T.BAILEY

Simplified Prospectus of the T. Bailey Funds

Incorporating ISA

Terms and Conditions

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SIMPLIFIED PROSPECTUS OF THE T. BAILEY FUNDS
INCORPORATING ISA TERMS AND CONDITIONS

Contents

Please note that nothing in this document should be taken to be financial advice and if you have any doubt whether the T. Bailey Funds is suitable for you and you wish to receive advice, you should contact a Financial Adviser.

T. Bailey Fund Managers Limited ("TBFM" or "the Manager") and T. Bailey Asset Management Limited ("TBAM") do not provide financial advice to private individuals, and accept orders from private individuals on an 'execution only' basis.

Please ensure that you read this document carefully before completing an application form.

Each fund is designed to meet the investment objectives as described. The suitability of a fund for a particular investor depends on the investor's investment requirements and attitude to risk.

PLEASE NOTE THAT UNITS ARE NOT AVAILABLE FOR INVESTMENT BY US PERSONS.

This document has been designed to help you make sure that you have considered the following:

- Have you selected a fund with an appropriate aim to help you achieve your investment objectives?
- Have you considered the risks involved when you invest in a fund whose capital return is not guaranteed?
- Do you understand how charges might affect your investment over the longer-term?

1. Overview of the funds

The following information constitutes the Simplified Prospectus of the T. Bailey Growth Fund (“TBGF”), the T. Bailey Growth Fund LITE (“TBGFL”), the T. Bailey Dynamic Cautious Managed Fund (“TBDyCMF”) and the T. Bailey Defensive Cautious Managed Fund (“TBDeCMF”), (together, the “T. Bailey Funds”). The T. Bailey Funds are Authorised Unit Trusts in the UK under the Financial Services and Markets Act 2000 (“FSMA”). TBGF is a UCITS scheme and TBGFL, TBDyCMF and TBDeCMF are non-UCITS retail schemes (“NURS”). The T. Bailey Funds were authorised by the FSA on 11 November 1999 (“TBGF“), 24 April 2006 (“TBDyCMF“), 14 January 2010 (“TBGFL“) and 11 June 2010 (“TBDeCMF“).

The Simplified Prospectus should be read in conjunction with the T. Bailey Funds Application Forms, and also the ISA Terms and Conditions in Appendix 4. Potential investors are also advised to read the full Prospectus, available on request from T. Bailey Fund Managers Limited, before making an investment decision. The rights and duties of the investor as well as the legal relationship with the fund are laid down in the full Prospectus.

The base currency of the T. Bailey Funds is Sterling. The T. Bailey Funds are actively managed and are funds of funds.

The Funds will invest predominantly in a range of different collective investment schemes in order to provide a diversity of style, and to protect against possible periods of poor performance by any one manager.

The T. Bailey Funds are available for the stocks and shares component of an Individual Savings Account (“ISA”) and Junior Individual Savings Account (“JISA”). The aim of the ISA/JISA wrapper is to be a tax efficient means of holding an investment in a unit trust.

2. Investment objectives

Please note that for the purposes of monitoring the performance of each fund against its investment objective, performance will be measured on a total return basis after all charges with the exception of initial charges.

2.1 The T. Bailey Growth Fund

The aim of TBGF is to provide capital growth over the medium-to-long term and to outperform the IMA Global Sector Average over rolling three-year periods.

2.1.1 Is there a performance benchmark?

The benchmark for TBGF is the IMA Global Sector Average.

2.1.2 What is the investment policy?

The assets of TBGF will predominantly be invested in equities, largely via underlying Regulated Collective Investment Schemes which are themselves invested in UK and international equity markets.

TBGF will invest largely in UK and global equity funds in order to achieve its objective and typically the managers anticipate at least 80% of the fund to be invested in this way. The remaining part of the portfolio (typically not more than 20%) may be invested in other assets including transferable securities, warrants and partly paid securities, money market instruments and deposits, as well as collective investment schemes. TBGF may also use derivatives and forward transactions for the purposes of hedging and efficient portfolio management.

Cash and near cash are held as necessary to enable redemption of units, efficient management within the scheme objectives, and other ancillary purposes. Apart from cash held for these purposes, or within the underlying funds, TBGF will normally be fully invested.

2.1.3 What would be the typical risk profile of an investor in TBGF?

The typical investor profile for TBGF would be an investor seeking capital growth over the medium-to-long term via the expected outperformance of equities over other asset classes.

In addition to the above, TBGF is likely to appeal to investors who:

- Seek to benefit from active asset allocation;
- Value the Capital Gains Tax efficiencies and diversification that TBGF’s fund of funds structure provides; and,
- Wish to achieve the above benefits via active management and the identification of leading fund managers in each region.

2.2 The T. Bailey Growth Fund LITE

The investment objective of TBGFL is to provide capital growth over the medium-to-long-term and to outperform the IMA Global Sector Average over rolling three-year periods.

2.2.1 Is there a performance benchmark?

The benchmark for TBGFL is the IMA Global Sector Average.

2.2.2 What is the investment policy?

TBGFL will be actively managed and will predominantly be invested in passive investment vehicles (for example Exchange Traded Funds ("ETFs"), passive collective investment schemes and structured products) which are themselves invested in UK and international equity markets. The remaining part of the portfolio may be invested in other assets including transferable securities, warrants and partly paid securities, money market instruments and deposits, as well as collective investment schemes. The manager may enter into derivative transactions for hedging or efficient portfolio management purposes. TBGFL will not invest directly in immovables.

Cash and near cash are held as necessary to enable redemption of units, efficient management within the scheme objectives, and other ancillary purposes. Apart from cash held for these purposes, or within the underlying funds, TBGFL will normally be fully invested.

2.2.3. What would be the typical risk profile of an investor in TBGFL?

The typical investor profile for TBGFL would be an investor seeking capital growth over the medium-to-long term through the expected outperformance of equities over other asset classes.

In addition to the above, TBGFL is likely to appeal to investors who:

- seek to benefit from active asset allocation;
- value the Capital Gains Tax efficiencies and diversification that TBGFL's fund of funds structure provides; and
- wish to achieve the above benefits at a lower cost (and by consequence a lower total expense ratio ("TER")) than that which is likely to be achievable by investing in a fund of funds investing in actively managed products.

2.3 The T. Bailey Dynamic Cautious Managed Fund

The aim of TBDyCMF is to outperform the Investment Management Association ("IMA") Cautious Managed Sector Average on a total return basis over the medium-to-long term.

2.3.1 Is there a performance benchmark?

The benchmark for TBDyCMF is the IMA Cautious Managed Sector Average.

2.3.2 What is the investment policy?

TBDyCMF will invest predominantly in other Regulated Collective Investment Schemes. In other words it is a fund of funds.

TBDyCMF may have both UK and non-UK investments and, in addition to units in collective investment schemes, may also invest in transferable securities (shares, including investment trusts, debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, cash and near cash, deposits and gold as permitted by the Sourcebook in order to achieve its objective. TBDyCMF will not invest directly in immovables.

TBDyCMF will use a range of different active and passive managers in order to provide a diversity of style and to protect against possible periods of poor performance by any one manager or product.

The Manager may use the powers given by the Sourcebook to enter into derivative transactions for efficient portfolio management (including hedging) purposes.

2.3.3 What would be the typical risk profile of an investor in TBDyCMF?

The typical profile for an investor in TBDyCMF would be one who recognises the potential for outperformance of equities over other asset classes over the longer-term whilst wanting to retain a degree of protection from the volatility associated with equities.

As TBDyCMF invests in a variety of asset classes and global regions, principally through collective investment schemes provided by a variety of different fund management groups, the typical investor would value the benefits of diversification and active asset allocation as well as the potential for superior performance that comes from active investments.

The typical investor would have no immediate call on their capital and would be willing to invest for the medium-to-long term.

2.4 The T. Bailey Defensive Cautious Managed Fund

The aim of TBDeCMF to outperform the Investment Management Association ("IMA") Cautious Managed Sector Average on a total return basis over the medium-to-long term.

2.4.1 Is there a performance benchmark?

The benchmark for TBDeCMF is the IMA Cautious Managed Sector Average.

2.4.2 What is the investment policy?

TBDeCMF invests predominantly in other Regulated Collective Investment Schemes. In other words it is a fund of funds.

TBDeCMF may have both UK and non-UK investments and, in addition to units in collective investment schemes, may also invest in transferable securities (shares, including investment trusts, debentures, government and public securities, warrants or certificates representing certain securities), money market instruments, cash and near cash, deposits and gold as permitted by the Sourcebook in order to achieve its objective. TBDeCMF will not invest directly in immovables.

TBDeCMF will use a range of different active and passive managers in order to provide a diversity of style and to protect against possible periods of poor performance by any one manager or product.

The Manager may use the powers given by the Sourcebook to enter into derivative transactions for efficient portfolio management (including hedging) purposes.

2.4.3 What would be the typical risk profile of an investor in TBDeCMF?

The typical profile for an investor in TBDeCMF would be an investor who wants access to long term growth from a portfolio invested across a broad range of assets, with no single asset class dominating.

As TBDeCMF invests in a variety of asset classes and global regions, principally through collective investment schemes, and invests with a variety of different fund management groups, the typical investor would value the benefits of diversification and active management and the potentially superior returns that these can produce. The typical investor would have no immediate call on their capital, a possible need for income, and be willing to invest for the medium-to-long term.

3. Risk profile

Whilst we manage your investment strictly in accordance with the objectives and constraints contained in the Trust Deeds and published Prospectuses, you should be alert to the following risk factors which can affect your return. You should consider your risk/ reward profile prior to investment and if you are in any doubt you should contact your financial adviser.

The section entitled 'General risk factors: all funds' outlines risks which are applicable to all funds, in order to avoid repetition. The risk factors in each section are arranged in order of relevance and importance but we recommend that you read them all before investing.

Details of all the risks mentioned here can also be found in the full Prospectus.

3.1 Risk factors affecting specific funds:

3.1.1 Yield

As the aim of TBGF and TBGFL is to achieve long-term capital growth the yield on the portfolio is likely to be low.

Distributions will be retained by TBGF and TBGFL and reflected in the price of units.

The level of yield of TBDeCMF and TBDyCMF may be subject to fluctuation and is not guaranteed.

3.1.2 Charges

For TBDeCMF and TBDyCMF, charges are to be deducted from capital which may constrain capital growth.

3.1.3 Spread

Funds which specialise in investing in a particular region or in investments issued by a small number of providers (TBGFL), have less diversification than those with a broader spread of investments and therefore could be considered more risky.

3.1.4 Active Management

Whilst all of the T. Bailey Funds are actively managed funds of funds, some underlying investments may be passively managed (e.g. tracker funds, exchange traded funds). TBGFL invests primarily in such investments.

3.2 General risk factors: all funds

3.2.1 Market risk

Investments in the T. Bailey Funds are subject to normal stock market fluctuations and other risks inherent in such investments. As all the T. Bailey Funds invest to a greater or lesser extent in equities, they are more volatile than funds which invest solely in cash or bonds.

The value of your investments and the income derived from them can go down as well as up, and you may not get back the money you invested. In other words there is no assurance that any appreciation in value will occur and no assurance that the investment objectives of any Fund will actually be achieved.

In certain circumstances, you will have the right to cancel your initial investment (see 5.6). However, it should be noted that cancellation may mean that you do not receive back the full amount invested if the value of the investment falls before a cancellation notice is acted on.

3.2.2 Performance risk

The performance and risk levels of the T. Bailey Funds will vary according to individual fund selections. There is no guarantee for the performance level of the T. Bailey Funds and no guarantees are given by third parties.

Past performance is not a reliable indicator of future results.

3.2.3 Charges

Capital appreciation in the early years will be adversely affected by the impact of initial charges*, which by their nature are not levied uniformly throughout the life of the investment. Where an initial charge is imposed, if you sell your units after a short period you may not get back the money you invested, even if there has not been a fall in value of the underlying investments. You should, therefore, regard your investment in the T. Bailey Funds as medium-to-long term.

A dilution levy may be charged on the purchase or sale of units in certain circumstances (see 7.4). Where this is not applied the fund in question may incur dilution, which may constrain capital growth.

*For TBGF, TBDeCMF and TBDyCMF only the Retail classes make an initial charge. The initial charge for the Institutional classes is zero (see 7.1).

