



The PanDYNAMIC Funds (OEICs)

Active Asset Allocation with ETFs

The PanDYNAMIC family of risk-profiled funds are new low-cost investments for all types of investors. Using Evercore Pan-Asset's dynamic asset allocation process they invest mainly in carefully selected Exchange Traded Funds (ETFs). They mirror the investment approach of the successful PanDYNAMIC Model Portfolios.

A Better Way to Invest

We believe the decision about how much to have in equities, bonds, property or other assets is likely to have the greatest impact on your investment performance – much more than whether you pick the right share. Sometimes the crucial decision is whether to be invested at all or whether to be in cash instead. If we believe that an asset will do badly or that difficult markets are ahead we can reduce risk by switching to cash for a short time.

Our investment professionals monitor world markets day-by-day and make these important decisions for the PanDYNAMIC Funds. We concentrate on the big picture and try to minimise the impact of costs on your investment returns. We invest using low-cost index-tracking ETFs and aim to keep the overall cost of investing in the PanDYNAMIC Funds down to just 0.6% per annum for institutional and charity investors. The overall cost for retail investors may be higher.

Global Vision

The growth of index-tracking ETFs available means that we can safely and cheaply access the performance of a wide range of asset classes around the world. Our investment universe covers over 30 asset classes across all geographic regions including equities, bonds, property, commodities and currencies.

The asset allocation team constantly seek the best investment opportunities around the world for each Fund. We look for signs of the higher long-term growth which normally drives an asset to outperform over time. We hold a strong belief that the economic and political emphasis is moving steadily from the old Western economies which dominated the last century towards the Asian economies which will dominate this one. Our portfolios attempt to capture the opportunities created by this seismic shift, while not losing sight of the potential still offered by the traditional markets.



“Choosing the right markets and assets will be crucial for making money after the Credit Crunch. We concentrate on that Big Picture decision.”

John Redwood

“Political and economic power is moving towards Asia. Investors need exposure to this seismic shift.”

Christopher Aldous



Benefits

- Reduced cost to the client
- Clearly defined risk and return benchmarks
- Dynamic asset allocation process including holding cash to help preserve capital
- Clear monthly reporting

EXTENDED FUND RANGE. SAME LOW CHARGES.

Now available:

- PanDEFENSIVE *New*
- PanBALANCED
- PanGROWTH
- PanAGGRESSIVE *New*

If you would like more information please telephone us on 020 7398 5840 or email us at funds@pan-asset.co.uk.

For an application form please go to our website at www.pan-asset.co.uk/funds or contact Phoenix Fund Services: Springfield Lodge, Colchester Road, Chelmsford CM2 5PW. Telephone: 01245 398 950.

www.pan-asset.co.uk/funds

The PanDYNAMIC Funds



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	Defensive					Balanced					Growth					Aggressive				
Equivalent Typical Risk Group (Based on a range of 1 (low) – 7 (high))	1-2					3-4					5-6					7				
Typical Growth/Defensive Split	10:90					50:50					80:20					100:0				
Current Growth/Defensive Split	10:90					46:54					75:25					100:0				
Asset Allocation (%)	Minimum	Maximum	Typical weight	Current weight	Planning range	Minimum	Maximum	Typical weight	Current weight	Planning range	Minimum	Maximum	Typical weight	Current weight	Planning range	Minimum	Maximum	Typical weight	Current weight	Planning range
Cash	0	100	10	0	0-100	0	100	0	0	0-100	0	100	0	1	0-100	0	100	0	0	0-100
Bonds	0	100	80	90	0-100	0	70	40	53	0-70	0	30	10	24	0-30	0	100	0	0	0-100
Equities	0	20	10	10	0-20	0	70	50	32	30-70	0	85	65	49	50-85	0	100	75	61	40-100
Other Assets	0	0	0	0	0	0	20	10	14	0-20	0	30	25	26	10-30	0	40	25	39	0-40
Benchmark	1+ times sterling cash					1.5 times sterling cash					2 times sterling cash					2.5 times sterling cash				
Sensitivity to Volatility	5% fall					15% fall					25% fall					30% fall				

*At average rates

Source: Evercore Pan-Asset Capital Management Ltd/Pertrac/Thomson Reuters Note: End July 2010 Data

The PanDYNAMIC Funds

The PanDYNAMIC Funds offer a choice of four risk and return options: **Defensive**, **Balanced**, **Growth** and **Aggressive**. We seek to match risk to an investor's requirements. Risk appetite is measured in terms of maximum tolerance of loss while return benchmarks are linked to multiples of cash returns.

