



Lloyds TSB  
**Offshore Funds**



Lloyds TSB Offshore

# Gilt Fund Limited

Key Features Document  
January 2009

# LLOYDS TSB OFFSHORE GILT FUND LIMITED SUPPLEMENT TO KEY FEATURES DOCUMENT

This document is a supplement (the "Supplement") to the Key Features Document dated January 2009 for Lloyds TSB Offshore Gilt Fund Limited (the "Key Features Document"). This Supplement has been issued by Lloyds TSB Offshore Fund Managers Limited and has been approved by Lloyds TSB Private Banking Limited, which is authorised and regulated by the Financial Services Authority.

The Key Features Document should be read subject to the amendments and additions set out overleaf in this Supplement.

April 2009

## Lloyds TSB Offshore Gilt Fund Limited

The following amendments should be read in conjunction with the contents of the original Key Features Document.

### **Application Form, Sections 5 (Data Protection) and 6 (Declarations and Signatures).**

With effect from 19th January 2009, Lloyds TSB Group plc changed its name to Lloyds Banking Group plc. In Section 5 of the Application form, the paragraph “The Lloyds TSB group includes all companies with the Lloyds TSB name, Cheltenham & Gloucester plc and Scottish Widows plc, and their associated companies.” should be replaced with “Your Group” means the Lloyds Banking Group, which includes you and a number of other companies using brands including Lloyds TSB, Halifax and Bank of Scotland, and their associated companies. More information on the Lloyds Banking Group can be found at [www.lloydsbankinggroup.com](http://www.lloydsbankinggroup.com). For these purposes "associated companies" includes Lloyds Banking Group plc and any subsidiary, affiliate or other firm directly or indirectly controlled from time to time by either Lloyds Banking Group plc or you.” All other references to Lloyds TSB Group plc and the Lloyds TSB Group should now be read as Lloyds Banking Group plc and the Lloyds Banking Group respectively.

Dated April 2009

## Important Notes

The value of investments and the income from them can go down as well as up and cannot be guaranteed. Consequently, investors may receive an amount greater or less than their original investment.

Past performance should not be seen as an indication of future performance.

To ensure security for our customers and staff and to help maintain service quality, some calls may be recorded and may be monitored.

This brochure has been issued by Lloyds TSB Offshore Fund Managers Limited and approved by Lloyds TSB Private Banking Limited, which is authorised and regulated by the Financial Services Authority.

Lloyds TSB Offshore Fund Managers Limited is not, and is not required to be authorised under the Financial Services and Markets Act 2000 of the United Kingdom and therefore the rules of the UK Financial Services Authority and the United Kingdom Financial Services Compensation Scheme do not apply to the Funds and no cancellation rights apply, however, the Funds are recognised under Section 270 of the Financial Services and Markets Act 2000.

Lloyds TSB Offshore Fund Managers Limited and Lloyds TSB Offshore Gilt Fund Limited have both been authorised by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law, 1988.

Investors are protected under the Collective Investment Funds (Recognized Funds) (Compensation for Investors) (Jersey) Regulations 1988 in the event of the default of the Fund or the Manager.

The registered address of Lloyds TSB Offshore Fund Managers Limited and Lloyds TSB Offshore Gilt Fund Limited is P.O. Box 160, 25 New Street, St Helier, Jersey JE4 8RG.

The supply of the product described in this document meets the provisions of The Distance Marketing of Consumer Financial Services Directive Instrument (2002/65/EC).

Please note that we are required to advise you of the possibility that there may be other costs or taxes imposed by third parties in connection with these products in addition to those described in this document. However, at the date of this document, the Directors are not aware of any such costs.

The information contained in this Key Features Document does not constitute an invitation to buy or the solicitation of an offer to sell securities or accept deposits or to provide any other products or services in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation, nor should it be construed to constitute any investment advice.

Legislation or regulations in your home jurisdiction may prohibit you from entering into such a transaction with us. We reserve the right to make final determination on whether you are eligible for any products or services

Residents or Nationals of certain jurisdictions may be subject to exchange controls and should seek independent advice before entering into any transactions with us.