For TBGFL only the 149bps TER and 179bps TER classes make an initial charge.

The initial charge for the 99bps TER and 129bps TER is zero (see 7.1).

3.2.4 Exchange or Currency risk

The T. Bailey Funds will be predominantly invested in Collective Investment Schemes, which in turn can invest in overseas investments, and may also hold cash in foreign currencies or currency forwards from time to time. As a result, changes in exchange rates between currencies may cause the value of your investment to increase or diminish.

3.2.5 Derivatives

The Manager may use the powers given by the Sourcebook to enter into derivative transactions for hedging or efficient portfolio management purposes with the intention of reducing risk, reducing cost or generation of capital or income with a risk profile which is consistent with the risk profile of the relevant scheme. This outcome, however, is not guaranteed.

3.2.6 Capital risk

If you choose to make withdrawals, the performance of the T. Bailey Funds may not be sufficient to cover the payments and you will suffer some capital erosion.

3.2.7 Regular savers

If you start your Regular saver's scheme (see 5.3) in order to build up a particular sum by a certain date, this target may not be achieved if the investment value does not grow as expected or if you fail to maintain your contributions.

3.2.8 Inflation risk

Inflation may occur over the duration of your investment, and will affect the future buying power of your capital.

3.2.9 Emerging Markets

A proportion of the T. Bailey Funds can be invested in the Emerging Markets regions. Investment may carry risks associated with failed or delayed settlement of market transactions and with registration and custody of securities. Investing in Emerging Markets may involve a higher than average risk and may not afford the same level of investor protection as would apply in more developed jurisdictions.

3.2.10 Settlement risk

A settlement in a transfer system may not take place as expected due to a failure of that transfer system or because a counterparty does not pay or deliver on time as expected.

3.2.11 Taxation

Statements on taxation (section 8) are based on the current position in the UK as at the time of publication. The value of investments could alter as a result of future legislation. There can be no guarantee that the tax position prevailing at the time of investment will endure indefinitely. There may also be other taxes applicable to the investment and any unitholder or potential investor in doubt as to their tax position should take professional advice.

3.2.12 Political/ Regulatory risk

The value of the assets of the T. Bailey Funds may be affected by uncertainties such as international political developments, changes in government policies, restrictions in foreign investment and other developments in the laws and regulations of countries in which investment may be made.

3.2.13 Counterparty risk

There is a risk that an issuer or counterparty will default.

3.2.14 Exchange Traded Funds ("ETFs")

Some of the funds invest in ETFs. An ETF is an open-ended investment company which is traded on an exchange. ETFs experience price changes throughout the day as they are bought and sold and the market price can therefore deviate from the net asset value.

ETFs do not share a common structure - for example some will invest directly in the asset class appropriate to them (e.g. a FTSE 100 tracking ETF which invests in FTSE 100 shares) while others may use derivatives to obtain such exposure and/ or to short the market or to provide leverage. Where derivatives are used, there is an additional counterparty risk as the ETF will not always physically hold the underlying assets and therefore there is a risk that a counterparty could default which could result in a loss not represented by the underlying index.

3.2.15 Investment Trusts

The T. Bailey Funds may invest in geared investment trusts, whose price may be discounted in relation to their underlying asset value. Some of these holdings may also be relatively illiquid and there is therefore a risk that a position cannot be liquidated in a timely manner.

3.2.16 Bonds

The Funds may hold, either directly or via other Collective Investment Schemes, higher yielding government and corporate bonds where there is an increased risk of capital erosion through default or if the redemption yield is below the income yield.

Fixed-interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed-interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

3.2.17 Geographical Focus

It should be noted that whilst the underlying funds may have a geographical focus the managers of those funds may choose from time to time to allocate parts of their funds to a different region (provided such action is in line with the investment powers afforded to the managers of those funds).

3.3 ISA/JISA specific risks:

The value of tax benefits depends on individual circumstances.

If you redeem or exercise your right to cancel your ISA you will irrevocably lose any favourable tax treatment associated with an ISA holding.

For ISAand JISA transfers, there is potential for a loss of income or growth, following a rise in the markets, whilst we await receipt of the ISA transfer from your current provider.

Compared with other forms of savings, JISAs are inflexible as the money invested is locked away until the child is 18.

ISAs and JISAs are subject to Government legislation and as such their tax benefits and investment levels may be changed in the future.

4. Introduction to unit trusts, ISAs and JISAs

4.1 What is a unit trust?

A unit trust is a collective investment scheme that allows investors to combine or 'pool' their investments with other investors into a larger fund, which is managed by a professional fund manager using his or her experience. A unit trust also benefits from economies of scale. The underlying assets of a unit trust are held in safekeeping by an independent trustee, who ensures that money is invested in accordance with the objectives of the fund. The T. Bailey Funds are open-ended (i.e. they do not have a fixed period of existence).

Your investment will buy a number of units, each of which represents a fraction of the assets held by the relevant fund. The price of the units is directly related to the value of the assets in the fund.

4.2 What is an Individual Savings Account ("ISA")?

An ISA is a "wrapper" in which you can place different types of investments (components) without having to pay tax on the investment growth, income or interest produced. You can hold up to two components within an ISA: stocks and shares (including Unit Trusts) and cash.

The T. Bailey ISAs are stocks and shares ISAs. ISA savers are able to invest in up to two separate ISAs each tax year; a cash ISA and a stocks and shares ISA. Individuals are able to transfer money saved in their cash ISA to their stocks and shares ISA.

4.3 Who can invest in a T. Bailey Fund ISA?

Anyone aged 18 or over can invest in a stocks and shares ISA, provided they are resident and ordinarily resident in the UK for tax purposes.

ISAs may not be taken out in joint names.

4.4 How much can I invest in a T. Bailey Fund ISA?

4.4.1 Existing Limits

The current annual ISA investment allowance (tax year 2011/12) is £10,680. The full £10,680 can be invested in a stocks and shares ISA. Up to £5,340 can be saved in a cash ISA with one provider. The remainder of the £10,680 can then be invested in stocks and shares with either the same or a different provider.

4.4.2 Future Limits

The subscription limits for future tax years will be calculated each year, based on CPI inflation, and will be rounded to the nearest £120 to make monthly saving easier. See www.hmrc.gov.uk for more details.

4.5 What is a Junior Individual Savings Account ("JISA")?

A JISA is a type of ISA available to 'eligible children' in respect of which instructions are given by a 'registered contact'.

The T. Bailey JISAs are stocks and shares JISAs. An eligible child can hold two types of JISA, a stocks and shares JISA and a cash JISA. Unlike 'adult' ISAs where the investor can open and subscribe to new ISAs in each tax year, a child can only hold up to two JISAs (no more than one of each type) throughout their childhood (although between the ages of 16 and 18 they can hold one of each type of JISA plus an 'adult' cash ISA).

4.6 Who can invest in a T. Bailey JISA?

A child is an eligible child for a JISA if, when the account application is made:

- They are under age 18
- They were born on or after 3 January 2011 or do not have a Child Trust Fund (CTF) account
- They are resident and ordinarily resident in the UK or are a UK Crown servant, married to or in a civil partnership with a Crown servant, or a dependent of a Crown servant.

The JISA will be registered in the name of the eligible child, and the investments acquired are for the beneficial ownership of the child.

The applicant needs to be over 16 and should be a person with parental responsibility for the child, (or the child themselves if they are aged between 16 and 18 and are otherwise eligible for a JISA). The applicant will be classed as the registered contact, and will be the account contact for the purposes of giving instructions and receiving statements and other correspondence. However, subscriptions to a JISA can be made by anyone subject to the annual allowance.

Once the child turns 18, the JISA is transferred into an 'adult' ISA account and the child gains control of the account.

4.7 How much can I invest in a T. Bailey Fund JISA?

4.7.1 Existing Limits

The current annual JISA investment allowance (tax year 2011/12 and 2012/13) is £3,600 per child. The full £3,600 can be invested in a stocks and shares JISA or in a cash JISA. Alternatively, up to £3,600 can be invested between a stocks and shares JISA and a cash JISA. However, an eligible child can only have one JISA of each type at any time throughout their childhood.

4.7.2 Future Limits

The subscription limits for 2013/14 and future tax years will be calculated each year, based on CPI inflation, and will be rounded to the nearest £120 to make monthly saving easier. See www.hmrc.gov.uk for more details.

5. Buying, selling and transferring units

5.1 What unit classes are available?

The following classes of units are available in the T. Bailey Funds:

- **TBGF**
  Institutional Accumulation
  Retail Accumulation
- **TBDeCMF and TBDyCMF**
  Institutional Income
  Institutional Accumulation
  Retail Income
  Retail Accumulation
- **TBGFL**
  99bps* TER** Accumulation
  129bps TER Accumulation
  149bps TER Accumulation
  179bps TER Accumulation

The differences between unit classes for each fund relate to minimum investment levels (see 5.2) and/or Manager's charges (see 7.1). Whereas income classes have income paid out to unitholders at the income allocation dates (see 6.3), income arising on accumulation classes is accumulated into capital on the income allocation dates. Not all classes will be available through all distribution channels (e.g. fund platforms) - please contact T. Bailey for more details.

* bps = basis points. 100 basis point is equal to 1%.
** TER = total expense ratio. See 7.6.

5.2 Minimum investment levels

For TBGF and TBDyCMF

				Minimum investment levels
	Minimum initial lump sum	Minimum lump sum top up	Minimum remaining balance	Regular savers facility?
Institutional classes	£30,000	£1,000	£30,000	✓
Retail classes	£1,000	£500	£1,000	✓

For TBDeCMF

				Minimum investment levels
	Minimum initial lump sum	Minimum lump sum top up	Minimum remaining balance	Regular savers facility?
Institutional and Retail classes	£1,000	£500	£1,000	✓

For TBGFL

				Minimum investment levels
	Minimum initial lump sum	Minimum lump sum top up	Minimum remaining balance	Regular savers facility?
99bps TER	£1,000	£500	£1,000	✓
129bps TER	£1,000	£500	£1,000	✓
149bps TER	£1,000	£500	£1,000	✓
179bps TER	£1,000	£500	£1,000	✓

5.3 How do I buy units in the T. Bailey Funds?

You may buy units:

- By completing an application form (available on request from the Manager or from www.tbailey.co.uk) and sending it, together with your cheque (made payable to T. Bailey Fund Managers Limited) to T. Bailey Fund Managers Limited at 64 St. James's Street, Nottingham NG1 6FJ; or,
- Through your Financial Adviser; or,
- By telephoning the T. Bailey Investor Dealing Line (open business days between 9am and 5pm) on 0115 988 8213 (calls may be recorded).

Please note that for ISA and JISA investments / transfers an application form will need to be completed and signed by the applicant and thus only the first two options can be used. You should note that ISA and JISA transfers may take some time to complete, as your existing manager has to sell the investments and transfer the proceeds for investment into the relevant T. Bailey Fund during which time your monies may not be invested in the markets.

The T. Bailey Funds are valued daily at 12 noon. The manager may carry out additional valuations as required. Units in the T. Bailey Funds are single-priced, and are purchased and redeemed at the price calculated at the next valuation point (i.e. forward priced). Any application you make will be transacted at the first available valuation after we accept your instructions. No interest will be paid on monies held in the client money account (for example between the date of your application and the date the transaction occurs).

The T. Bailey Funds are uncertificated. Once settlement has been received, ownership of units is evidenced by an entry on the unit register which is maintained by the registrar. As a result you will not receive a certificate for your investment. A contract note showing details of the transaction will be sent to you (and your Financial Adviser if you have one) on the next business day after the transaction date.

Receipt of an application will only be acknowledged ahead of the transaction if specifically requested at the time the application is made. If you wish to amend your details you should complete the name ticket form included with the contract note and return it immediately to T. Bailey Fund Managers Limited at 64 St. James's Street, Nottingham NG1 6FJ.

If you need any assistance in completing your application please contact our Investor Helpline on 0115 988 8213.

Regular Savers Scheme

A regular savers scheme is also available for investments. A Direct Debit form (available on request from the Manager or from www.tbailey.co.uk) will need to be filled out and sent with an application form and cheque for the first payment to T. Bailey Fund Managers Limited at 64 St. James's Street, Nottingham NG1 6FJ. The Direct Debit will be collected on the 15th calendar day (or next business day) of each month once the Direct Debit has been accepted and deals will be placed when cleared funds have been received by T. Bailey Fund Managers Limited. Please also see the Direct Debit Guarantee in Appendix 5.