The portfolios are carefully constructed using appropriate asset classes for each Fund's stated risk level. Detailed back-testing and performance simulations are used to verify that the Fund is likely to match the stated risk parameters. The full range of asset classes and sub-classes includes bonds, equities, listed property, commodities and, of course, cash.

A summary of the characteristics of each Fund is shown in the table above, together with the core weightings in each asset class. The table also states the performance benchmarks and an indicative level of risk during normal market conditions. The range of assets which may be included in each Fund is shown on the back page.

We will seek to mitigate risk in difficult markets by holding more cash and avoiding riskier assets. The Funds target rates of return above inflation over the longer term, coupled with a lower risk of loss than comes from remaining fully invested at all times. Therefore their performance will not necessarily track the rise (or fall) of any specific index.

Risk

Each Fund has a targeted level of risk which is measured in terms of sensitivity to volatility or in other words the target maximum loss that a fund could make and therefore an investor is willing to accept in any one year. The target sensitivity to volatility does not represent a guarantee that this will be the maximum downside, but is purely an indication of the objective of the fund. We calculate risk by looking at historic data which is not always a good guide for the future. We also need to exercise judgement about current conditions. The four funds offer a range of risk profiles from low risk to high risk. You should take advice from your Independent Financial Adviser (IFA) or an investment professional if you are not sure which level of risk is appropriate for you.

Performance

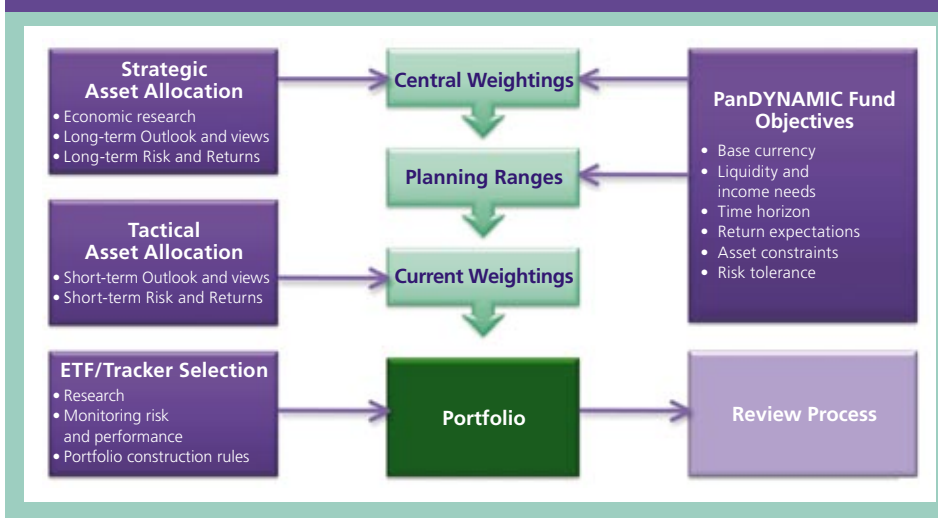
The PanDYNAMIC Funds are recently launched and no performance record is available. It is expected that they will perform very similarly to the PanDYNAMIC Model Portfolios already available from IFAs. Past performance is not necessarily a good indication of likely future performance. A simulation exercise has been carried out using Pertrac performance modelling software and data supplied by Thomson Reuters and Bloomberg for the period from 1999 to 2009 to assess the risk characteristics of each fund.