# Key features document

## Introduction

Lloyds TSB Offshore Gilt Fund Limited (the “Company” or the “Fund”) was incorporated in Jersey on 6th October 1978 and will exist until dissolved by Special Resolution of its Shareholders. All Shares not previously redeemed will be redeemed on 30th September 2078.

In the following pages, you will find details of the aims, risks and other principal features of Lloyds TSB Offshore Gilt Fund Limited. Please take the time to read this document carefully before investing. If you are unsure as to whether the Fund is suitable for your needs, we strongly recommend that you contact your Financial Adviser for personal advice.

Please note that you may have to bear the cost of such advice.

This document should be read in conjunction with the Company’s Prospectus. Copies of the Prospectus, Annual Report and Audited Accounts and any subsequent interim report are available from the Manager, free of charge, on request.

Once you have read this document and decided to invest, you will find the application form on page 13.

## Lloyds TSB Offshore Gilt Fund Limited

Lloyds TSB Offshore Gilt Fund Limited is a Jersey registered open ended investment company. The Company’s shares are divided into two classes (each a “Class” and together “Classes”).

Class “A” where dividends are paid quarterly (“Quarterly Income Class”).

Class “B” where dividends are paid monthly (“Monthly Income Class”).

Both Classes share a single portfolio of investments.

## Contact Details

Lloyds TSB Offshore Fund Managers Limited,  
P.O. Box 311, 11-12 Esplanade, St. Helier, Jersey,  
Channel Islands JE4 8ZU

Telephone: + 44 (0) 1534 845555

Facsimile: + 44 (0) 1534 845556

E-mail: [funds@lloydtsb-offshore.com](mailto:funds@lloydtsb-offshore.com)

Website: [www.funds.lloydtsb-offshore.com/funds](http://www.funds.lloydtsb-offshore.com/funds)

## Aims

### Investment Objective and Policy

To provide an opportunity for investors who require a good level of income to take advantage of a managed portfolio of British Government and other public securities which also provide security and a measure of capital protection.

The main area of investment is those British Government securities in respect of which persons ordinarily resident outside the United Kingdom may receive income not subject to United Kingdom taxation. In addition, investment may be made in other sterling bonds, issued or guaranteed by or on behalf of certain governments, local authorities or international organisations. The Company may hold cash or monies on deposit with certain classes of institution for limited purposes. A flexible investment policy will be pursued by investing in varying proportions of long, medium and short-dated stocks depending on economic conditions.

## Your Investment

The minimum initial investment is £5,000 or £50 per month through the Regular Savings Plan (see page 5). Additional investments in either Class may be made at any time subject to a minimum amount of £50.

## Risk Factors

It should be remembered that the price of Shares and the income from them can go down as well as up. Consequently, and particularly in the case of early encashment, you might not get back the amount originally invested. Dividends are not guaranteed and may fluctuate in money terms. The Fund may purchase fixed interest securities at prices above their ultimate redemption value and this will result in a gradual reduction in the capital value of the Shares, except when fixed interest prices generally are rising.

It should be noted that the interest rate on most government bonds is fixed and will not increase in line with the rate of inflation.

Past performance should not be seen as an indication of future performance.

You should consider holding your investment on a medium to long term basis, for a minimum of five years but preferably ten years or more.

### Market price risk

The Fund invests principally in fixed interest securities. The value of these is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual bond or be caused by general market factors (such as interest rates, government policy or the health of the underlying economy) which could affect the entire portfolio of the Fund.

### Interest rate risk

The Fund receives income from its investments in bonds and loan stocks. These cashflows are primarily fixed in nature. They are derived from the securities held in the portfolio of the Fund which may be varied from time to time in accordance with its investment objective and policy.

## Liquidity risk

The main liabilities of the Fund relate to the redemption of Shares and the settlement of investment transactions.

All of the Fund's financial assets are considered by the Manager to be readily realisable in accordance with the market practices of the exchange on which they are traded. The Manager manages the Fund's cash to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Shares, the Fund may borrow up to 10% of its value to ensure settlement of its liabilities.