Regular Savers will receive a letter confirming their application has been accepted but will only receive a contract note for their first investment.

5.4 How do I sell units in the T. Bailey Funds?

You may sell units:

- By sending written instruction to sell to T. Bailey Fund Managers Limited at 64 St. James's Street, Nottingham NG1 6FJ; or,
- Through your Financial Adviser; or,
- By telephoning the T. Bailey Investor Dealing Line on 0115 988 8213.

Your units will be sold at the next valuation point after we accept your instructions to sell. A contract note will be sent to you the day following the allocation of the appropriate price and this will include a form of renunciation for you to sign and return (if a signed written instruction has not already been received).

For accounts with multiple unitholders, renunciations should be signed in accordance with the signatory list submitted with the original application.

We will send you the proceeds of your investment within four working days of the later of the day the units are sold and the day on which we accept your completed form of renunciation / signed written instruction. Please note that for ISA and JISA investments / transfers a written instruction will need to be completed and signed by the applicant. Money is locked into a JISA until the child is 18 and cannot be redeemed only transfered to another JISA manager. Selling your units held within an ISA plan may terminate that plan.

If you wish to transfer your ISA/JISA to another manager you will need to fill in the other manager's application forms, including their ISA/JISA transfer forms. The other manager will then write to TBFM. You should note that ISA/JISA transfers may take some time to complete as TBFM have to sell the investments and transfer the proceeds during which time your money may not be invested in the markets.

A regular withdrawal facility and an annual automatic ISA investment facility are also available. Details are available on request, and forms can be downloaded from www.tbailey.co.uk. These facilities are not available for JISAs.

Investors who choose to take regular withdrawals will only receive a contract note for their first withdrawal.

5.5 How do I transfer my investment (or part of my investment) between T. Bailey Funds or between unit classes?

You may request a transfer by sending written instruction to T. Bailey Fund Managers Limited at 64 St. James's Street, Nottingham NG1 6FJ. For accounts with multiple unitholders, written instruction should be signed in accordance with the signatory list submitted with the original application.

Requests will be dealt with at the next valuation point following acceptance of the written instruction and transfers out of one fund/class and into another will occur on the same day as each other. Transfers will be subject to the minimum investment levels in Section 5.2. Investors should note that a switch of units in one Fund for units in another Fund is treated as a disposal for UK tax purposes.

There will be no charge for transfers, and confirmation will be sent to you on the next business day after the transaction date.

5.6 What cancellation rights do I have?

You will have the right to cancel the purchase. You will be able to cancel your investment during a 14 day period commencing on the date you receive a cancellation notice. We will advise you of this right in more detail in documents (which will include the cancellation notice) that we will send to you after an investment has been made. If you decide to cancel, you must return the signed cancellation notice within a 14 day period to T. Bailey Fund Managers Limited at 64 St. James's Street, Nottingham NG1 6FJ. We will reimburse you any amount you have paid (i.e. including any initial charges) less the amount (if any) by which the investment has fallen, calculated at the next valuation point after we have received your cancellation notice. At the end of the 14 day period, the right to cancel will expire.

6. Monitoring your investment

6.1 How will I be able to follow the progress of my investment?

Statements confirming transactions and the value of your holding will be prepared as at 31 March and 30 September each year. The statements will be sent to you by post within 25 business days of the statement date. Retail clients have the right to request statements on a three-monthly basis rather than a six-monthly basis.

Every six months (as at 31 March and 30 September) we will also prepare the Manager's Annual or Interim Short Reports. These will be posted to unitholders by 31 July and 30 November respectively. These reports will tell you about the investments held and performance.

The prices of units are currently published daily on TBFM's website, www.tbailey.co.uk. In addition, the latest price or individual valuations can be obtained by calling the Investor Helpline on 0115 988 8213.

The latest net yield can also be found on the website www.tbailey.co.uk although this is expected to be low for TBGF and TBGFL as outlined in 3.1.1.

6.2 How are the T. Bailey Funds valued?

The T. Bailey Funds are valued daily at 12 noon. The Manager may carry out additional valuations as required.

Units will be "single priced" with the same price at each regular valuation point for creating new units and cancelling units in the relevant fund. The single price will be calculated by valuing the property of the fund attributable to each unit class, as appropriate, and dividing that value by the number of those units in issue.

Transactions will take place at the price calculated at the next valuation point following acceptance of your instructions.

6.3 Do I receive any income?

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant T. Bailey Fund in respect of that period, and deducting the charges and expenses of the relevant T. Bailey Fund paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as he considers appropriate (after consulting the auditors as appropriate) in relation to taxation, income equalisation, transfers between the income and capital account and any other adjustments which the Manager considers necessary after consulting the auditors.

6.3.1 T. Bailey Growth Fund and T. Bailey Growth Fund LITE

As TBGF and TBGFL are intended for investors seeking long-term capital growth, all income arising is reinvested into the value of units. In other words the units are all accumulation units. The annual income allocation date is 31 May (accounting end date 31 March; income allocation date 31 May). There is no interim income allocation date.

6.3.2 T. Bailey Defensive Cautious Managed Fund and T. Bailey Dynamic Cautious Managed Fund

The income applicable to income units will be distributed quarterly as listed below.
If investors have indicated on their application form that they do not wish to have income paid out, they will be invested in accumulation units. Income attributable to these units will be accumulated to capital at the quarterly income allocation dates. No interest will be paid on un-invested money held in the income account of TBDeCMF and TBDyCMF between the accounting end date and the income allocation date. Please note that all JISA investments will be made into accumulation units only.

Distribution	**Accounting End Date**	**Income Allocation Date**
Final	31 March	31 May
Interim	30 June	31 August
Interim	30 September	30 November
Interim	31 December	28/29 February

7. Charges

7.1 What charges are made by the Manager?

See tables below for details of the Manager's charges. When you buy units, any initial charge will be deducted directly from the amount that you send us to invest. Please note that different terms may be offered to different distribution channels and from time to time there may also be special offers. There is no exit fee. Other charges which may in some cases be charged directly to the investor on large deals are stamp duty reserve tax ("SDRT"), levied at the maximum rate of 0.5% (see 8.4) and dilution levy (see 7.4). The annual management charge ('AMC') is charged to the Fund, is calculated daily, and is factored into the price of the fund each day.

7.1.1 T. Bailey Growth Fund

	Initial Charge	Exit Fee	Annual Management Charge ("AMC")	AMC Charged To:
Institutional Accumulation	Nil	Nil	0.75%	Income
Retail Accumulation**	up to 5%*	Nil	1.50%	Income

7.1.2 T. Bailey Defensive Cautious Managed Fund and T. Bailey Dynamic Cautious Managed Fund

	Initial Charge	Exit Fee	Annual Management Charge ("AMC")	AMC Charged To:
Institutional classes	Nil	Nil	0.75%	Capital
Retail classes**	up to 5%*	Nil	1.50%	Capital

The AMC is calculated daily and is paid monthly in arrears.
* Maximum fee: the Manager may discount the fee at its discretion. Initial charges can also be used to pay initial commission to advisers where applicable.
** These classes pay 0.75% trail commission to advisers where applicable.

7.1.3 T. Bailey Growth Fund LITE	Initial Charge	Exit Fee	Annual Management Charge (“AMC”)	AMC Charged To:
99bps TER Acc	Nil	Nil	up to 0.50%	Income
129bps TER Acc	Nil	Nil	up to 0.80%	Income
149bps TER Acc**	up to 5%*	Nil	up to 1.00%	Income
179bps TER Acc**	up to 5%*	Nil	up to 1.30%	Income

* Maximum fee: the Manager may discount the fee at its discretion. Initial charges can also be used to pay initial commission to advisers where applicable.
** These classes pay 0.5% trail commission to advisers where applicable.

The Annual Management Charge will vary up to the maximums detailed in the table above. This is in order to allow the Manager to adjust the periodic charge (AMC) and cap the Total Expense Ratio (TER) at the percentages stated in the Unit class names.

7.2 What other charges are payable by the Fund?

There are a number of fees and expenses that are deducted from the value of the T. Bailey Funds as they fall due. These include the Trustee’s fees and expenses, the Registrar’s, Auditor’s, Custodian’s, Financial Services Authority’s fees and also administration fees. Further details are disclosed in the full Prospectus, and the total of these charges, as a percentage of each fund, make up part of the TERs disclosed in Appendix 1. In order to cap the TERs for TBGFL, the Manager may contribute to other charges.

7.3 Transaction Costs

Transaction costs are also payable by the T. Bailey Funds for each transaction. The current cost as at the date of publication is £12.50 per transaction. Purchases of securities also suffer an additional 0.5% stamp duty charge and up to 0.2% broker commission charge in line with industry standards. These costs are not included in the reduction in yield tables in Appendix 2 or the Total Expense Ratios in Appendix 1.

If the Portfolio Turnover Rate (‘PTR’) is high, the transaction costs incurred may have a higher impact on your investment. The PTR is a measure of the annual turnover in a fund’s assets, which is over and above that required to invest new money from investors in the markets or to raise money from the markets to meet the redemption of units. At the same time, active management may mean that performance is improved to outweigh such costs.

The PTR for each T. Bailey Fund, expressed as a percentage, is calculated as follows and is disclosed in Appendix 1:

$$\left(\frac{\textit{(Portfolio Purchases + Portfolio Sales)} - \textit{(Subscriptions + Redemptions)}}{\textit{(Average Fund Value)}} \right) \times 100$$

7.4 Dilution Levy

As a result of transactions a fund may suffer a reduction in value as costs are incurred in dealing in the underlying investments. To mitigate these costs we may need to impose a charge known as a dilution levy. The dilution levy is an additional charge levied to protect existing investors in a fund from subsidising new entrants in the event of a subscription for units in the fund. A dilution levy also applies to protect investors in a fund from subsidising those exiting the fund in the event of a redemption of units in the fund. Without a dilution levy other investors could bear disproportionate costs. These amounts are not retained by the Manager, but are paid into the relevant T. Bailey Fund.

It is the Manager’s intention to impose the dilution levy on certain deals if it is in the interests of unitholders. The dilution levy may be imposed only in a manner that is, so far as practicable, fair to all unitholders and potential unitholders. The Manager is more likely to charge a dilution levy on larger deals when no levy is imposed on smaller deals. Where a dilution levy is not charged the fund in question may incur dilution, which may constrain capital growth.

7.5 What charges are made by underlying funds?

Further charges will be made by the underlying funds in which the T. Bailey Funds have invested and will be met by the T. Bailey Funds indirectly, as they impact on the performance of the underlying funds.

The managers of the underlying funds in which the T. Bailey Funds invest charge management fees, initial fees and (in some cases) exit fees.

In most cases TBFM have been able to negotiate substantial reductions in these charges (there have been no initial fees or exit fees for the investments made to date by the T. Bailey Funds with the underlying funds) but such charges are calculated daily and are factored into the prices of the underlying funds each day.

There are also a number of fees and expenses that are deducted from the value of the underlying funds in which the T. Bailey Funds invest as they fall due. These include the Trustee's fees and expenses, the Registrar's, Auditor's, Custodian's, Financial Services Authority's fees and also administration fees. These are included in the TERs (see 7.6.1) of the underlying funds.

The rate of expenses is reduced by any tax relief available.

7.6. How will the charges affect my investment?

7.6.1 What is the TER?

The Total Expense Ratio ('TER') is the sum of the charges outlined above expressed as a percentage of the average fund size. It does not include initial charges, transaction costs, bank overdraft interest, dilution levy or stamp duty. The TER is the internationally accepted standard for the comparison of costs between Regulated Collective Investment Schemes. The TERs are disclosed in Appendix 1.

7.6.2 How is the TER calculated?

The AMC and the other charges element of the TER is calculated by taking the total charged in the most recently published audited annual report and accounts and dividing this by the average daily net asset value over the year. The element of the TER which is made up by charges of the underlying funds is calculated by taking the published TER of each underlying fund and weighting these figures in accordance with the T. Bailey Fund's portfolios as at the date of the accounts. For TBGFL, the Manager will cap the TERs (see Appendix 1).

7.6.3 Reduction in yield tables

The tables in Appendix 2 also illustrate the effect of charges and expenses. We have based our calculations on an example investment of £30,000 for the Institutional classes and £1,000 for the Retail classes and for TBGFL. We have assumed a growth rate of 6.0% outside of an ISA and 7.0% if within.

