of ISAs. It has two separate components – a Cash Component and a Stocks & Shares Component which can include unit trusts and other share-based products.

However, you do not have to save in both components and not all companies offer the two components. The Manek Growth ISA is a "Stocks & Shares" component ISA investing only in the Manek Growth Fund.

The maximum you can currently invest in an ISA is £10,680 in any one tax year, of which no more than £5,340 can be invested in a Cash ISA. If you invest in a Cash ISA with another ISA manager, you can invest the difference, up to £10,680 in the Manek Stocks and Shares ISA.

If you invest in the Manek ISA you must not subscribe to another Stocks and Shares ISA in the same tax year.

### What is a PEP?

A PEP was the tax free savings scheme that ISAs replaced in 1999. You can no longer invest new money into a PEP. With effect from 6 April 2008 all PEP accounts automatically became Stocks & Shares ISAs and became subject to the ISA rules. This means you can transfer your original PEP investments to the Manek Growth ISA if you so wish.

### What type of investor is the Fund suited for?

The Fund is aimed at investors who understand the Risk Factors and see it as a convenient way of investing in the stockmarket for capital growth over the medium to long term (ie 5+ years)

### Who can apply for the Unit Trust?

Anyone aged 16 or over can apply.

**Children** - You may apply on behalf of children under 16 and in which case units will be registered in your name and designated with the child's initials.

**Company/Trust** - Where the applicant is a Company or a Trust, a duly authorised Official or a Trustee, whose representative capacity must be stated, should sign the application form.

### Who can apply for the ISA?

Anyone aged 18 or over and resident in the UK for tax purposes can apply. An ISA cannot be held by a Company/Trust or by children.

### How do I invest?

You can apply by completing the relevant Application Form and sending it with a personal cheque and if applicable a completed direct debit for regular savings. Existing Unit Trust clients can make further investments into their Unit Trust holding by calling 0844 800 9401.

### How much can I invest?

**Lump sum** - There is a minimum amount of £1,000 for your initial investment and £500 for each subsequent investment. This applies to both direct investments in the Unit Trust and through the ISA.

There is no maximum amount for direct investment in the Unit Trust or for transferring existing ISAs to Manek. Investment in a new ISA is subject to the maximum annual amount of £10,680 (please see above for further details). Once you have subscribed the maximum in any tax year, no further subscriptions may be made, regardless of withdrawals.

**Regular savings** - There is a minimum amount of £50 per month. Other than the annual limits for the ISAs, there is no maximum.

### How do I pay for my investment?

The Fund's base currency is GBP (£). Please make your cheque payable to Manek Investment Management Ltd. Personal cheques must be from the account that is in the name of the person making the investment. Third party cheques are not permitted. For regular savers, a cheque for a minimum of £50 (drawn on the account from which direct debits will be collected), must be sent together with the Direct Debit mandate.

### When is the unit price calculated?

The assets of the Fund are valued at 10.00 a.m. each business day (known as the valuation point), for the purpose of determining prices at which units are created, cancelled, bought and sold. Units will be bought and sold at the next calculated valuation point, i.e. a "forward" price. The Manager has the right to make a special valuation when he considers it desirable to do so.

### At what price will I buy or sell units?

You will buy units (from Manek Investments) at the 'offer' price and sell units (back to Manek Investments) at the 'bid' price. The difference between the two prices (the 'spread') includes the initial charge and estimates of the underlying dealing costs for buying and selling securities within the portfolio, brokers' commissions and taxes.

All dealings will be transacted at the unit prices calculated at the next valuation point, either on the same day or the next business day (known as a forward pricing basis), following receipt of your instructions and payment (if relevant), by our **Administration Office: Manek Investments, PO Box 100, Swindon SN1 1WR** or by contacting us on 0844 800 9401.

Direct debit payments will be collected and invested on the first business day of each month. We will continue to collect your payments in subsequent tax years unless you change your instructions in writing.

At the Manager's discretion the pricing basis of units and spread between buying and selling prices can be varied within a range prescribed by statutory regulation.