## Derivatives

Derivatives will only be used for the purposes of reducing risk where they accord with existing investment objectives and policy. They may not be used independently of investment strategy in respect of the underlying physical assets or for merely speculative purposes. Derivatives will only be used for efficient portfolio management. Derivatives may not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income.

No Derivative can be traded on an OTC basis, and no uncovered positions are allowed.

## Capital risk

In order to achieve the desired rate of income return from the Fund, the income return may be at the expense of capital growth in the value of the Shares.

## Stocklending

The Custodian may, at the request of the Manager, enter into stocklending transactions when it reasonably appears to the Manager to be economically appropriate to do so with a view to generating additional income for the Fund with no, or an acceptable degree of risk, and otherwise in accordance with the Collective Investment Funds (Recognized Funds) (Jersey) Order 2003 (the "Order").

The Directors have considered the risks associated with Stocklending and have agreed that any such risks would be mitigated by entering into an arrangement only with a suitably experienced partner, lending only to approved counterparties and ensuring that the counterparty deposited collateral of a readily realisable nature and of sufficient value to cover the cost of the security being lent.

The Directors also propose that no such arrangement would be initiated unless the Company was in a position to derive sufficient benefit as to outweigh any potential costs and risks associated with the programme.

## Counterparty risk

Certain transactions that the Company enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.

It is the policy of the Manager to buy and sell investments only through approved brokers.

## Other risks

Our charges may have to rise in the future which could reduce the value of your investment.

The tax levels and reliefs are those applicable as at December 2008 and may change. The value of any tax advantage will depend on your individual circumstances. The taxation basis of the Company may change, with retrospective effect.

Investors should be aware that all or most of the protections afforded by the United Kingdom regulatory system do not apply.

## Your questions answered

### What are the product characteristics?

Lloyds TSB Offshore Gilt Fund Limited is a collective investment scheme and is organised as an investment company. It operates in a similar manner to unit trusts or mutual funds. The principle of collective investment schemes is that your money is pooled with that of other investors to make up the scheme. This enables professional investment management and facilitates diversification.

Lloyds TSB Offshore Gilt Fund Limited has two Classes with a common pool of assets. The Company issues Shares to represent each investor's proportional interest in a Class. The Company holds a permit under the Collective Investment Funds (Jersey) Law, 1988, as amended and is recognised in the United Kingdom under Section 270 of the Financial Services and Markets Act 2000.

### How do I invest?

Applications may normally be made on any business day in Jersey between the hours of 9.00am and 5.00pm.

You may:-

- Contact your Financial Adviser; or
- Complete the application form on page 13 and send this together with your cheque in settlement to the Manager at the address shown on the application form or alternatively complete the Electronic Funds Transfer Form and enclose this with your application form. Please refer to Section 8 of the application form for anti-money laundering requirements and ensure that any documentation required is enclosed with your application form.
- Investments can only be made on receipt of cleared funds, a completed application form and supporting documents.

For investments in the Regular Savings Plan see page 5.

### Will I receive an income?

You can choose to take income on a regular basis as it is paid or you can decide to have the income reinvested through the purchase of further Shares in the same Class. It is a requirement of the Regular Savings Plan that dividends are reinvested in the same Class.

Where dividends are to be reinvested they are paid to the Manager who will purchase additional Shares in the same Class at the first available buying price following the payment of the dividend.

Dividends, which may be subject to tax in the hands of the investor, are currently paid gross except in the following circumstances:

- Jersey residents where Jersey tax is deducted
- EU residents who have not completed the form for the election to exchange information where Retention Tax at the rate of 20% (35% from 1st July 2011) will be deducted, and
- Maltese Residents who have requested the deduction of Maltese Final Withholding Tax.

It is the responsibility of the investor to account to the relevant tax authority for any tax due on income received.