The figures in the tables are not guaranteed, and are based on a notional rate of growth which may or may not be achieved, and serve only to demonstrate the effect of charges and expenses on an investment.

8. Taxation

The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the T. Bailey Funds or to all categories of investors, some of whom may be subject to special rules. The regime of taxation of the income or capital gains received by investors depends on the tax law applicable to the personal situation of each investor and/or to the place where the capital is invested. Unitholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of units under the laws of their country of incorporation, establishment, citizenship, residence or domicile and in the light of their particular circumstances.

Each fund is treated as a separate entity for United Kingdom tax purposes and is liable to Corporation Tax at the rate of 20% on taxable income net of expenses.

8.1 ISAs/JISAs

ISA and JISAs investors currently have no income or capital gains tax liability on their investment.

8.2 Income tax

Dividend distributions from the T. Bailey Funds are paid net of 10% tax. Basic rate taxpayers have no further liability, but higher rate taxpayers will be liable to additional tax. Non-UK resident investors may be able to reclaim all or part of the tax deducted from HM Revenue & Customs.

In the case of accumulation units no distribution of income is made, although a notional distribution is calculated and advised to unit holders for tax reasons. Despite not receiving an income distribution investors may still be liable to tax on it.

Tax vouchers will be sent on or before the income allocation date to all unit holders holding units outside of a tax wrapper.

8.3 Capital gains tax

Capital gains within the T. Bailey Funds are not liable to tax. Transactions of units by investors in the T. Bailey Funds, however, may be.

When you sell units, any profits may be liable to capital gains tax at if your overall gains for the tax year are over the current limit available to UK taxpayers (£10,600 for individuals and £5,300 for trusts for the tax year commencing 6th April 2011).

For individuals, where taxable income and gains are less than the upper limit of the basic rate income tax band, the CGT rate will be 18%. Gains above this limit will be taxed at 28%. For Trusts, the CGT rate will be 28%. See www.hmrc.gov.uk for more details.

8.4 Stamp duty reserve tax

When you sell units, the sale may incur a charge to stamp duty reserve tax ("SDRT"), which was introduced in February 2000. SDRT is levied at the maximum rate of 0.5%, although this may be reduced depending on the underlying investments of the relevant

T. Bailey Fund and the number of units in the relevant T. Bailey Fund issued or redeemed in a two-week period surrounding the sale being made. Any SDRT due will be charged to the fund although the Manager reserves the right to charge the investor a charge for SDRT on large deals.

If the Manager were to charge the investor SDRT on a large deal this would be at the rate of 0.5% and would be deducted from the sale proceeds.

8.5 EU Directive on Taxation of Savings Income

Any person regarded as a "paying agent" for the purposes of the Reporting of Savings Income Information Regulations 2003/3297 (which give effect in the UK to the EC Taxation of Savings Income Directive 2003/48/EC) may be required to disclose to HM Revenue & Customs ("HMRC") details of payments of interest and other income (which may include distributions on redemption payments by collective investment schemes) to unitholders who are individuals or residual entities. HMRC will then pass such details to the Member State where the unitholder resides.

8.6 General

More detailed information about taxation is contained in the full Prospectus.

Investors holding the T. Bailey Funds outside of an ISA/JISA should declare any income, gains or losses on their tax returns. Investors holding the T. Bailey Funds outside of an ISA/JISA will receive a tax voucher after the annual accumulation for TBGF and TBGFL and after each distribution for TBDeCMF and TBDyCMF (quarterly).

The above is based on TBFM's understanding of current law and practice and could alter as a result of future legislation. Please note that other taxes or costs may be incurred that are not paid through or imposed by the Manager.

9. If things go wrong

9.1 What if I have a complaint?

We treat customer satisfaction as one of the key factors in meeting our obligations under the FSA's TCF (Treating Customer's Fairly) requirements. If you have a complaint you should contact us. If you wish to put your complaint in writing please contact the Compliance Officer at the registered office of the Manager at 64 St. James's Street, Nottingham, NG1 6FJ. If your complaint is not dealt with to your satisfaction you can, depending on the nature of the complaint, also write directly to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. We will inform you of your rights when answering your complaint and a copy of T. Bailey's internal complaints procedure will also be provided to you.

9.2 What if something goes wrong - am I entitled to compensation?

TBFM and TBAM are covered by the Financial Services Compensation Scheme ("FSCS"). 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 so the maximum compensation is £50,000.

Further information about compensation arrangements is available from FSCS at 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, or from the FSA at 25 The North Colonnade, Canary Wharf, London E14 5HS.

10. Further information

10.1 Who is who in relation to the T. Bailey Funds?

10.1.1 Manager

T. Bailey Fund Managers Limited ("TBFM" or "the Manager"), which is authorised and regulated by the Financial Services Authority ("FSA"), manages the T. Bailey Funds. The Manager's registered office is at 64 St. James's Street, Nottingham NG1 6FJ. TBFM's FSA reference number is 190293. TBFM is authorised by HM Revenue & Customs as an approved ISA Manager.

10.1.2 Administrator

The Manager has delegated all investment management, administration and marketing functions to its associate T. Bailey Asset Management Limited ("TBAM") which is also authorised and regulated by the FSA. TBAM's registered office is at 64 St. James's Street, Nottingham NG1 6FJ. TBAM's FSA reference number is 190291.

10.1.3 Trustee

The Trustee of the T. Bailey Funds is the National Westminster Bank plc ("NatWest"). You should address any enquiry you may have of the Trustee to NatWest, Trustee & Depository Services, Ground Floor, 15 Bishopsgate, London EC2P 2AP. NatWest is authorised and regulated by the FSA.

10.1.4 Registrar

TBAM (see 10.1.2 for details) is the Registrar.

10.1.5 Custodian

The Custodian of the T. Bailey Funds is the Northern Trust Company AVFC, 50 Bank Street, Canary Wharf, London E14 5NT.

10.1.6 Auditor

The Auditor of the T. Bailey Funds is Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ.

10.1.7 Competent Authority

The Financial Services Authority (FSA) is the competent authority for investment funds authorised in the United Kingdom. The FSA have authorised, and also regulate the T. Bailey Funds. They can be contacted in writing at 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Their website is www.fsa.gov.uk and their consumer helpline is 0845 606 1234.

10.2 How can I receive further information on the T. Bailey Funds?

Copies of the full Prospectus and the latest Annual and Interim Manager's Short Reports can be obtained on request and free of charge at any time from T. Bailey Fund Managers Limited.

Contact Details:
Dealing Line/Investor Helpline: 0115 988 8213 Calls may be recorded. Lines are open 9am to 5pm on business days.
Email: info@tbailey.co.uk
Website: www.tbailey.co.uk
Address: T. Bailey Fund Managers Limited, 64 St. James's Street, Nottingham, NG1 6FJ.
Cheques: Cheques should be made payable to T. Bailey Fund Managers Limited.

10.3 Where can I obtain further advice?

Please note T. Bailey Fund Managers Limited and T. Bailey Asset Management Limited do not provide financial advice to private individuals.

You may however take the advice of a Financial Adviser duly authorised under the Financial Services and Markets Act 2000 who will give you details about the cost of their advice. The amount will depend on the size and frequency of the investment or investments, and will be paid for out of the Manager's charges outlined in section 7.1. Please note that some advisers charge fees which are related to the time spent and these would be charged to you directly by your adviser rather than being paid for out of the Manager's charges.

Once you have made your investment, we will show you the amount of the initial commission payable to your adviser in cash terms on your contract note. The amount will depend on the size of your investment and the agreed terms.

11. Miscellaneous

11.1 Data protection

We may make your name and address available to companies within the T. Bailey group of companies to enable information about other investment services to be sent to you by letter, telephone or other reasonable means of communication.

This will not apply if you inform us that you do not wish to receive this information. You consent to the processing by TBFM or associated companies (including companies to whom administrative functions have been delegated) of personal data submitted by you in the course of your use of our investment services or created during your relationship with TBFM and to the transmission of such material to associated companies (including companies to whom administrative functions have been delegated) for any purpose that TBFM sees necessary relating to your investment.

11.2 Money laundering

All transactions relating to products provided by TBFM are covered by the UK Prevention of Money Laundering/ Combating the Financing of Terrorism Rules. Key elements of the framework are the Terrorism Act 2000, the Proceeds of Crime Act 2002, the Serious Organised Crime and Police Act 2005 and the Money Laundering Regulations 2007. This means that we, as a company conducting investment business, are responsible for compliance with these rules. As a consequence, investors may be required to provide proof of identity and address when buying and selling units. Verification of identity checks may also be conducted electronically by TBAM.

11.3 Information for the Manager

You must provide the Manager with all information which it reasonably requests for the purposes of your investment and, in particular in relation to ISA/JISA investments / transfers, you must immediately inform the Manager in writing of any change in your tax status or any other material change in circumstances.

11.4 Liability

The Manager will not be liable for any loss you may experience through a fall in the value of your investments. The Manager accepts no responsibility for any loss or delay caused in the transfer or payment to the Manager of the funds to be invested.

11.5 Governing law

TBFM, TBAM and The T. Bailey Funds operate under and are governed by the law of England and Wales. The documentation relating to your investment will be supplied in the English language and any further communications with you will be in the English language.

11.6 What happens to my investment on death?

Units in the Fund form part of your estate on death and, on production of the Death Certificate and the Grant of Probate or Letters of Administration, can be sold or re-registered in the name of the Executors or Administrators of the Estate or a beneficiary, or in the names of the surviving investors.

APPENDIX 1: Charges - additional information

Total Expense Ratios (See 7.6)

All information in this section is based on the annualised charges per the audited reports and accounts for the periods ended 31 March 2011 as a percentage of the average fund size for the same periods, and also takes account of the impact of the TERs in underlying funds as explained in 7.6.

The TER does not include initial charges, transaction costs, bank overdraft interest, dilution levy or stamp duty.

More up to date figures may be available in the funds' interim (unaudited) reports and accounts, available on our website (www.tbailey.co.uk).

*Calculated on actual costs charged to the fund from launch (less than 12 months). In future years, the TER will include a full 12 months' worth of costs, but it is also likely to be based on a higher average net asset value.

Total Expense Ratios	TBGF	TBDyCMF	TBDeCMF*
Institutional	1.62%	1.79%	1.69%
Retail	2.37%	2.54%	2.44%

TBGFL

The TBGFL Accumulation Unit classes each have a maximum TER agreed at outset. These are:-

(bps = basis points, i.e. 100 basis points is equal to 1%)

	TBGFL
99bps TER	0.99%
129bps TER	1.29%
149bps TER	1.49%
179bps TER	1.79%

Portfolio Turnover Rates (see 7.3)

All information in this section is based on the audited reports and accounts for the periods ended 31 March 2011.

	TBGF	TBGFL	TBDyCMF	TBDeCMF
Portfolio Turnover Rate	278%	204%	140%	4%

APPENDIX 2: Reduction in yield tables

All information in this section is calculated to be consistent with that disclosed in Appendix 1. For the T. Bailey Defensive Cautious Managed Fund and the T. Bailey Dynamic Cautious Managed Fund, the tables are shown for Institutional Accumulation and Retail Accumulation Unit Classes. (i.e. on a total return basis). Capital returns on the Income Classes will be lower as income is paid out rather than accumulated.

T. Bailey Growth Fund (launch date 13 December 1999)

Institutional Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £8,030 for a unit trust investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.3% a year.

	Unit Trust		
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%
1	30,000	519	31,200
3	30,000	1,690	34,000
5	30,000	3,120	37,000
10	30,000	8,030	45,600

Retail Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £448 for a unit trust investment or £492 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 3% a year for a unit trust investment or from 7% a year down to 4% a year for an ISA investment.

	Unit Trust			ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	77	983	77	992
3	1,000	137	1,050	141	1,080
5	1,000	209	1,120	219	1,180
10	1,000	448	1,340	492	1,470

APPENDIX 2: Reduction in yield tables (continued)

T. Bailey Growth Fund LITE (Launch date 25 January 2010)

99bps TER Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £169 for a unit trust investment or £185 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 5% a year for a unit trust investment or from 7% a year down to 5.9% a year for an ISA investment.

