

January 2018 Update

Welcome to the latest edition of our First Class Funds list.

Thank you for your feedback on the list. We are always keen to know what you think about it and the ways in which you think it can be improved.

First, a couple of administration changes to some funds on the list. Link Group has bought the fund administration company, Capita Asset Services. The company provides services to fund groups, including provision of appropriate documentation for investors and guidance on regulatory compliance. Capita had used the prefix 'CF' for the funds it administered but Link will use 'LF' in its

place. The funds on the list affected by this change are Miton Cautious Multi-Asset, Lindsell Train UK Equity and Woodford Equity Income.

Henderson funds have been re-branded Janus Henderson, following the recent merger between the two companies.

Listed below are the changes from the previous list and the reasons behind those differences.

The next list will be available in Autumn 2018.

Funds Added To Previous List

Old Mutual North American Equity R	Fund Performance
Royal London UK Government Bond M	Rating Change
Stewart Investors Indian Subcontinent B	Re-opened to new investment
Threadneedle Managed Equity Z	Passed 3 year anniversary
Vanguard FTSE U.K. All Share Index A	Fund Performance

Funds Removed From Previous List

Baillie Gifford High Yield Bond B	Rating Change
Henderson European Focus I	Rating Change
Henderson European Selected Opportunities I	Rating Change
M&G Asian I	Rating Change



The list contains funds, sorted by sector, based on our own analytical process and work done by some of the world's leading investment analysts and providers of financial statistics. The list will be updated half-yearly and is entirely independent. All funds are available at NO INITIAL CHARGE. Details of discounts on all funds, including investments outside an ISA, are available on our website or by contacting us.

ISSUED JANUARY 2018

Asia Pacific Excluding Japan

Fidelity Asia W
Invesco Perpetual Asian Y
Schroder Asian Alpha Plus Z
Schroder Asian Income Z

China/Greater China

First State Greater China Growth B

Europe Excluding UK

Artemis European Opportunities I
BlackRock Continental European Income D
BlackRock European Dynamic FD
Fidelity European W
JPM Europe Dynamic Ex UK C
Jupiter European I
Jupiter European Special Situations I
Schroder European Z
Standard Life Investments European Equity Income P1
Threadneedle European Select Z

European Smaller Companies

Baring Europe Select I Inc

Flexible Investment

F&C MM Navigator Select C
Jupiter Merlin Growth Portfolio I
Threadneedle Managed Equity Z

Global Bonds

M&G Global Macro Bond I

Global

Artemis Global Growth I
Artemis Global Select I
Baillie Gifford Global Alpha Growth B
BNY Mellon Long Term Global Equity W
Fidelity Global Special Situations W
First State Global Listed Infrastructure B
Fundsmith Equity I
GAM Global Diversified
Investec Global Strategic Equity I
Rathbone Global Opportunities I
Vanguard FTSE Developed World ex-UK Equity Index A

Global Emerging Markets

Fidelity Emerging Markets W
JPM Emerging Markets Income C
MI Somerset Emerging Markets Dividend Growth A
MI Somerset Global Emerging Markets B

Japan

Baillie Gifford Japanese B
HSBC Japan Index C
Invesco Perpetual Japan Y
iShares Japan Equity Index (UK) D
Man GLG Japan Core Alpha C
Schroder Tokyo Z

Mixed Investment 0%-35% Shares

Jupiter Distribution I
Vanguard LifeStrategy 20% Equity A

Mixed Investment 20%-60% Shares

F&C MM Navigator Moderate C
LF Miton Cautious Multi-Asset B
Premier Multi-Asset Distribution C
Premier Multi-Asset Monthly Income C
Threadneedle Managed Equity & Bond Z
Vanguard LifeStrategy 40% Equity A

This list is the result of applying our First Class Funds process to the UK Fund Retail Unit Trust and OEIC universe. It is not intended to be a list of recommendations. More information is available on request. If you are unsure about the suitability of any of these funds you should take professional financial advice.

The list is based on information at 31st December 2017 and will be updated half-yearly.

Factsheets for all funds are available at www.financialdiscounts.com or by post or email, on request.

Mixed Investment 40%-85% Shares

Jupiter Merlin Balanced Portfolio I
Premier Multi-Asset Growth & Income C
Threadneedle Managed Equity Focused Z
Vanguard LifeStrategy 60% Equity A
Vanguard LifeStrategy 80% Equity A

North America

Fidelity Index US P
HSBC American Index C
Natixis Loomis Sayles U.S. Equity Leaders N
Old Mutual North American Equity R
Schroder US Mid Cap Z

North American Smaller Companies

Schroder US Smaller Companies Z

Specialist

Aberdeen Latin American Equity I
BlackRock Gold & General D
Stewart Investors Asia Pacific Leaders B
Stewart Investors Indian Subcontinent B