Note: These Funds are sub-funds of an Open Ended Investment Company and are authorised by the Financial Services Authority. They are compliant with all UCITS III regulations and have an independent Depository and an independent Authorised Corporate Director to supervise the acquisition and safe-keeping of the assets. Links for daily prices based on Net Asset Value will be available on the Evercore Pan-Asset website and Investment Management Association (IMA) website. Dealing is at

The PanDYNAMIC Funds



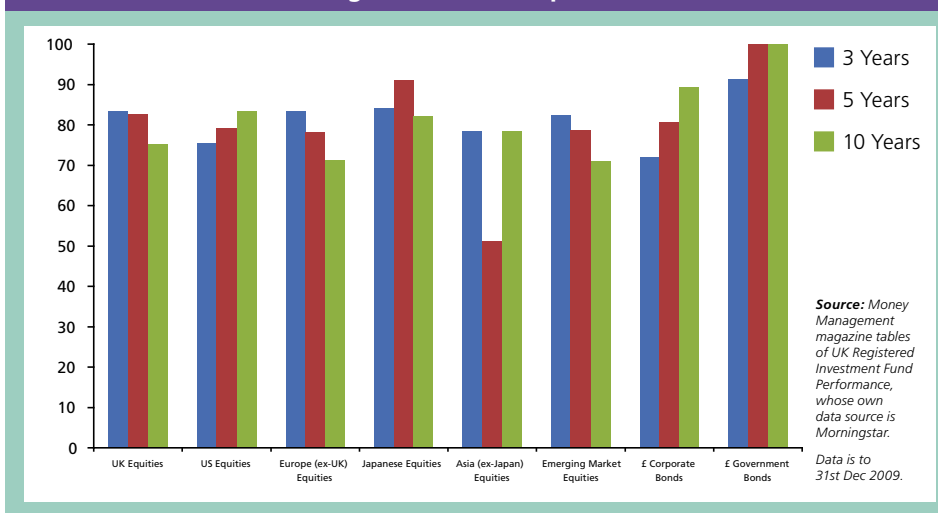
PanDYNAMIC Fund Investment Process



Exchange Traded Funds

We normally use Exchange Traded Funds (ETFs) to buy into an index when we want to invest in an asset class. ETFs help us keep costs low and to avoid the active manager risk a conventional fund can experience. We ensure that the investment objectives of a Fund are reflected in the long-term asset mix, while the current choice of investments will depend on our tactical view. Continuous review helps to ensure that the Funds are optimally invested and hold the right investments. More information about ETFs is available from our website at www.pan-asset.co.uk

% of Managers who Underperform the Index



About Evercore Pan-Asset

Evercore Pan-Asset is a specialist asset allocation adviser and a discretionary fund manager with clients including pension funds, charities, families and high net worth individuals. Founded in 2007 by John Redwood, the late Robert Brown and Christopher Aldous, it is now 50% owned by Evercore Partners, a leading US listed investment banking boutique and investment management firm. We are known for our new and different approach to investment management focusing on asset allocation as the key driver of investment returns.

Dynamic Asset Allocation

The Funds aim to exploit the continually changing opportunities offered by different asset classes around the world. The dynamic asset allocation process combines long-term strategic investment in assets most likely to meet the Fund's objectives over time, with shorter-term tactical decisions which can protect assets in times of stress.

We believe that using index-tracking funds is the best way to access most asset classes. This is a good way to reduce investment management costs and improve returns to the investor. It removes individual stock risk and avoids underperforming active investment managers. On average active managers perform less well than just buying the shares in the index as the chart above shows.

The PanDYNAMIC Fund for you

Investors can invest in one or more funds if they seek a risk profile which is not already met by the four available funds. For example, by investing 50% into each of PanDEFENSIVE and PanBALANCED, an investor will achieve a risk profile which lies between those two funds. Each Fund has three share classes. Those for Retail and Institutional Investors will be accumulation units and reinvest income. The Charity share class will be income units and pay dividends. More income share classes may also be launched in due course.