		Unit Trust		ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	11	1,050	11	1,050
3	1,000	36	1,150	36	1,180
5	1,000	65	1,270	68	1,330
10	1,000	169	1,620	185	1,780

129bps TER Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £216 for a unit trust investment or £238 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.6% a year for a unit trust investment or from 7% a year down to 5.6% a year for an ISA investment.

		Unit Trust		ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	14	1,040	14	1,050
3	1,000	45	1,140	47	1,170
5	1,000	84	1,250	88	1,310
10	1,000	216	1,570	238	1,720

149bps TER Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £325 for a unit trust investment or £357 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 3.9% a year for a unit trust investment or from 7% a year down to 4.9% a year for an ISA investment.

		Unit Trust		ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	68	992	69	1,000
3	1,000	109	1,080	112	1,110
5	1,000	158	1,180	166	1,230
10	1,000	325	1,460	357	1,610

179bps TER Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £368 for a unit trust investment or £405 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 3.6% a year for a unit trust investment or from 7% a year down to 4.6% a year for an ISA investment.

		Unit Trust		ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	71	989	72	998
3	1,000	118	1,070	122	1,100
5	1,000	175	1,160	184	1,210
10	1,000	368	1,420	405	1,560

APPENDIX 2: Reduction in yield tables (continued)

T. Bailey Dynamic Cautious Managed Fund (launch date 2 May 2006)

Institutional Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £8,780 for a unit trust investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.1% a year.

	Unit Trust		
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%
1	30,000	562	31,200
3	30,000	1,860	33,800
5	30,000	3,420	36,700
10	30,000	8,780	44,900

Retail Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £470 for a unit trust investment or £516 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 2.8% a year for a unit trust investment or from 7% a year down to 3.8% a year for an ISA investment.

	Unit Trust			ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	78	981	79	991
3	1,000	142	1,040	146	1,070
5	1,000	218	1,110	228	1,170
10	1,000	470	1,320	516	1,450

T. Bailey Defensive Cautious Managed Fund (Launch date 20 July 2010)

Institutional Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £278 for a unit trust investment or £305 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.2% a year for a unit trust investment or from 7% a year down to 5.2% a year for an ISA investment.

	Unit Trust			ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	18	1,040	18	1,050
3	1,000	59	1,130	61	1,160
5	1,000	108	1,220	113	1,280
10	1,000	278	1,510	305	1,660

Retail Accumulation Class

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £457 for a unit trust investment or £502 for an ISA investment. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 2.9% a year for a unit trust investment or from 7% a year down to 3.9% a year for an ISA investment.

	Unit Trust			ISA	
At end of Year	Investment to date	Effect of deductions to date	What you might get back at 6%	Effect of deductions to date	What you might get back at 7%
1	1,000	77	982	78	992
3	1,000	139	1,050	143	1,080
5	1,000	212	1,120	223	1,170
10	1,000	457	1,330	502	1,460

APPENDIX 3: Past performance

The following section provides you with information on the historical performance of our range of funds. More up to date performance figures are available by visiting our website www.tbailey.co.uk.

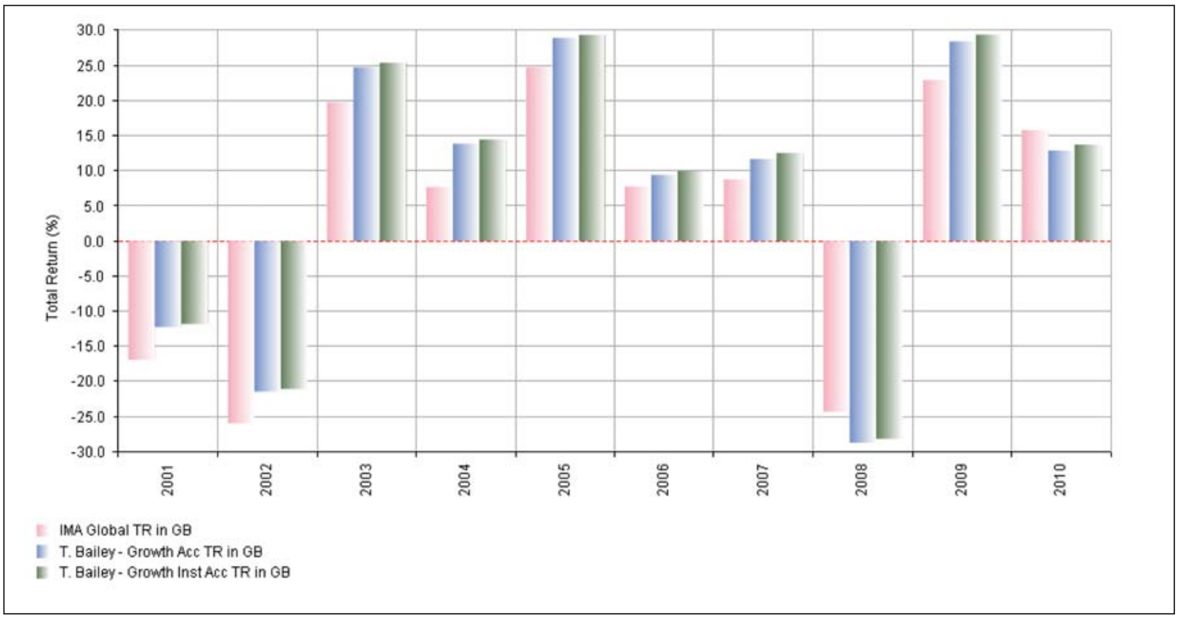
The past performance figures quoted are on a total return basis, are net of tax and are calculated after deducting all charges except initial charges.

Past performance is not a reliable indicator of future results. The value of your investments and the income derived from them can go down as well as up, and you may not get back the money you invested.

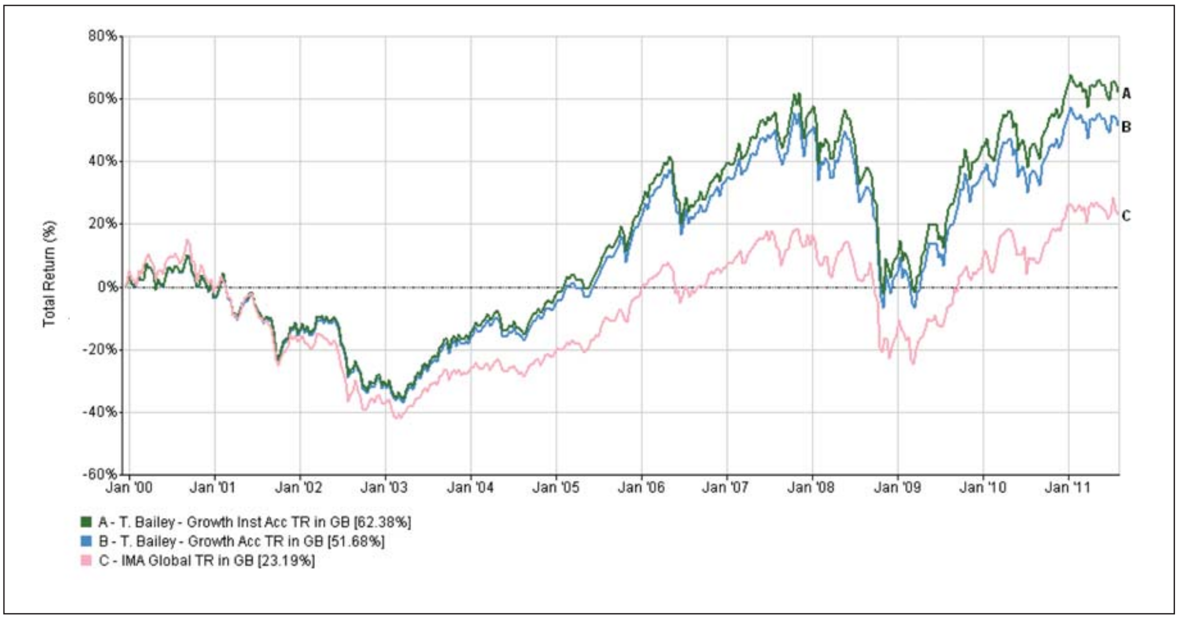
Source: T. Bailey Asset Management Limited/Financial Express Analytics.

T. Bailey Growth Fund (launch date 13 December 1999)

Historical Performance - T. Bailey Growth Fund Discrete Returns (calendar years)



Cumulative Performance - T. Bailey Growth Fund Cumulative Returns to 31st July 2011



APPENDIX 3: Past performance (cont.)

Past performance is not a reliable indicator of future results. The value of your investments and the income derived from them can go down as well as up, and you may not get back the money you invested.

Source: T. Bailey Asset Management Limited/Financial Express Analytics.

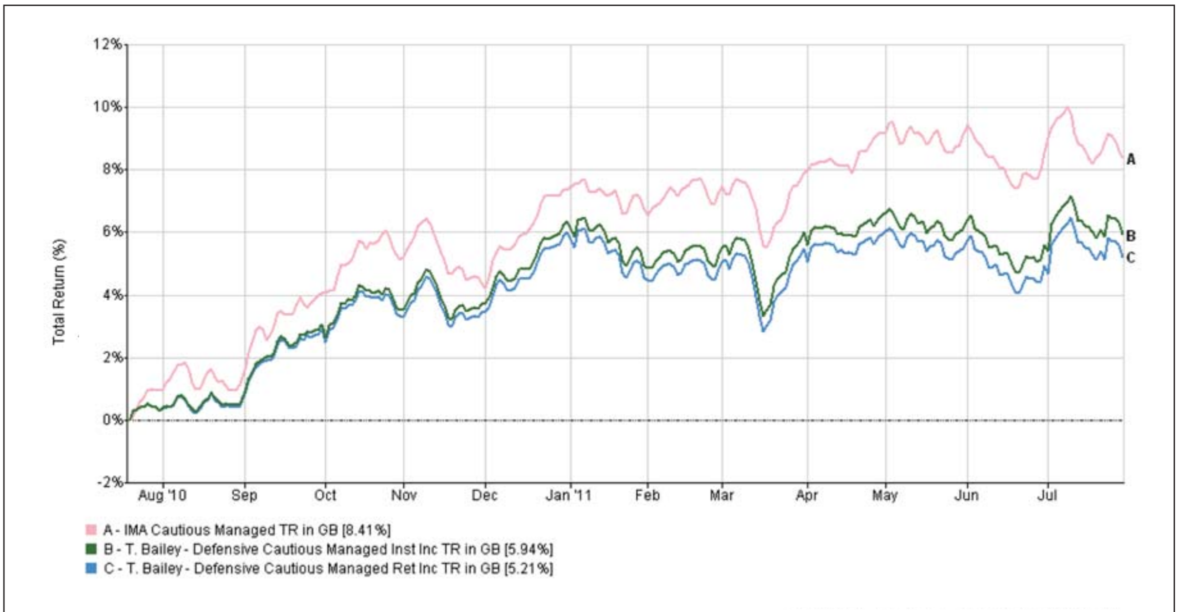
T. Bailey Growth Fund LITE (launch date 25 January 2010)

Cumulative Performance - T. Bailey Growth Fund LITE Cumulative Returns to 31st July 2011

As the fund does not have a performance history for a full calendar year, no discrete returns are shown.

T. Bailey Defensive Cautious Managed Fund (launch date 20 July 2010)

Cumulative Performance - T. Bailey Defensive Cautious Managed Fund Cumulative Returns to 31st July 2011



As the fund does not have a performance history for a full calendar year, no discrete returns are shown.