### What information will I receive?

The interim accounting date is 30 June and the final accounting date is 31 December. All investors will receive a copy of the short-form Interim and Annual Reports of the Manek Growth Fund. Long-form Reports are available only upon request. Entry on the register of unitholders will serve as proof of ownership of the Unit Trust and ISA.

### Manek Growth Fund - Unit Trust:

A contract note confirming your transaction will be issued within one business day of the valuation point at which the transaction is effected. In the case of a regular savings plan, an acknowledgement will be sent confirming the date of the first direct debit payment. Regular savers will receive a statement at least once a year detailing units purchased during the period since their last statement. No certificates will be issued.

### Manek Growth ISA:

For ISA lump sum investments and for ISA transfers, you will be sent a contract note showing the units purchased for your investment within one business day of the valuation point at which the transaction was effected. ISA regular savers will receive an acknowledgement letter confirming the date of the first direct debit payment.

At least once a year you will receive a summary statement giving details of all transactions for the period and a full valuation of your plan. No certificates will be issued.

### How can I transfer my existing ISA to Manek?

You can transfer an existing Stocks & Shares ISA and/or an existing Cash ISA to Manek. You must complete a Manek ISA Transfer Application Form and send the form to us. We will then contact your current ISA Manager, who will sell your existing investments and the cash proceeds received by us will be invested in the Manek Growth ISA. Please note that a current year ISA must be transferred in its entirety, although, previous years ISAs may be transferred to us in part. You should check with your existing manager that they are able to process partial transfers prior to sending us a transfer form.

Your ISA will start only when we receive a properly completed application form and the proceeds from your existing ISA Manager. The minimum investment is £1,000.

### Can I make withdrawals or cash-in my investment?

There is no requirement for you to remain invested for a minimum period. You can sell all or part of your holding by notifying us in writing at our Administration Office or by telephone. However, all ISA withdrawal instructions must be made in writing. Fax and email instructions will not be accepted. All dealings will be at the price calculated at the valuation point following receipt of your instructions.

Partial withdrawals can be made from your Unit Trust or your ISA at any time. A partial withdrawal is subject to a minimum of £500. In addition, the remaining value of your holding (after the withdrawal is made) must be at least £1,000, except for regular savings plans where monthly payments are still being collected. We reserve the right to sell the remainder of your holding in these circumstances or where regular savings plans cease before £1,000 has been contributed.

We will normally send you a cheque within five working days from when we receive your written instructions. Otherwise, the instruction will be carried out as soon as reasonably practicable unless this might cause a breach of any law, rule or regulation. No interest will be paid on uncleared cheques. Cheques will only be made payable to the first named unitholder (and to both unitholders if it is a joint account) and not to any third parties.

### Can I transfer my Manek ISA to another ISA Manager?

Yes, subject to the Regulations, you may (at any time) transfer all or part of your Manek ISA to another Stocks & Shares ISA with another ISA manager. You cannot transfer a Stocks & Shares ISA to a Cash ISA. A current year ISA must be transferred in full. To do so you will need to contact your new Manager and make the necessary arrangements with them in accordance with their requirements. The new Manager will then contact us on your behalf to arrange for the transfer.

### Will I receive any income?

The aim of the Manek Growth Fund is to provide long-term capital growth rather than provide any income and therefore it is likely that there will be no income distribution or yield. Any income generated net of expenses is accumulated in the Fund. If there is insufficient income in the Fund to meet the total expenses, the shortfall will be deducted from the Fund's capital and the capital growth as a result may be constrained. The reinvestment or shortfall is reflected in the price of the accumulation units.

For Unit Trust investors, in case of any distribution,

a tax voucher will be sent on 28 February (Final) and 31 August (Interim), as appropriate. This will give details of the number of units held, the income which has been accumulated, and the tax deducted.