If you choose to take income the distribution dates for the dividends, if any, are:

#### Lloyds TSB Offshore Gilt Fund Limited

Monthly Income Class	25th of each month
Quarterly Income Class	15th February, May, August and November

The Manager estimates the Gross Redemption Yields, after charges and the Income Yields of both funds. The Gross Redemption Yield represents the total return that an investor would receive if all of the holdings within the Fund's investment portfolio were held until they reached their maturity date. The Income Yields are based upon the current sale price and anticipated dividend rate for each Class.

The Income Yields of the two classes of Lloyds TSB Offshore Gilt Fund Limited reflect their different distribution frequency and that the generally lower Income Yield on the quarterly class is offset by a compensating effect on the value of the Shares.

The estimated yields on 31st December 2008 were:

	<b>Gross Redemption Yield</b>	<b>Income Yield</b>
Monthly Income Class	2.16%	3.33%
Quarterly Income Class	2.16%	3.33%

## At what price will I buy shares?

The Manager calculates the dealing prices at which you may buy and sell Shares; the calculation of these prices is based upon the Manager's valuation of the Fund's portfolio on a mid price basis.

Shares will be purchased at the dealing price, plus the initial charge and any applicable dilution levy and Shares will be redeemed at the dealing price, less any applicable dilution levy. On 28th November 2008 (the latest practical date available prior to publication of this document) the differences between the cost of buying and redeeming Shares of each Class were 3.5% of the amount invested.

The Fund is generally valued at 10.00am each Dealing Day. Applications received by letter post by the close of business on the business day immediately preceding the relevant Dealing Day will be transacted at the next valuation point. Applications received by other means must be received no later than the valuation point on that Dealing Day in order to be transacted at that valuation point, otherwise they will be held over and transacted on the following Dealing Day.

Dealing prices of Shares are published periodically in appropriate newspapers. Prices quoted in this way will be the latest available prices prior to that publication's printing deadlines and will not therefore be the prices at which transactions will be effected on the day such prices are published. The date at which the prices are calculated will be included in the publication. Please note that the Manager cannot accept responsibility for the accuracy of the information published in newspapers. For current prices you should telephone us on +44 (0) 1534 845555.

## Regular Savings Plan

The Regular Savings Plan is available in sterling in respect of both Classes with a minimum investment of £50 per Month, per Class selected.

Deals carried out under the Regular Savings Plan will be carried out on the last business day of each month.

Investors' sterling bank accounts will be debited after the 20th of each month by Direct Debit.

Dividends must be reinvested in the purchase of further Shares in the same Class.

Shareholders wishing to stop saving in the Plan should inform the Manager in writing, as well as cancelling their Direct Debit with the branch that holds the account. The Manager will stop all further investments. The Shares acquired may be retained at the investor's option where payments equal to or greater than the Minimum Holding have been made. Otherwise they will be sold by the Manager and the proceeds remitted to the investor.

Please ensure that Lloyds TSB Offshore Fund Managers Limited is informed of any changes to payment amounts. Failure to advise details of any changes may cause delay in processing payments and deals.

## How often do the prices of shares change?

The Fund is normally valued at 10.00am on each business day for the purpose of calculating the dealing prices.

## How can I sell my holdings?

You can sell all or part of your share holdings subject to retaining the minimum initial investment in either of the Classes normally on any business day in Jersey between the hours of 9.00am and 5.00pm. The Fund is generally valued at 10.00am each Dealing Day. Repurchase requests received by letter post by the close of business on the business day immediately preceding the relevant Dealing Day will be transacted at the next valuation point. Repurchase requests received by other means must be received no later than the valuation point on that Dealing Day in order to be transacted at that valuation point, otherwise they will be held over and transacted at the valuation point on the following Dealing Day.

Settlement will normally be paid on the due settlement date to the bank and account nominated in section 3 of the application form. If this is not practical or where no Nominated Bank Account details have been given, we will send you a cheque (at your own risk) within 5 working days of receiving your original written request, signed by all shareholders and any relevant share certificate(s) that have been issued. Settlement will be made in sterling and will only be made to, or for the account of, the registered Shareholder(s).

## Can I switch my investment between Funds/Classes?

You may exchange Shares of one Class for Shares of the other Class subject to the amount exchanged being £5,000 or more. Shares being exchanged will be sold at that Fund's dealing price less any applicable dilution levy and the Shares being acquired will be purchased at that Class's dealing price plus any applicable dilution levy and excluding the initial charge.