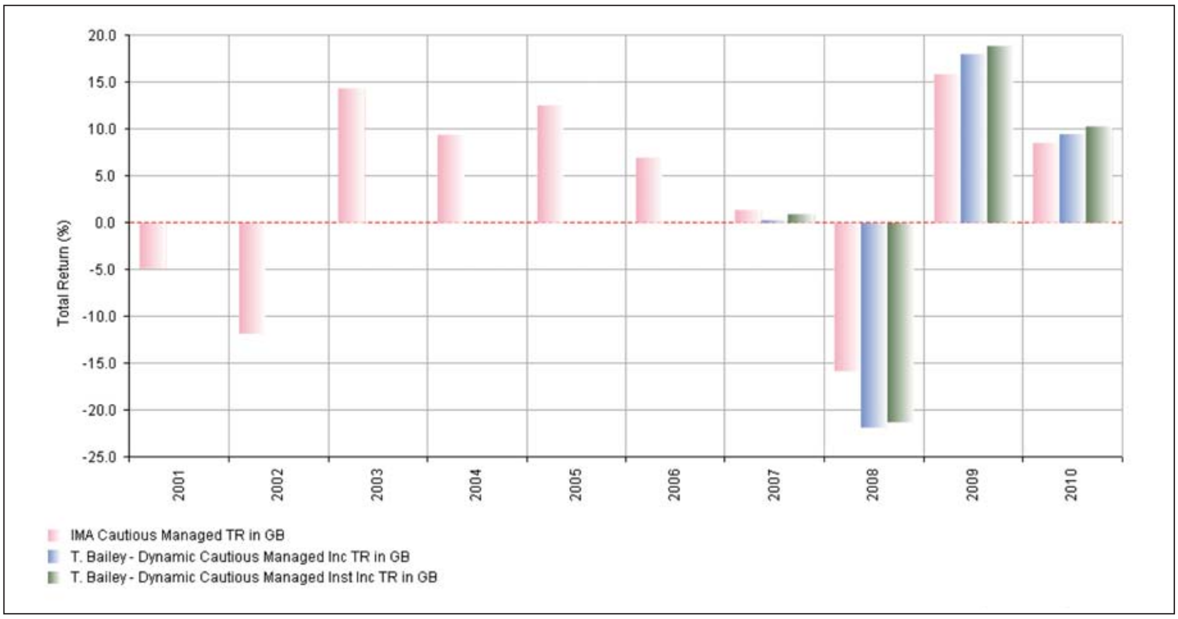
APPENDIX 3: Past performance (cont.)

Past performance is not a reliable indicator of future results. The value of your investments and the income derived from them can go down as well as up, and you may not get back the money you invested.

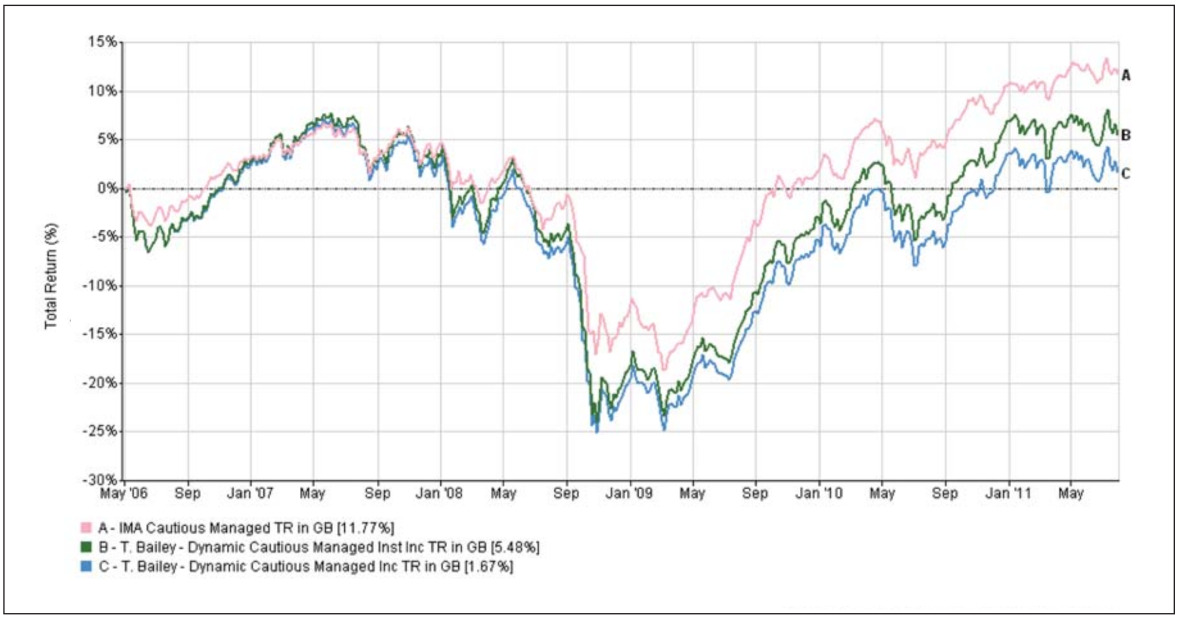
Source: T. Bailey Asset Management Limited/Financial Express Analytics.

T. Bailey Dynamic Cautious Managed Fund (launch date 2 May 2006)

Historical Performance - T. Bailey Dynamic Cautious Managed Fund Discrete Returns (calendar years)



Cumulative Performance - T. Bailey Dynamic Cautious Managed Fund Cumulative Returns to 31st July 2011



APPENDIX 4: ISA Terms and Conditions

The following terms and conditions ("Terms") and the Simplified Prospectus together with the completed Application Pack constitute a legal agreement between You and T. Bailey Fund Managers Limited that sets out what services We will provide and how We will manage Your individual savings account ("ISA"). The ISA is also governed by the Individual Savings Account Regulations 1998, as amended from time to time, which take precedence over the Terms in the event of any inconsistency. The Terms apply to all T. Bailey ISAs except where indicated otherwise.

Definitions

"Application Pack" means the application pack or transfer form to be completed by You when applying to open or invest in an ISA;
"Direct Debit Dealing Day" means the business day on which we request Your Direct Debit payment if applicable (usually the 15th calendar day of each month or the following business day if this is not a business day);
"Eligible Investments" means the Funds available under the T. Bailey ISA;
"FSA" means the Financial Services Authority;
"Fund(s)" means the T. Bailey Growth Fund, T. Bailey Growth Fund LITE, T. Bailey Dynamic Cautious Managed Fund or T. Bailey Defensive Cautious Managed Fund, authorised unit trusts or such other funds as are listed in the Simplified Prospectus from time to time;
"Intermediary" means a person who in the course of any business or profession invites You to make offers or proposals or to take other steps with a view to entering into an ISA;
"ISA" means the Individual Savings Account, set up and managed under the ISA Regulations and subscribed to by You;
"Manager" means T. Bailey Fund Managers Limited;
"Registrar" means T. Bailey Asset Management Limited;
"Regular Saver" means an investor subscribing monthly by direct debit;
"Regulations" means the Individual Savings Account Regulations 1998 and/or the Personal Equity Plan Regulations 1989 and any regulations substituted for them, all as from time to time amended or extended and in force;
"Simplified Prospectus" means the document describing the key features of the Funds as amended from time to time by T. Bailey;
"T. Bailey" means T. Bailey Fund Managers Limited, whose registered office is at 64 St James's Street, Nottingham, NG1 6FJ;
"Valuation Point" means the regular valuation time of the Funds as detailed in the Simplified Prospectus;
"We" or "Us" or "Our" means T. Bailey;
"You" or "Your" means the investor named as the applicant on the relevant Application Pack who has opened an ISA.

1. Opening an ISA

1.1 Your T. Bailey ISA will come into force, subject to any rights You may have to withdraw, once we have received and accepted Your Application Pack and valid subscription. We are not obliged to accept any application. You must subscribe using Your own monies.
1.2 The Funds available for investment in the T. Bailey ISA under these Terms are those listed in the Simplified Prospectus. The investment objective of Your ISA will correspond to the investment objective of the underlying Fund(s) in which it is invested.
1.3 Your account will, subject to the Regulations, be managed by the Manager in accordance with Your directions set out in Your completed Application Pack.
1.4 The Manager will not advise on the suitability of investments for individual circumstances. If You have any doubt, You should consult Your financial adviser.
1.5 If We receive Your completed Application Pack prior to the tax year to which it relates, We cannot invest Your monies until the start of the next tax year. In these circumstances, Your subscription monies will be held in a non-interest bearing client account.
1.6 The maximum You can invest in the 2011/12 tax year is £10,680 in a stocks and shares ISA. There is no maximum for ISA transfers.
1.7 You will be classed as a retail client of the Manager for regulatory purposes.

2. Cancellation Rights

2.1 You will have the right to cancel Your investment for a period of 14 days from receipt by You of a cancellation notice from Us. You will be sent a cancellation notice with Your purchase contract note. If You then decide to cancel You should return the completed notice. You may not receive back the full amount of Your investment. If the value of the units has fallen between the date You invested and the date We receive notice to cancel You will receive back the amount You invested, reduced by the fall in value of the Fund in which Your money was invested.
2.2 Where an investment is cancelled within 14 days of receipt of a cancellation notice the cancelled subscription does not count as a subscription to an ISA. Where a subscription is cancelled after the set period the cancelled subscription does count as a subscription to an ISA (and therefore You cannot subscribe to another ISA of the same type in that tax year).

3. Investment of Subscriptions

3.1 All subscriptions received by the Manager which are not invested in the Fund(s) at the next valuation point will be banked in a non-interest bearing client money bank account no later than the business day after they are received.
3.2 The Manager will return any part of a subscription for an ISA received that is in excess of the limits under the Regulations or alternatively will invest in the Fund(s) outside of an ISA.
3.3 Lump sum contributions will be invested in units of the selected Fund at the next Valuation Point after acceptance by Us of Your completed Application Pack and following receipt by the Manager of written instructions from You. T. Bailey will not retain cash within Your ISA and shall apply all monies received to purchase units in the appropriate Fund(s).
3.4 Monthly contributions will only be collected by Direct Debit. The amount less any charges will be invested following the Direct Debit Day subject to the receipt of cleared funds by T. Bailey. On receipt of Your Application Pack and direct debit instructions, it may take 2 to 3 weeks to arrange the Direct Debit and therefore there may be an initial 1 month delay before the first debit is made. No Direct Debit collection will take place unless the requirements under the anti-money laundering rules referred to in the Simplified Prospectus have been met. Where the first monthly contribution is greater than 90 days from the date of acceptance of the Application Pack, We will require You to complete a new Direct Debit mandate prior to the start of the monthly contributions.
3.5 If You wish to cancel Your Direct Debit, You must send the Manager written instructions at least 5 business days before the next collection date.
3.6 Provided that at least £1,000 is invested in the ISA, You may suspend Your monthly contributions indefinitely whilst units are retained. If at any time when payment is suspended the total value is less than £1,000 and no other investments are held in the ISA, the Manager reserves the right to terminate the ISA, in which case the units will be sold at the prevailing price on the day the ISA is terminated.

4. Ownership of Investments

4.1 All ISA investments shall be held jointly in the name of the Manager and You. You are the beneficial owner of all ISA investments.
4.2 You undertake not to charge, pledge or use any ISA investment as security for a loan and to remain the beneficial owner of those investments.
4.3 We or Our appointed nominee will hold all documents evidencing title to investments. We are not permitted to lend any investments, documents of title or other property belonging to You to any third party or borrow money on Your behalf or permit You to borrow money against the security of the investments or documents of title.

5. Transferring to a T. Bailey ISA

5.1 You may apply to transfer the cash value of an existing ISA from previous tax years managed by another manager to a T. Bailey ISA by completing an ISA Transfer Instruction Form.
5.2 We will accept Your application on receipt provided that You meet the requirements of these Terms and the Regulations. We will then arrange for the transfer to take place on Your behalf. The minimum amount to be transferred is the minimum subscription permissible under a T. Bailey ISA as detailed in the Simplified Prospectus.
5.3 We reserve the right not to accept a transfer application.
5.4 The investment of Your transfer proceeds will generally take place at the next Valuation Point after We receive the funds from Your previous manager.
5.5 The timing of the realisation of Your investments and any rise in the markets whilst the ISA transfer is pending may result in loss that is outside Our control.
5.6 Once Your ISA has been transferred it shall be subject to these Terms.

APPENDIX 4: ISA Terms and Conditions (cont.)

5.7 Any monies received by T. Bailey from Your previous Manager subsequent to the transfer representing dividends etc. will be invested into the relevant T. Bailey ISA if it is above £25. In the case that the monies received are less than this amount T. Bailey may return the monies to Your previous Manager and ask that the monies are forwarded directly to You.

6. Transferring from a T. Bailey ISA

6.1 You may at any time by notice to the Manager require that the whole or part (subject to clause 6.3 and 6.4 below) of Your T. Bailey ISA be transferred to another manager who confirms that he agrees to accept the transfer and who is approved in accordance with the Regulations. The transfer will take place at such time as to be agreed between the parties.
6.2 Following receipt of your notice, any investments in Your T. Bailey ISA will be sold so that the proceeds may be transferred to Your new manager in cash.
6.3 Partial transfers are not permitted for investments made in the current tax year.
6.4 In the event of a partial transfer, the minimum holding amount per Fund must be retained.
6.5 Any monies due to You subsequent to the transfer representing dividends etc. will be forwarded to Your new Manager.