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

The Annual Report and Interim Report for the Manek Growth Fund will be published each year by 30 April and 31 August respectively. The buying and selling prices of units in the Manek Growth Fund are published in the Financial Times, The Times and The Daily Telegraph. You should note, however, that these figures relate to the previous business day's valuation at 10.00 a.m. Information about the Fund is also available on our website [www.manek.co.uk](http://www.manek.co.uk) or by calling our Client Services Team.

### Can I cancel my investment?

If you have received advice with regard to your investment from an Independent Financial Adviser, and provided your application has been submitted through the Adviser, you have the right to cancel your investment. In which case together with your contract note, we will send you a notice of 'Your Right to Cancel'. If you wish to cancel the investment, you must sign and date the cancellation notice and return it to us within 14 calendar days. We will then return your money less any fall in the value of the unit price.

### What is the current tax position of my investment in the Manek Growth Fund unit trust?

This will depend on your personal circumstances and the prevailing taxation laws. You may be liable to income tax on any income paid by the Fund and also for capital gains tax when you sell your units. For more information please consult an appropriate professional adviser.

### What is the current tax position of my investment in the Manek Growth ISA ?

You will have no liability for personal UK income or capital gains tax on the proceeds of your ISA. You do not need to declare your ISA investment on your annual Tax Return.

### What is the current tax position of the Fund?

The Fund is generally exempt from tax on capital gains realised on the disposal of its UK investments. It may be subject to overseas taxation on its non UK investments. It is subject to UK Corporation Tax on its taxable income net of allowable expenses. It is not typically taxed on dividend income received from UK resident companies.

### What about Stamp Duty Reserve Tax (SDRT)?

SDRT of up to 0.5% of the value of units sold by investors will be deducted from the Fund in certain circumstances. Except as permitted by the Scheme Particulars of the Fund, SDRT is normally paid by the Fund.

### What is the Portfolio Turnover Rate (PTR) for the fund?

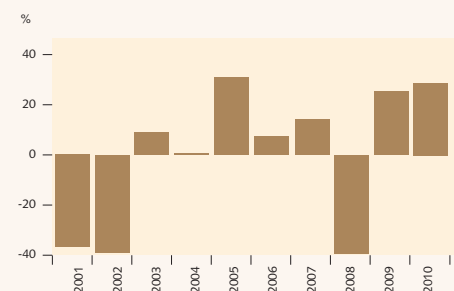
|   |   |
|---|---|
| The Portfolio turnover rate is calculated according to the following formula: |   |
| (Purchase of securities + sales of securities)                                | - (Subscription of units + redemption of units) |
| = PTR   |   |
| Average Fund value over 12 months x 100                                       |   |

The PTR measures the annual dealing activity of the Fund. The higher the PTR the greater the level of dealing activity. This will often result in higher costs to the Fund but may also mean that the Manager is actively managing the assets in line with the Fund's

objectives. The PTR of the Fund for the year to 31 December 2010 was 142% (2009: 142%). You can obtain previous PTR figures by contacting us.

### How has the Fund performed?

The discrete calendar year performance % return of the Fund over the last 10 years is as follows:



Past performance is no guarantee of future performance

### Cumulative Performance

% return for the last 10 consecutive years up to 31 December 2010 is -32%.

Note : All performance figures are on a bid to bid basis, net income reinvested and exclude the initial charge of the Fund. Source Lipper - A Reuters Company

### Who is the Manager?

The Manager of the Unit Trust and ISA is **Manek Investment Management Limited**, a private company incorporated with limited liability in England and Wales under the Companies Act 1985, registered number 3244535. The registered office is at 1 Finsbury Circus, London EC2M 7SH. It is also authorised and regulated by the Financial Services Authority (FSA), Registration number 185226. The Manager's main business is investment management and related activities.

Applications, dealing instructions and all correspondence must be sent directly to our Administration Office:

**Manek Investments,  
PO Box 100,  
Swindon SN1 1WR**

### Who is the Trustee?

The Trustee of the Fund is The Royal Bank of Scotland plc, a public limited company incorporated under the Companies Acts in Scotland on 31 October 1984 and having its registered office at 36 St Andrew Square, Edinburgh, EH2 2YB. The Trustee is regulated by the FSA and is authorised to carry on investment business in the United Kingdom.