## What is the tax position of the Company?

With effect from 1st January 2009 the Company will be liable to be charged to tax at a rate of 0% under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the "Income Tax Law") in respect of (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere, (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or without of Jersey, (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company, (iv) income arising to the Company from securities out of Jersey and (v) any other income of the Company that is not derived from the ownership

or disposal of land in Jersey. It is not expected that the Company will be in receipt of income charged to tax under any Schedule under Income Tax Law other than Schedule D. As such the Company will no longer be subject to the payment of tax in Jersey.

## What is the tax position of Investors?

The tax information contained in this document is based upon Lloyds TSB's interpretation of current law and practice as at December 2008 and is, therefore, liable to be changed by any subsequent Act or budget, or amendment thereto, which could be with retrospective effect.

It is the responsibility of the investor to account to the relevant tax authority for any tax due on income received. Tax treatment depends on the individual circumstances of the investor and prospective shareholders should inform themselves of, and where appropriate take advice on, the tax consequences applicable to the subscription, holding and redemption of Shares in their country of citizenship, residence or domicile.

Jersey does not levy taxes on capital, inheritance, capital gains or gifts.

## Death of an Investor

It will be necessary to take out a Jersey Grant of Probate or Letters of Administration on which stamp duty is payable on the death of a sole holder of Shares. Other than personal application by the appointed Executor/Administrator, they may only be obtained through a Jersey advocate or solicitor or an authorised Jersey trust company which will be at a charge.

The Manager may, at its absolute discretion, waive the requirement for Jersey Grant of Probate or Letters of Administration on receipt of satisfactory documentary or other information as to entitlement and security where:-

- the shareholder dies domiciled in the United Kingdom, Guernsey or the Isle of Man; and
- the aggregate value of the deceased's Jersey Estate held by the Company does not exceed £10,000 (or other amount prescribed from time to time); and
- the release of the asset is to the person who would be entitled to receive such asset under a will or intestacy. The Manager may require an indemnity from the receiving party for such payment to be made.

## European Union (Including United Kingdom) Tax Considerations

The European Union Savings Tax Directive (“EUSTD”) was effective from 1st July 2005. Its purpose is to ensure that European Union (“EU”) residents pay tax on savings income in accordance with the tax laws in their country of residence. Although the Channel Islands and Isle of Man are not part of the EU, they have agreed (along with Switzerland and a number of other jurisdictions) to apply similar provisions.

The ultimate aim of EUSTD is to bring about effective taxation of savings income through exchange of information between EU member states, however for a transitional period it has been agreed that certain jurisdictions (including the Channel Islands and the Isle of Man) may apply a withholding tax instead. As a result financial institutions will be applying tax, currently at the rate of 20%, to all savings income payments to EU residents with accounts in the Channel Islands and the Isle of Man. This will increase to 35% from 1st July 2011. This tax is known as a Retention Tax.

As distributions and the income element of redemption proceeds from investments in Lloyds TSB Offshore Gilt Fund Limited fall within the scope of the Directive, Lloyds TSB Offshore Fund Managers Limited will be applying the requirements of the Directive to investments made by investors who are resident in the EU for tax purposes.

Retention tax will be deducted from all savings income payments, unless you authorise us in the form on page 19 to declare the amount paid, to the relevant tax authority. Alternatively if you are exempt from taxation in your country of residence or you wish to opt for Exchange of Information complete the form on page 19 and interest will be paid to you gross. By electing for Exchange of Information, details of your identity, residence, details of the total dividend paid and, in the case of redemptions, details of the proceeds will be sent to the Jersey Tax Authorities for onward communication to your home tax authority.

## Jersey Investors

Jersey Income Tax at the prevailing rate will be deducted from dividends paid to Jersey residents.

## United Kingdom Investors

### Income tax

(i) Income tax is payable on dividends paid at 10% or 32.5% depending upon their personal circumstances. Individuals may benefit from personal or other reliefs in respect of dividends paid.