7. Switching

7.1 You may switch Your holdings to different Eligible Investments by instructing Us in writing. Such switches shall be effected in accordance with the Regulations.
7.2 Should You decide to transfer only part of Your ISA, We shall have discretion to terminate Your ISA if the remaining investment left in the Funds would be below the minimum holdings for each Fund set out in the attached Simplified Prospectus. In these circumstances We will notify You and give You the option of either transferring the remainder of Your ISA to another ISA Manager or of having the remaining investments sold and the proceeds of the sale paid to You, and give You a time within which to respond. If You do not respond within that time We will sell the remaining Investments in Your ISA and pay the proceeds of the sale to You.

8. Reports

8.1 The Manager will provide You with a report twice yearly, as at 31 March and 30 September with details of the number and value of investments held within Your respective ISAs, and details of all transactions undertaken within the ISA during the preceding 6 months. The statements will be posted within 25 business days of the relevant date and will not include any measure of the ISA investment performance.
8.2 The Manager will provide You with a Manager's Short Report twice yearly, as at 31 March and 30 September. These will be posted by 31 July and 30 November respectively.
8.3 If You request in writing, We will arrange for You to (i) exercise the rights of a unitholder to attend meetings; (ii) to exercise voting rights at those meetings; and (iii) to receive any other information generally received by unitholders.

9. Income

9.1 We will collect all distributions payable by the Fund(s) as soon as practicable. Any distributions of income due to You will be paid or applied as detailed in the Simplified Prospectus.
9.2 Any distributions of income paid to You may be paid gross of tax at the Fund(s) relevant income allocation date.

10. Charges

10.1 The Manager is entitled to charge for its services as the operator of the Funds. The details of the current charges are detailed in the Funds' Simplified Prospectus.
10.2 Other taxes or costs may exist that are not paid through or imposed by T. Bailey. When effecting transactions with or for You, We may have a material interest in a transaction or a conflict of interest may arise. Nevertheless, We have the right to effect such transactions without prior notice to You but, in doing so, will not allow any such interest or conflict to stand in the way of achieving fair treatment and best execution for You within the investment powers set out in these Terms. We shall not be liable to account to You for any profit or benefit arising as a result of any such transaction. We ensure fair treatment for You under the rules of the Financial Services Authority by disclosing such material interest or conflict of interest, namely that T. Bailey will act as authorised fund manager for the Funds (and as principal) and that T. Bailey Asset Management Limited, which is a related company, will operate as investment manager and registrar to the Funds.

11. Termination and Withdrawal by You

11.1 You may at any time, by notice in writing to the Manager, either terminate the ISA or withdraw from the ISA all of the investments or direct the Manager to transfer the entire ISA to another Manager under the provisions of clause 6 above. In the event of the termination or withdrawal of investments by You, the Manager shall make or cause to be made such payments as You may reasonably direct in writing, or as may be required to give effect to such directions within the time stipulated, subject to any reasonable retentions or deductions there from which the Manager may be entitled or bound to make for any purpose, including recovery of expenses properly incurred by the Manager.
11.2 Where a partial withdrawal is made by You, the minimum holding must be retained.
11.3 Investments will be sold at the price calculated at the Valuation Point following receipt of Your notice to withdraw or terminate.

12. Termination by Us

12.1 We have absolute discretion to terminate Your T. Bailey ISA on giving You 1 month's notice in writing.
12.2 We are entitled to terminate Your T. Bailey ISA immediately and without notice in the following circumstances:
- **12.2.1** if You are a Regular Saver and payments have not been made for 3 or more consecutive months and the value of Your investment is less than £1,000;
- **12.2.2** if We consider that We are unable to administer the T. Bailey ISA in accordance with the Regulations;
- **12.2.3** if the ISA is made void as a result of a breach of the Regulations; or
- **12.2.4** if, as a result of a withdrawal, the amount invested within the ISA falls below £1,000.

12.3 When Your ISA is terminated Your investments will be sold and the cash proceeds will be sent to You or Your new manager.
12.4 Termination of an ISA will be without prejudice to the completion of incomplete transactions undertaken as part of that ISA.

13. Termination on Death

13.1 Upon Your death Your ISA automatically terminates in accordance with the Regulations.
13.2 We will accept instructions from Your legally appointed personal representative on receipt of a death certificate or equivalent and/or a Grant of Probate or Letters of Administration.
13.3 Tax credits accruing to Your ISA after the date of Your death will be repaid to HM Revenue & Customs.
13.4 These Terms will continue to bind Your personal representatives.

14. Settlement

14.1 Settlement on termination or withdrawal from the ISA, will usually take place no later than 4 business days following the Valuation Point following receipt of Your instruction. Where a withdrawal is requested shortly after a subscription is made, the Manager will make settlement of funds once assured of cleared funds in respect of that payment.
14.2 All settlements are subject to reasonable verification of signature or instruction and the settlement amount will be held in a non-interest bearing client account pending such verification.
14.3 Settlement to a third party will only be made on death (see clause 13 above) or when transferring to another manager (see clause 6 above). Third party payments will only be made to individuals holding powers of attorney if they operate a client money account.

15. Void and Invalid ISAs

Your T. Bailey ISA will terminate automatically if it is made void under the Regulations by reason of any failure to satisfy the Regulations. The manager will notify You in writing should this occur.

16. Intermediaries

16.1 In respect of ISA transactions undertaken through an Intermediary, that Intermediary will be treated as Your agent. Relevant contract notes and confirmations will be copied to the Intermediary.
16.2 Commission is paid to Intermediaries in respect of contributions to T. Bailey ISA. Initial commission is paid, on the amount contributed, within 10 business days of the transaction date. You are only able to have 1 Intermediary allocated to Your ISA. If You wish to change Your Intermediary, written instructions to the Manager will be required.

17. Liability

17.1 The Manager shall exercise due care and diligence in the management of all T. Bailey ISAs.

APPENDIX 4: ISA Terms and Conditions (cont.)

17.2 Subject to the Regulations and to the Financial Services and Markets Act 2000, We shall not be liable to You for any costs, claims, demands, losses or expenses suffered by or arising from any depreciation in the value of the ISA, or for acts or omissions of the Manager or of any third party whether or not that third party is acting as agent of the Manager except in so far as the same arises as a result of negligence or wilful default.
17.3 We shall not be liable for negligence or wilful default of the Registrar, its servants or agents.
17.4 We accept no responsibility for any loss or delay caused in the transfer of payment to Us of any monies to be invested in Your ISA.
17.5 You hereby agree to indemnify Us against any liabilities that may be incurred in connection with Your T. Bailey ISA other than those caused by Our negligence or a material breach of the Regulations or these Terms.

18. Delegation

We may delegate any of Our functions or responsibilities arising under these Terms to a third party that We are satisfied is competent to perform those functions and responsibilities.

19. Data Protection

19.1 You agree to Us processing the personal data that You provide to Us in accordance with the terms of the Data Protection Act 1998.
19.2 The personal information that You provide to Us will be used for a number of purposes, including: to comply with legal and regulatory requirements; to manage and administer Your investments; to identify You when You contact Us; to contact You with changes to T. Bailey products; to offer You investment products and services offered by T. Bailey (except where You have requested Us not to do so); for internal analysis and reports. You undertake to inform Us immediately of any change in the information given in respect of the ISA or if any of the declarations in the Application Pack are no longer true.
19.3 We may share Your personal data with Your Intermediary (unless You have otherwise notified Us in writing), other organisations to comply with legal and regulatory requirements, other members of the T. Bailey group of companies to be used for the purposes described in 19.2 above, and with credit reference agencies.
19.4 You have the right to request (on the payment of the appropriate fee) a copy of the personal data that We hold on You.

20. Anti Money Laundering

The Manager is required under the anti-money laundering regulations referred to in the Application Pack to verify the identity of its investors. Until We receive satisfactory evidence of identity We may delay the processing of Your instruction and/or payments due to You.

21. Tax Reclaims

You authorise the Manager to apply to HM Revenue & Customs on Your behalf to make all appropriate claims of repayment of, or credit against, tax in respect of units held under an ISA and income arising there from. For this purpose You authorise the Manager to provide HM Revenue & Customs with all relevant particulars and certificates as may be requested under the Regulations.

22. Client Money

Any uninvested cash held on Your behalf will be held in a client money bank account in accordance with the client money rules. No interest will be payable on Your money in such an account.

23. Instructions and Notices

23.1 Any instructions or notices from You to Us must be in writing, signed by You and sent to the Manager at the address specified in the attached Simplified Prospectus.
23.2 We are entitled at Our discretion, to treat as valid instructions given by You or on Your behalf even if the instruction is not in writing.
23.3 Save in the case of wilful wrongdoing or negligence of Our employees or agents, We will not accept any liability and are entitled to treat as valid any instruction given to Us as a result of the negligence or wrongdoing of another person.
23.4 Instructions received will not be acknowledged by the Manager unless the Manager is specifically requested to give such acknowledgement. You will be sent contract notes as evidence of the investment within 1 business day after transactions take place, except in the case of Regular Savers, when contract notes are only sent for the first investment and income reinvestments, where contract notes are not sent out.
23.5 Any document, cheque or notice sent to You in accordance with these Terms will be sent at Your risk to the address last notified to Us. It will be deemed received on the second day after posting.
23.6 We or Our agents may contact You by telephone to obtain instructions in relation to Your T. Bailey ISA. Telephone calls may be recorded.

24. Complaints and Compensation

24.1 Any complaints in relation to Your investments and their operation should be sent to the Manager (marked for the attention of the Compliance Officer). If You do not receive a satisfactory final response, You may refer Your complaint to the Financial Ombudsman Service (details are published in the Simplified Prospectus). Making a complaint will not affect Your rights to take legal proceedings.
24.2 In the event that the Manager was unable to meet its financial liabilities to You, You may be entitled to compensation under the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Further details of this scheme can be obtained directly from the Financial Services Compensation Scheme.
24.3 We 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 so the maximum compensation is £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

25. Best Execution

25.1 We have in place arrangements to enable us to deliver best execution, including an Order Execution Policy. Information about this Order Execution Policy is set out below. Any material changes to the description of our best execution arrangements and Order Execution Policy will be included in a revision to the Simplified Prospectus incorporating ISA Terms and Conditions, the latest copy of which can be found at www.tbailey.co.uk.
25.2 In relation to Your ISA investment, Our obligation to deliver best execution will be met by Us investing Your Subscription into the Fund(s) at the first dealing point following Us receiving Your Subscription provided We have accepted your instructions. In the case of ISA transfers, We will invest the amount received from the existing ISA Manager at the first dealing point following receipt provided We have accepted Your instructions.
25.3 In Our role as Manager of the Funds, Our obligation to deliver best execution extends to the level of deals placed on behalf of the Funds in underlying investments (i.e. in subfunds or other investments).
25.4 General details of Our Order Execution Policy as it relates to both of the above are set out below.

25.4.1 When We execute an order on Your behalf, We will, subject to any specific instructions that You give us, take all reasonable steps to obtain the best possible result for You in accordance with MiFID, taking into account the factors identified below. When We quote or negotiate with You the terms of a transaction in which We or an affiliate of the Firm (an "Affiliate") are willing to deal with You as principal for our own account or the Affiliate's account, We will not be executing an order on Your behalf and therefore best execution will not apply, unless You request otherwise and We agree to such request.
25.4.2 If You give us specific instructions as to how You wish an order to be executed that We accept, We will follow those instructions. This may prevent us from taking the steps that We have designed and implemented to obtain the best possible result for the execution of Your orders.
25.4.3 Execution venues which we will access for You are regulated markets and multilateral trading facilities. We may also use market makers and non-EEA entities performing a similar function to any of the above.
25.4.4 We will include those execution venues that We believe enable us to obtain on a consistent basis the best possible result for the execution of orders. We may also transmit an order to another broker or dealer for execution, in which case We will either determine the ultimate execution venue ourselves on the basis described here and instruct the other broker or dealer accordingly; or We will satisfy ourselves that the other broker or dealer has arrangements in place to enable us to comply with our best execution obligations to You.

APPENDIX 4: ISA Terms and Conditions (cont.)