### Who is the Registrar and Administrator?

The Registrar for the Fund is The Bank of New York Mellon International Ltd (BNYM), Signal Point, Station Road, Swindon, Wiltshire SN1 1FE. The register of unitholders can be inspected by unitholders at the Swindon office during normal business hours. BNYM also perform all the normal administrative and valuation functions on behalf of the Manager.

### Who is the auditor?

The auditor of the Fund is KPMG LLP, 8 Salisbury Square, London EC4Y 8BB

### Investor Classification

Unless you inform us otherwise, you will be classified as a Retail Investor which gives the highest level of protection under the financial services regulations.

### How can I get further information?

By writing to us at our Administration Office or alternatively, calling us on 0844 800 9401. Copies of the full Prospectus together with the latest Annual and Interim Reports may be obtained free of charge upon written request.

## HOW WILL CHARGES AND EXPENSES AFFECT MY INVESTMENT?

The types of charges in the Manek Growth Fund are those which are normally made on investments of this kind. There are no additional charges for investment in the Manek Growth ISA and there is no exit charge.

### Initial charge

There is an initial charge of 5% of the amount invested. This charge is taken as part of the difference (or spread) between the buying and selling price. The spread is estimated to be 6.25%. The level of the charge is variable at the discretion of the Manager up to a maximum of 7.5% provided at least 90 days' prior notice in writing is given to all unitholders and the Scheme Particulars have been amended accordingly.

### Annual charge

The annual charge is 1.5% of the Fund's property, which is reflected daily in the price of units and is deducted each month. The level of the charge is variable at the discretion of the Manager up to a maximum of 2% provided at least 90 days' prior notice in writing is given to all unitholders and the Scheme Particulars have been amended accordingly.

Any increases above the maximum level for the initial and annual charge will require the prior agreement of the unitholders.

### Trustees / Custodian / Auditor / Registrar / Regulatory fees etc.

These fees amounting to 0.86% of the Fund are charged to the property of the Fund and are reflected in the unit prices. They are shown in the Reports of the Fund.

The Total Expense Ratio (TER) for the fund to 31 December 2010 is 2.34% (2009: 2.22%). You can obtain previous TER figures by contacting us. The TER shows the annual operating expenses of the Fund and is expressed as a percentage of the Fund's average net assets. It does not include the initial charge or dealing costs within the Fund and various other transaction costs that may also contribute to the Fund's total expenses. The purpose of the TER is to help you compare the annual operating expenses of different funds.

The charges and expenses tables take these fees into account. Some of these expenses are charged on a fixed basis and their effective charge will depend upon the size of the Fund. The annual charge and other fees are taken from the income of the Fund.

The figures used in the tables following and the growth rate shown of 6% and 7% are specified by the FSA for providing illustrations.

They are not guaranteed and are purely used for the purposes of demonstrating the effect of charges and expenses on a growing investment.

### Manek Growth Fund - Unit Trust

The effect of charges and expenses on an investment of £1,000 assuming growth of 6% a year is set out in the next column.

#### Single investment/net income reinvested

| At end of year | Investment to date | Effect of deductions to date | What you might get back at 6% growth |
|----------------|--------------------|------------------------------|--------------------------------------|
| 1              | £1,000             | £89                          | £970                                 |
| 3              | -                  | £151                         | £1,040                               |
| 5              | -                  | £223                         | £1,110                               |
| 10             | -                  | £465                         | £1,320                               |

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £465.

Putting it another way, this would have the same effect as bringing the illustrated investment growth from 6% a year down to 2.9% a year.

### Manek Growth ISA

The effect of charges and expenses on an investment of £1,000 assuming growth of 7% a year is set out below.

#### Single investment/net income reinvested

| At end of year | Investment to date | Effect of deductions to date | What you might get back at 7% growth |
|----------------|--------------------|------------------------------|--------------------------------------|
| 1              | £1,000             | £90                          | £980                                 |
| 3              | -                  | £155                         | £1,070                               |
| 5              | -                  | £234                         | £1,160                               |
| 10             | -                  | £511                         | £1,450                               |

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £511.