### Capital gains tax

(ii) Capital gains tax is payable at the investor’s prevailing rate of income tax on net gains realised in any financial year which exceed the current exemption limit.

Further details of the taxation basis and levels can be found in the Company’s Prospectus.

## What information will I receive?

Applications will not be acknowledged but we will send you a contract note detailing the terms of your investment on the next business day after your transaction is effected, except in the case of regular savers who will receive a half yearly statement.

Share certificates are not issued.

We will send you the Company’s Report and Accounts within 4 months of the annual accounting date and the interim accounting date. Statements of the value of your holding(s) will be sent to you on request.

If you want to keep up to date with the latest value of your investment you may want to consider signing up to our Online Portfolio Service. This service is offered at no cost to the investor and enables you to access details of your investment online. For details visit [www.lloydstsb-offshore.com/funds](http://www.lloydstsb-offshore.com/funds)

## How will charges and expenses affect my investment?

The effect of charges and expenses on an investment of £10,000 is set out in the tables appearing below. An assumed growth rate of 7.0% is used for each Class. The assumed growth rate is not guaranteed and is not necessarily representative and is purely used for the purposes of demonstrating the effect of charges and expenses on an investment of £10,000.

The buying price of shares includes an initial charge and each month an amount equal to 1/12 of the Fund's annual management fee will be deducted from the Fund for the benefit of the Manager.

In addition, certain expenses are charged to the Fund and these charges are taken into account when determining the price of Shares. These costs include Custodian fees, regulatory fees, auditors fees and printing costs.

All fees and expenses are taken from income.

These charges are summarised below:-

Lloyds TSB Offshore Gilt Fund Limited			
	Initial Charge %	Management Fee %	Other Expenses %
Monthly Income Class	3.5	0.85	0.29
Quarterly Income Class	3.5	0.85	0.29

Shares are purchased and redeemed at the dealing price. Any difference between these prices is restricted to the amount of the initial charge and any applicable dilution levies.

### Lloyds TSB Offshore Gilt Fund Limited - Quarterly Income Class

Income Distributed					Income Reinvested	
At end of year	Investment to date	Effect of deductions to date	Income to date	What you might get back at 4% per annum	Effect of deductions to date	What you might get back at 4% per annum
1	£1,000	£48	£33	£957	£49	£990
3		£74	£100	£944	£80	£1,040
5		£103	£165	£931	£115	£1,100
10		£183	£324	£900	£221	£1,250

Whilst 6% is the standard rate used for comparison, we have used a reduced growth rate of 4% as we feel it is more appropriate in this circumstance given the nature of the fund.

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £183 in the case of distributed income and £221 where income is reinvested. Putting it another way, this would have the same effect as bringing the illustrated growth from 4% a year down to 2.4% in the case of distributed income and to 2.3% where income is reinvested.

### Lloyds TSB Offshore Gilt Fund Limited - Monthly Income Class

Income Distributed					Income Reinvested	
At end of year	Investment to date	Effect of deductions to date	Income to date	What you might get back at 4% per annum	Effect of deductions to date	What you might get back at 4% per annum
1	£1,000	£48	£33	£957	£49	£990
3		£74	£99	£945	£80	£1,040
5		£103	£164	£932	£115	£1,100
10		£183	£323	£901	£221	£1,250

Whilst 6% is the standard rate used for comparison, we have used a reduced growth rate of 4% as we feel it is more appropriate in this circumstance given the nature of the fund.

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £183 in the case of distributed income and £221 where income is reinvested. Putting it another way, this would have the same effect as bringing the illustrated growth from 4% a year down to 2.4% in the case of distributed income and to 2.3% where income is reinvested.

## How much will any advice cost?

Your financial adviser will give you details about his/her own costs. The amount may depend upon the size of your investment and in the case of regular savings, the period for which you make them.

Commission may be payable to approved intermediaries upon the purchase of Shares. It will be paid out of the Manager's charges and not those of the Company.

## Further information

### Can I change my mind?

The cooling off period applicable to UK unit trusts does not apply to offshore funds. You can however, sell your investment as explained on page 6.