25.4.5 Subject to any specific instructions that We accept from You, We will take into account a range of factors in deciding where to execute an order. These include price, costs, speed likelihood of execution and settlement, together with any other consideration relevant to the execution of the order. In determining the relative importance of these factors We will take into account the nature of any order, the characteristics of the financial instruments to which the order relates and the characteristics of the execution venues to which the order can be directed.

25.4.6 We will generally give the highest priority to total consideration, representing the price of the relevant financial instruments and the costs related to execution. However, We may at our discretion prioritise other factors, including the impact on market prices of displaying and executing an order, the speed and likelihood of execution and the availability of price improvement. We may prioritise such other factors where there is insufficient immediately available liquidity on the relevant execution venue to execute an order in full or where We determine that there are other circumstances such that obtaining the best immediately available price may not be the best possible result for You.

25.4.7 In determining what is the best possible result for You, We will not compare the results that can be achieved on the basis of our Order Execution Policy and fees with results that might be achieved for You by another investment firm on the basis of that firm's order execution policy or a different structure of commission or fees, nor will We compare the differences in our own commissions or fees which are attributable to the nature of the services that We provide to You.

25.4.8 We will monitor the effectiveness of our best execution arrangements on an ongoing basis to identify and implement any appropriate enhancements. In addition, We will regularly review whether the execution venues included in the Order Execution Policy and the brokers and dealers to whom We transmit orders for execution provide for the best possible result for You on a consistent basis and whether We need to make changes to our best execution arrangements.

25.4.9 From time to time it may be expeditious for us to carry out an order for You (or for our own account) in aggregation with another client order. This will only occur in circumstances where it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. Where orders are aggregated, the allocation and treatment of partial executions will be dealt with pro rata to the value of each client's order.

26. Conflicts of interest

26.1 A conflict of interest can arise either between Our interests and Your interests, or between the different interests of several of Our clients. Our approach is always to endeavour to prevent conflicts occurring and ensure that You are treated fairly at all times. With this in mind We have implemented a "Conflicts of Interest Policy" which is designed to prevent, detect and manage any conflict which may arise.

26.2 In the unlikely event that a conflict of interest does arise in which We reasonably believe that there is a risk of damage to Your interests which cannot be averted by the measures implemented in accordance with our Conflicts of Interest Policy, we will notify you of any such conflict.

26.3 We monitor conflicts of interest on an ongoing basis. We are obliged to maintain a record of any conflicts of interest which arise or may arise in the course of our business activities. Further details concerning our Conflicts of Interest Policy are available on request.

27. Alteration to Terms

27.1 Subject to the Regulations and the FSA Handbook, the Manager may, in its absolute discretion, vary alter or amend any of these Terms by giving You at least 14 days notice in writing.

27.2 Changes to Regulations which make it impossible for Us to follow these Terms will be deemed to have been incorporated into these Terms as soon as they take effect in law. Where transitional rules are involved, the changes will be incorporated into the Terms on such date as We decide.

28. Regulators

T. Bailey Fund Managers Limited is authorised and regulated by the FSA and approved as an Account Manager under the ISA Regulations. T. Bailey Fund Managers Limited is entered on the FSA Register and its registration number is 190293.

29. Governing law

These Terms are governed by the Laws of England and Wales and subject to the exclusive jurisdiction of the English courts. The Contracts (Rights of Third Parties) Act 1999 will not apply to these Terms.

APPENDIX 4a: JISA Supplementary Terms and Conditions

The terms and conditions below should be read in conjunction with the ISA terms and conditions in Appendix 4. JISAs are subject to some additional/ different rules compared to ISAs. Whilst many references in Appendix 4 to an ISA can generally be read as applying equally to a JISA, JISA investors should also read the information below, and where the information is different (e.g. annual investment limits) the below terms and conditions take precedent for JISAs. The JISA operates within the ISA Regulations 1998 as amended from time to time (the "Regulations").

Definitions

"Eligible Child" means a UK resident under the age of 18, who was born after 3 January 2011 or who is not eligible for a Child Trust Fund and who otherwise satisfies the conditions for eligibility in the Regulations.
"JISA" means the Junior Individual Savings Account, set up under the Regulations and applied for by You.
"JISA Application Pack" means the application pack or transfer form to be completed by You when applying to open or invest in a JISA.
"JISA Investor" means the Eligible Child in who's name the JISA will be registered.
"Registered Contact" means a person who is over 16, and is either the Eligible Child or an individual with parental responsibility for the Eligible Child. All correspondence in relation to the JISA will be sent to the Registered Contact.

1. Opening a JISA

1.1 A JISA Application Pack can be completed by a Registered Contact on behalf of an Eligible Child or by the Eligible Child themselves if they are over 16.
1.2 Subscriptions to a JISA are gifts and cannot be recovered if at a later date the subscriber changes their mind.
1.3 Subscriptions can be made to a JISA by multiple individuals (i.e. not just the Registered Contact) provided the JISA subscription limit is not exceeded (see clause 1.4 below). The person subscribing need not be resident in the UK, nor do they need to be related to the Eligible Child. It is the responsibility of the Registered Contact to advise other donors that subscriptions are gifts and cannot be recovered. We are under no obligation to notify the Registered Contact of the identity of additional donors unless required by the Regulations.
1.4 The maximum that can be invested in the 2011/12 tax year is £3,600 per child in a JISA. This amount can be invested in total in either a cash JISA or a stocks and shares JISA or split between one of each type. Any part of the limit which is unused is lost and cannot be carried forward or back to other years.
1.5 When opening a JISA We may rely on the declaration of eligibility given by the Registered Contact in the Application Pack. We may ask for proof and We reserve the right to refuse an application if the information given in the Application Pack is incomplete or if We believe that any information given in the Application Pack is incorrect.

2. Ownership of Investments

2.1 All JISA investments are held in the sole name of the JISA Investor (i.e. for the beneficial ownership of the Eligible Child).

3. Transferring to/ from a T. Bailey JISA

3.1 On the instructions of the Registered Contact the JISA shall be transferred to another provider. We may refuse to accept a transfer from any other JISA manager.
3.2 Stocks and shares JISAs can be transferred to another stocks and shares JISA or to a cash JISA. Cash JISAs can be transferred to another cash JISA or to a stocks and shares JISA.
3.3 JISA transfers from one stocks and shares JISA to another stocks and shares JISA must be made in full as a JISA Investor may only hold one stocks and shares JISA at any time.
3.4 Where a JISA transfer is made between JISA types, previous years' JISA subscriptions can be transferred in full or in part. Current years' JISA subscriptions must be transferred in full.
3.5 A JISA account may not be transferred from one investor to another.

4. Income

4.1 JISA investments will be made into accumulation rather than income units.

5. Termination and Withdrawal

5.1 In all circumstances other than death or terminal illness of the Eligible Child, a JISA must run until the Eligible Child's 18th birthday, although as with ISAs, accounts can be transferred between account managers (see clause 3.1 above). Where all of the investments in a JISA have been transferred, We may close the remaining nil balance account.
5.2 Once the Eligible Child reaches 18, the JISA will automatically be transferred to an ISA. At this point our ISA Terms and Conditions apply (i.e. without the JISA Supplementary Terms and Conditions) and We will write to the Eligible Child requesting that they complete our standard ISA account opening forms, including providing their NINO (if they have one) and making the standard ISA declaration and authority in accordance with the Regulations.
5.3 No withdrawals from the JISA shall be permitted until the Eligible Child reaches 18 and instructs us to withdraw on closure of the JISA.
5.4 The only amounts that can be withdrawn prior to the Eligible Child's 18th birthday are to meet certain provider management charges and other specific expenses, or where the Eligible Child is terminally ill.

6. Termination on Death

6.1 Should the Eligible Child die before they reach 18 the JISA will close and the investments will become part of the child's estate.
6.2 Proof of the death of the Eligible Child must be provided before the JISA can be closed.
6.3 Any subscriptions made after the date of death are not valid subscriptions to the JISA. When an Eligible Child dies any income or gains arising in respect of the investments in their JISA arising after the date of death are not exempt from tax.

7. Eligible Child

7.1 Providing the Eligible Child has reached the age of 16, they can apply to become the Registered Contact on the JISA. See clause 8.5.

8. Registered Contact

8.1 Contract notes, statements, reports and accounts and all other account correspondence in relation to the JISA will be sent to the Registered Contact until such time as the Eligible Child reaches 18, unless the Eligible Child has requested to become the Registered Contact in accordance with clause 8.5 , or we have accepted a JISA Application Pack from an Eligible Child over the age of 16, in which case we will send all correspondence to the Eligible Child who will also be the Registered Contact.
8.2 We shall only accept instructions concerning the management of the JISA from the Registered Contact (in certain circumstances this may also be the Eligible Child, see clause 8.1).
8.3 There can only be one Registered Contact for an account at any time.
8.4 The role of Registered Contact can be passed to another person with parental responsibility. In most circumstances Registered Contact status can only be passed with the consent of the existing Registered Contact. See clauses 8.7 to 8.9.
8.5 If the Eligible Child between the ages of 16 and 18 applies to become the Registered Contact this does not require the consent of the existing Registered Contact (subject to an exception for children suffering mental disorder). Once the Eligible Child (i.e. the JISA Investor) has assumed Registered Contact status this cannot be passed on to another person (unless the child later suffers from mental disorder).
8.6 We may refuse an application from the Eligible Child to become the Registered contact which is incomplete or where in our reasonable opinion the information appears incorrect.
8.7 An application to be Registered Contact must contain the applicant's title (if any), first name, surname and middle initials, the applicant's address, including postcode, the child's title (if any), first name, surname and middle initials, the child's address, including postcode, the child's date of birth and the child's NINO (if they are aged over 16 and they have one). Applicants for Registered Contact status must also make certain declarations in line with those made by the original Registered Contact in the JISA Application Pack. We will write to applicants outlining these declarations at the time the application is made.
8.8 We may refuse an application to become the Registered Contact which is incomplete or where in our reasonable opinion the information appears incorrect.
8.9 A change in Registered Contact to someone who is not the Eligible Child will not normally be made unless consent of the Existing Registered Contact has been obtained (but see clause 8.10 for exemptions to this).
8.10 Consent of the existing Registered Contact is not needed in the following additional cases:
- 8.10.1 On the death or incapacity of the existing Registered Contact,
- 8.10.2 Where the existing Registered Contact lacks capacity,
- 8.10.3 Where the existing Registered Contact cannot be contacted,
- 8.10.4 Where a Court order brings to an end the existing Registered Contact being a person with parental responsibility for the Eligible Child,
- 8.10.5 Where a Court has appointed a Guardian or a Special Guardian of the Eligible Child,
- 8.10.6 Where a Court orders that the person who is the existing Registered Contact ceases to be so, or
- 8.10.7 Where the new Registered Contact has adopted the child under an adoption order.

In such cases We will need to satisfy ourselves that this the exemption applies, by examining suitable documentation.

8.11 A JISA account cannot be operated under a Power of Attorney for the Registered Contact.

8.12 If We are contacted by a person wishing to become the Registered Contact for a JISA and that person asks Us for details of the existing Registered Contact we are under no obligation to release this information.

8.13 Where an adoptive parent tells Us that they want to become the Registered Contact We would not give details of the existing Registered Contact or seek the agreement of the existing Registered Contact to the change. Once We are satisfied that the applicant has adopted the child, We would update Our systems to ensure all correspondence only goes to the correct contact.

9. Anti Money Laundering

9.1 Simplified due diligence can apply to the opening of a JISA so full Money Laundering checks are not required on the Eligible Child, the Registered Contact or anyone else subscribing to the JISA.
9.2 When an Eligible Child reaches 18, we will write to them requesting Anti Money Laundering Documentation alongside a request that they complete our standard ISA account opening forms (see clause 5.2).

APPENDIX 5: The Direct Debit Guarantee

Please keep this section for your records

The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit T. Bailey Fund Managers Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request T. Bailey Fund Managers Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by T. Bailey Fund Managers Limited or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when T. Bailey Fund Managers Limited asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

The information in this document is valid as at 1 November 2011. The information contained is updated at least annually, but may be updated more frequently. It will not always be possible to notify you of these updates, so please check the T. Bailey website or contact TBFM to check you have the most recent version.

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Issued by T. Bailey Fund Managers Limited ("TBFM"). TBFM is a Regulated Collective Investment Scheme Manager.
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