Putting it another way, this would have the same effect as bringing the illustrated investment growth from 7% a year down to 3.8% a year.

### How much will any advice cost?

If you receive advice from an Independent Financial Adviser, the adviser will give you details about their charges, including commission, received from Manek Investment Management Limited. The amount of commission will depend upon the size and frequency of your investment and will be paid for out of the charges referred to above.

No advice will be provided by Manek Investments.

## FURTHER INFORMATION

### Will my telephone calls be recorded?

Yes, they may be recorded and monitored for your own protection and also for our training purposes.

### What conditions apply to prevent money laundering?

We may require evidence of your identity to comply with Money Laundering Regulations. We may also use a credit reference agency for this purpose and in which case they will record any enquiry being made. Delay or failure to provide satisfactory evidence that we may further request from you may result in the investment not being carried out or your ISA not being opened, or being ended, or payments to you being withheld. The eventual price at which units are bought or sold, could be less favourable to you than that at the time we received your instructions or ISA application.

## What can I do if I want to complain?

If you have a complaint, please contact our Administration Office in the first instance, preferably in writing.

You will be sent a copy of our complaints procedure and we will investigate your complaint. Should you remain dissatisfied with the outcome of your complaint, you then have the right to refer your complaint to the Financial Ombudsman Service.

## Are there any compensation arrangements?

If you make a valid claim against us and if we are unable to meet our liabilities in full, you may be entitled to compensation from the Financial Services Compensation Scheme. The amount depends on the type of business and the circumstances of the claim. The maximum compensation is £50,000. Details of the scheme can be obtained from the Financial Services Compensation Scheme at [www.fscs.org.uk](http://www.fscs.org.uk)

## What about soft commission?

The current regulations allow us to enter into "soft commission" arrangements with brokers, thereby enabling us to use some of the commissions paid to the brokers to pay for research and services used in managing the Fund. Any transactions we undertake under these arrangements meet current Best Execution regulations.

## Our right to sell your units

We may sell units in any other investments you have with us in order to recoup any expenses or amounts owed to us and we will give you three working days notice if we decide to do so.

## How is the Data Protection Act complied with?

We will collect and use the information provided to us on the Application Form or which you give to us ("Your Information") in order to provide and administer the service we provide to you. We may disclose "Your Information" and account details to your financial adviser and to any other party to the business relationship you tell us about. You should notify us in writing if you no longer wish us to disclose these details with any such party. In addition we may disclose "Your Information" to our third party administrators and any other person providing services to us so long as they agree to keep "Your Information" strictly confidential and use it only in accordance with our instructions and for no other purposes. We will not provide "Your Information" to anyone else unless required to do so for regulatory purposes or to comply with the law. With limited exceptions, you have the right of access (for a small fee) to the data we hold about you, provided your request for access is in writing. We may use "Your Information" to keep you up-to-date with any of our products or services. If at any time you do not wish to receive such information, please inform us in writing.

**Manek Investment Management Limited does not offer investment advice. However, you may wish to take advice from an Independent Financial Adviser if you are considering whether or not the Manek Growth Fund is suitable for your requirements. Copies of the Full Prospectus are available upon request.**

We can only make changes to the Manek Growth Fund in line with the Scheme Particulars and the Regulations. Any actual or proposed investment in the Fund by you is subject to English law and the jurisdiction of the English courts. All communication will be made in English. The information contained within this document and any references to taxation are based on our understanding of the law and practice (and of proposed legislation) as at April 2011. Whilst we believe our interpretation of English law and practice to be correct, we cannot be held responsible for the effects of any future legislation or any change in its interpretation or treatment. The information provided here may be updated periodically to reflect changes in the Fund and applicable laws. Before making a decision to buy, sell or switch investments in the Fund, please ensure that you have the current version of this document. **Published April 2011.**