### Who is the Manager?

Lloyds TSB Offshore Fund Managers Limited,  
Registered Office, P.O. Box 160, 25 New Street, St Helier,  
Jersey, Channel Islands JE4 8RG.

Principal Place of Business, P.O. Box 311, 11-12 Esplanade,  
St. Helier, Jersey, Channel Islands JE4 8ZU.

The Manager holds a permit under the Collective Investment  
Funds (Jersey) Law, 1988, as amended.

### Who is the Custodian?

Capita Trust Company (Jersey) Limited,  
Registered Office  
12 Castle Street, St Helier, Jersey, Channel Islands JE2 3RT

The Custodian holds a permit under the Collective Investment  
Funds (Jersey) Law, 1988, as amended.

### Who is the Investment Manager?

Scottish Widows Investment Partnership Limited, 10 Fleet Place,  
London EC4M 7RH, England which is authorised and regulated  
by the Financial Services Authority of the United Kingdom.

### Who is the Auditor?

PricewaterhouseCoopers CI LLP, Twenty Two Colomberie,  
St Helier, Jersey, Channel Islands JE1 4XA.

Information concerning commission is available on request from the Manager and will be included in the information sent to you upon the purchase of Shares.

Any commission due other than trail commission will normally be paid within one month of the Shares being entered on to the register of Shareholders, subject to the completion of any necessary documentation.

### Who is the Regulator?

Jersey Financial Services Commission, PO Box 267, 14-18  
Castle Street, St. Helier, Jersey, Channel Islands JE4 8TP.

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

Complaints should be sent to the Manager who will investigate all complaints. A leaflet entitled "How to voice your concerns – resolving your complaints with us" is available from the Manager or on application in writing from P.O. Box 160, 25 New Street, St. Helier, Jersey JE4 8RG. If you are not satisfied you have the right to complain directly to the Jersey Financial Services Commission, P.O. Box 267, 14-18 Castle Street, St. Helier, Jersey, Channel Islands JE4 8TP.

### What are the compensation arrangements?

The Financial Services and Markets Act 2000 of the United Kingdom and the rules and regulations of the Financial Services Compensation Scheme made under that Act do not apply to the Company. Investors are however protected under the Collective Investment Funds (Recognized Funds) (Compensation for Investors) (Jersey) Regulations 1988 in the event of the default of the Company or the Manager.

### Where can I get further information?

In the first instance, contact your Financial Adviser or the Manager. Copies of the Company's Prospectus and the most recent annual and any subsequent interim Report and Accounts may be obtained free of charge on request from the Manager.

## Information disclosure

The Manager conducts its business in accordance with legal and regulatory requirements locally, including anti-money laundering requirements which require the Manager to disclose information that would otherwise be confidential in circumstances where the Manager suspects its client of benefiting from or engaging in criminal activity including tax fraud.

## In what jurisdictions is the Company authorised?

Cyprus – The Company and its sub-funds have been granted authorisation to market their shares in the Republic of Cyprus through Lloyds TSB Offshore Limited by virtue of sub sections (3)(a) and (5) of section 130 of the Open Ended Undertakings for Collective Investment in Transferable Securities (UCITS) and Related Issues Law of 2004.

Gibraltar – The Company is a recognised scheme under the provisions of Section 40 of the Financial Services (Collective Investment Schemes) Ordinance 2005.

Guernsey – The Company is authorised to be promoted in Guernsey by Lloyds TSB Offshore Limited under the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Isle of Man – The Company is a recognised scheme under Paragraph 1 of Schedule 4 of the Collective Investment Schemes Act 2008 (CIS Act 2008”) of the Isle of Man.

Malta – The Company has been granted a Collective Investment Scheme License by the Malta Financial Services Authority under the provisions of the Investment Services Act 1994.

Republic of Ireland – The Company has been approved to market its shares to the public in the Republic of Ireland by the Central Bank of Ireland.

South Africa – The Company has been approved for sale by the South African Financial Services Board under section 65 of the Collective Investment Schemes Control Act 2002.