Class A (for Retail Investors)	Class B (for Institutional Investors)	Class C (for Charities)
Class A (Retail): 3% subscription fee and 0.9% annual management charge (AMC)	Class B (Institutional): No subscription fee and 0.4% annual management charge (AMC)	Class C (Charities): No subscription fee and 0.4% annual management charge (AMC)

the Daily Price and there is no bid/offer spread. Evercore Pan-Asset will produce a monthly factsheet which will be available on our website www.pan-asset.co.uk/funds. For full details on how to invest, the administration of your investment and further information on the risks please read the simplified prospectus which can be obtained from Evercore Pan-Asset website at www.pan-asset.co.uk/funds.

The PanDYNAMIC Funds



Current Range of Asset Classes

ASSET CLASS	Defensive	Balanced	Growth	Aggressive
Bonds				
UK Government Bonds	✓	✓	✓	✓
Overseas Government Bonds	✓	✓	✓	✓
£ Corporate Bonds	✓	✓	✓	✓
Overseas Corporate Bonds	✓	✓	✓	✓
UK I-L Govt Bonds	✓	✓	✓	✓
Overseas I-L Govt Bonds	✓	✓	✓	✓
Equities				
UK Equities	✓	✓	✓	✓
US Equities	✗	✓	✓	✓
Europe (ex-UK) Equities	✗	✓	✓	✓
Japanese Equities	✗	✓	✓	✓
Far East (ex-Japan) Equities	✗	✓	✓	✓
Chinese Equities	✗	✓	✓	✓
Indian Equities	✗	✓	✓	✓
Global Emerging Markets Equities	✗	✓	✓	✓
Global Equities	✓	✓	✓	✓
High Yield Equities	✓	✓	✓	✓
Cash as an Asset Class				
Cash	✓	✓	✓	✓

ASSET CLASS	Defensive	Balanced	Growth	Aggressive
Listed Property				
UK Property	✗	✓	✓	✓
US Property	✗	✓	✓	✓
European Property	✗	✓	✓	✓
Far East Property	✗	✓	✓	✓
Global Property	✗	✓	✓	✓
Listed Private Equity				
Global	✗	✗	✓	✓
Hedge Funds of Funds				
Multi Strategy	✗	✓	✓	✓
Listed Commodities				
Oil	✗	✗	✗	✓
Multiple Industrial Metals	✗	✗	✗	✓
Agricultural Commodities	✗	✗	✗	✓
General Commodities	✗	✓	✓	✓
Other Alternatives				
Timber	✗	✗	✓	✓
Water	✗	✓	✓	✓
Clean Energy	✗	✓	✓	✓
Global Infrastructure	✗	✓	✓	✓
Currencies versus Sterling				
US Dollar	✗	✓	✓	✓
Euro	✗	✓	✓	✓
Yen	✗	✓	✓	✓

How to invest

Investing in the PanDYNAMIC range of funds is straightforward, either via your financial adviser or direct with the fund administrator. You can download all the necessary documents such as the fund prospectus and application form from our website www.pan-asset.co.uk/funds or else please contact us or Phoenix Fund Services at the address shown on the front

of this brochure and we will send you hard copies. The funds trade daily, but please remember to place your order before midday on the day you wish to buy or sell shares. You can also buy shares in the funds in the form of an ISA and a special form is available on the website.

Important Notices and Risk Warnings: This is a financial promotion. The PanDynamic Fund details shown in this document are for illustrative purposes only. Each Fund in the PanDYNAMIC range will not be suitable for all types of investor and you should seek advice from your Professional Financial Adviser. The information in this document is for private circulation and is believed to be correct but cannot be guaranteed. The provision of investment services may be restricted in certain jurisdictions, and this brochure is not intended for distribution where it could be contrary to local laws or regulation.

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For the retail share class minimum subscription is £1,000 with the minimum additional investment of £500. For all other share classes the minimum investment is £50,000.

The Total Expense Ratio (TER) for the Funds is expected to be 1.1% p.a. for the Retail class (A) and 0.6% for the Institutional and Charity classes (B & C).



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