



An Exciting New Investment Option for Income Seekers

UK bank base rates a miserly 0.5%...returns from 10 year gilts a paltry 3.5%...

With interest rates so low, securing any meaningful return from your savings seems like an impossible, uphill struggle.

But it **is** possible if you know where to look.

A new firm, with experienced fund managers who have proven track records of strong investment performance, has been launched to provide innovative investments specifically designed to buck the low-income trend.

The new firm is

Querns Asset Managers



Querns Asset Managers

is a small partnership of industry professionals that offers you the opportunity to take advantage of the experience and expertise of two of the industry's leading fund managers, and gives you access to some of the best income-producing investments in the UK.

Key Highlights

- Established in South Oxfordshire in 2010
- Launched to provide innovative investment alternatives that deliver attractive income plus the potential for capital growth
- Fund managers with over 50 years' combined investment experience and proven track records in UK fixed interest and equities
- Highly knowledgeable partnership with extensive experience in user-friendly product design, efficient administration and compliance management



Querns Income First Fund

Querns' inaugural fund, the **Querns Income First Fund**, is being launched specifically to provide a **high income, low risk and tax-efficient investment** for frustrated income seekers. The objective of the Fund is to achieve a high level of income, together with some long term capital growth. Income is paid monthly and the Fund can be held in tax efficient wrappers such as ISAs and SIPPs.

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

Key Highlights

- Designed to achieve a high annual income – yield estimated to be initially about 6.2% for gross shares and 5.6% for net shares*
- Invests in high quality UK corporate bonds and UK equities, both with high levels of income
- Low 0.75% annual management fee
- Tax efficient Tax Elected Fund status
- Income paid monthly
- Available for direct investment and for both ISA and SIPP investments
- No initial charge
- Designed to prioritise income and aim for some long term capital growth
- Flexible asset allocation with bond/equity ratio of up to 20/80 either way to provide substantial flexibility between asset classes based on relative value at any given time
- Tax Elected Fund regime allows receipt of gross income from corporate bonds for ISA and SIPP investors, no matter what the proportion of bonds to equities
- Straightforward single pricing
- UK authorised UCITS scheme
- Fund structure designed as a low cost post Retail Distribution Review product

A copy of the Simplified Prospectus is available by contacting us:
Telephone: 0845 305 4212 Fax: 0845 280 0058 E-mail: enquiry@querns.co.uk www.querns.co.uk

The Fund Managers



Stephen Whittaker and Phil Roantree - The Fund Managers

The Querns fund management team consists of Stephen Whittaker and Phil Roantree. Stephen and Phil were investment colleagues for several years at New Star Asset Management. They are very familiar with each other's investment approach and enjoy an inherent understanding of how their respective styles can combine to provide a complementary and highly effective investment solution for income seekers. In short, they make a strong and united investment team.

Stephen Whittaker – Equities

Stephen has 29 years' experience of managing a wide variety of UK portfolios, including small companies, special situations, income and growth funds. He was responsible for building the UK Equity Investment Team at Perpetual plc, and was one of the Company's key speakers on the UK equity market. When he moved on from Perpetual in May 2002 his consistently successful investment approach was reflected in the performance of his UK Growth Fund, which was in the top decile for performance over many measurable periods.

In July 2002, he joined New Star Asset Management as UK Fund Manager, later becoming Joint Chief Investment Officer, and saw his UK Growth Fund grow substantially.

Throughout his career he has been involved in building investment companies into major industry players, using his extensive knowledge and experience to deliver results in terms of fund management, investment team building and influencing overall company strategy and direction.

Phil Roantree – Bonds

Phil has 23 years' experience in the financial services industry. He has managed a broad spectrum of bond portfolios for 18 years, including segregated, unit linked, sterling, global, government and credit portfolios. From 1994 to April 2009 he managed a Sterling denominated credit unit trust, originally managed by Prolific, through a number of changes of ownership of the fund's managing company, including Aberdeen Asset Management and New Star.

As well as working through the upheaval that inevitably follows management change, this also involved successfully negotiating tax legislation changes to restructure the fund away from preference shares towards bonds, to maintain maximum tax efficiency for PEP investors.

Phil's ability to manage his portfolio seamlessly and successfully through several major ownership and tax regime changes, maintaining his focus on delivering healthy income levels, highlights his commitment to providing investors with strong and stable investments and consistent, healthy returns. In addition to his responsibility for managing Querns' Fixed Interest portfolio, Phil will be using his attention to detail and industry experience in the role of Chief Investment Officer.

Querns Executive Team

The other two members of the Querns management team are Peter Gardner and John Tierney. They have 60 years' industry experience between them, covering all aspects of systems design, administration, technical and compliance functions, legal operations, risk management, product and business development, sales and marketing and client service. As colleagues for 10 years at Perpetual plc, they worked on the launch of numerous new funds, combining their knowledge to develop products that met all legal and technical requirements whilst remaining user-friendly and highly attractive to investors.



John Tierney and Peter Gardner

Peter Gardner - Chief Operating Officer and Compliance Officer

Peter has 31 years' experience in the financial services industry and is extremely experienced in the operations and regulation of asset management companies.

Peter was at Perpetual for 17 years and was instrumental in its development into a leading investment company, managing at various times fund administration departments, transfer agency functions and the compliance department as Chief Compliance Officer. For two years he was Perpetual's Technical Director, responsible for legal and regulatory advice and corporate governance issues, accounting technical matters, product design, administrative systems and specifying designs for computer systems.

Following the acquisition of Perpetual in 2000 by the global Amvescap organisation, he was appointed Compliance Officer and Money Laundering Reporting Officer for the group's UK businesses, which operated under the Invesco name, and as Compliance and Risk Director for Invesco UK. He was also a member of the group's UK Executive Committee, developing its strategic plans and products with responsibility for compliance, risk management and internal audit.

Peter has spent the last five years drawing on his extensive industry experience to advise fund supermarket and asset management companies in operational and regulatory matters.

John Tierney – Sales and Marketing Partner

John has 29 years' experience in the financial services industry covering a range of business development roles. He began his career in 1980 at Sun Alliance Insurance Group as an Administration Assistant and was soon appointed to the role of Life and Pensions Sales Consultant. His subsequent career has focused on Sales and Marketing.

Following a period with the Clerical Medical Investment Group, John was headhunted to run the Bank of Ireland's Fimbra registered Insurance broker. He joined Perpetual in 1990 as a Sales Consultant and worked there for 10 years, spending his final two years at the Company as Sales Director.

Since leaving Perpetual in 2000 he has added to his industry experience with a number of key business development roles, including Head of Retail Sales for Dresdner RCM Global Investors (UK).

Investment Statistics as at 1st June 2010. Source: Lipper Inc, a Thomson Reuters company.

Past performance is not a guide to future returns. The value of the fund and the income from it may go down as well as up, so you may not get back the amount you invested. The tax treatment of the Fund may change and such changes cannot be foreseen. Please refer to the latest Full Prospectus and Simplified Prospectuses for more information. Querns only gives information about its own products and services and does not provide investment advice based on individual circumstances.

* Gross shares are shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the fund. Gross Shares are available only to those investors in respect of whom distribution or allocation of income may be made without any tax being deducted or accounted for by the fund, for example UK pension funds and ISAs. All other investors will hold net shares. The yield reflects the historical income based on the estimated initial portfolio, as at 1st June 2010, and in the case of net shares is net of taxation deducted from the distributions, the yield will vary and investors may be subject to tax on their distributions. The fund charges and expenses, estimated to be 1.1% per year, are charged to capital. This has the effect of increasing the distribution(s) for the year by the amount of the charges

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