United Kingdom – The Company has been classed as a ‘recognised’ scheme by the Financial Services Authority.

## Please Note

This document was printed in January 2009.

It is normally reviewed annually so some of the information in it may have since changed.

If you wish to check any of the information contact your Financial Adviser or the Manager.

The annual and initial charges and spreads shown in this document and used in the calculation of the effects of charges were those current on 28th November 2008.

The ‘other expenses’ have been calculated using the last published audited Report and Accounts to September 2008.

## Contact Details

Lloyds TSB Offshore Fund Managers Limited,  
P.O. Box 311, 11-12 Esplanade, St. Helier, Jersey,  
Channel Islands JE4 8ZU

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## E-mail Policy

Please note that messages sent by email may not be secure and may be intercepted by third parties. For these reasons, please do not use e-mail to send us communications which contain confidential information or instructions as we require these instructions to be in writing. If you disregard this warning and choose to send us confidential information, you agree that you do so at your own risk and that you will not hold the Manager responsible for any loss you suffer as a result.

If your e-mail message contains any instructions in relation to your account it will be ignored and as a consequence we will not:

- Purchase, sell, redeem, repurchase, exchange or convert Shares in any fund,
- Transfer funds,
- Make payments of any kind,
- Stop payments,
- Change personal data,
- Provide valuations.

Please note that the Manager cannot accept any liability for any loss or damage incurred from the use of e-mail or the internet.

# Glossary

## **Contract note**

The written confirmation of a sale or purchase of Shares giving details of the number of Shares, the price and date relating to the transaction. The Fund Manager produces this document once the bargain has been struck.

## **Cooling off period**

A period of ten days running from the date on which a contract for an investment is deemed to have been entered into, during which period the investor is able to change their mind and cancel the contract. This is a statutory right under the Financial Services Act (Cancellation) Rules 1987 which does not apply to investments in offshore funds, including this Fund.

## **Custodian**

A bank or financial institution, independent of the Fund Manager, appointed by the Fund and the Fund Manager for the purpose of holding assets on behalf of the Fund for safekeeping.

## **Derivative**

Financial instruments sometimes used within a portfolio of investments which allow investors to hedge against price movement.

## **Equities**

A term relating to investments in shares in a company listed on a stock exchange.

## **Hedging transactions**

A transaction carried out in order to reduce or eliminate an unwanted effect. May be used where, for example, it is desired to take advantage of higher interest rates in other currencies but a hedging transaction is entered into in order to negate an expected potential adverse movement in the exchange rates.

## **Intermediaries**

These are independent financial advisers or institutions/companies that provide advice on investment products, including offshore funds.

## **Net Asset Value**

The value of a fund based on the market values of the underlying assets, taking into account cash balances and all other assets and liabilities of the fund. The Net Asset Value per share is calculated by dividing this figure by the number of Shares in issue.

## **Open-ended investment company**

A generic term describing a type of collective investment scheme which is incorporated as a limited company. The number of Shares in issue in an Open-ended investment company will vary according to the demand for the shares from investors.

## **Recognised scheme**

A term indicating that the fund meets certain criteria as set out by the Financial Services Authority and is able to be marketed and sold in the United Kingdom.

## **Redemption**

The transaction when an investor sells their shares back to the Fund or the Manager. This may also be called a "Repurchase".

## **Securities**

A general term referring to a wide range of different investments such as shares, debentures, government securities, unit trusts and collective investment schemes.

## **Trail commission**

Commission paid by the Fund Manager to an agent or IFA for introducing business. This commission is paid on an ongoing basis, normally for the time that the money remains invested in the Fund, and is not a one off payment.

## **Yield**

A term used for the rate of income from an investment, which is expressed in percentage terms and is based on the capital value of the investment. It provides an indication of the rate of return that an investor may receive when purchasing the investment at the price on which the yield has been calculated. The yield on the funds will vary from day to day according to the income generated by the underlying investments in the fund and the current dealing price.

[www.lloydstsb-offshore.com/funds](http://www.lloydstsb-offshore.com/funds)