Sterling Corporate Bond

Fidelity Moneybuilder Income Y
Invesco Perpetual Corporate Bond Y
Kames Ethical Corporate Bond B
Kames Investment Grade Bond B
Kames Sterling Corporate Bond B
M&G Corporate Bond I
M&G Strategic Corporate Bond I
Royal London Corporate Bond M

Sterling High Yield

Threadneedle High Yield Bond Z

UK Smaller Companies

Artemis UK Smaller Companies I
Old Mutual UK Smaller Companies U1
R&M UK Equity Smaller Companies B
Standard Life Investments UK Smaller Companies P1

Sterling Strategic Bond

Artemis High Income I Monthly & Quarterly
Artemis Strategic Bond I Monthly & Quarterly
Fidelity Extra Income Y
Fidelity Strategic Bond Y
Invesco Perpetual Monthly Income Plus Y
Invesco Perpetual Tactical Bond Y
Janus Henderson Fixed Interest Monthly Income I
Janus Henderson Preference & Bond I
Janus Henderson Strategic Bond I
Jupiter Strategic Bond I
M&G Optimal Income I

Targeted Absolute Return

Invesco Perpetual Global Targeted Returns Y
Jupiter Absolute Return I
Newton Global Dynamic Bond W

UK All Companies

Aviva Inv UK Equity 2
Fidelity Special Situations W
iShares UK Equity Index (UK) D
JPM UK Dynamic C
Jupiter UK Special Situations I
L&G UK Index Trust I
LF Lindsell Train UK Equity
Liontrust Special Situations I
Man GLG Undervalued Assets C
Old Mutual UK Mid Cap R
R&M UK Equity High Alpha B
R&M UK Equity Long Term Recovery B
Threadneedle UK Z
Vanguard FTSE U.K. All Share Index A

UK Equity Income

Artemis Income I
Fidelity Moneybuilder Dividend Y
Franklin UK Equity Income W
JOHCM UK Equity Income Y
LF Woodford Equity Income C
R&M UK Equity Income B
Royal London UK Equity Income M
Schroder Income Z
Threadneedle UK Equity Income Z
Troy Asset Management Ltd Trojan Income O

UK Gilts

Royal London UK Government Bond M

FIRST CLASS FUNDS

Information and analysis to help you make the best choices



Why we provide a Fund List

There are many things to consider when investing but perhaps the most important, is which fund or funds you choose.

There are over 2,500 funds in the UK. Whilst there is plenty of information available to the investor – fund facts, manager interviews, performance information, fund analysis and comment – sorting the wheat from the chaff and finding the best funds can be time-consuming and challenging.

The First Class Funds list is designed to help you find well managed, proven funds that may satisfy the investment objectives you have set yourself.

We have gone through the process of collating research and information that is available, some of it readily accessible, some of it less so, and refining it in to a streamlined list of funds across a variety of sectors.

The list isn't definitive, but it is independent. The strict criteria that we have developed are adhered to – if the fund does not meet those criteria then it doesn't make the cut. Fund groups cannot pay to have their funds included. We are only interested in funds that make it on merit.

Think of the list as a starting point for identifying the funds that are right for your own circumstances.

We update the list half-yearly. Updates are available on request by post or email and for download from our website.

How we choose The Funds

Our First Class Funds list has been built and is maintained based on a strict process for evaluation of a fund.

The aim of our process is to be objective in the criteria that are used to filter funds down to the final list. We have, however, had to make some subjective decisions along the way.

From the initial universe of around 2,500 UK retail funds we have filtered out those which are less than three years old and/or smaller than £50million.

Once the initial filtering is complete we look at the opinions of major fund rating agencies. Their analysts assess funds on both a qualitative and quantitative basis and only a minority of funds even qualify for a rating.

At this stage the funds are organised into sectors before we apply the performance ratings.

The FE crown fund ratings are applied to equity funds. For bond funds, we overlay Lipper Leader ratings. Only funds scoring highly enough will qualify for our First Class Funds list.

The list is updated on a half-yearly basis over the calendar year. Changes are highlighted and an updated list published shortly after the end of each period.

Who provides the Research

We use the research and analysis provided by some of the leading analysts and providers of financial statistics.



Morningstar OBSR

Morningstar OBSR provides high quality independent investment and product research. Based in London, its forward-looking fund ratings, based on qualitative and supported by quantitative research, has led it to become one of the leading rating agencies in the UK. A Morningstar OBSR Analyst Rating™ of Gold, Silver or Bronze is acknowledged to be a sign of quality.



LIPPER

Lipper is a market leader in fund intelligence and supplies mutual fund information, analytical tools and commentary world wide.



FE CROWN FUND RATINGS

FE is the largest distributor of fund data in the UK. Its services are used by many of the UK fund management companies as well as leading third party companies, such as Thompson Financial, Bloomberg and Thomson Reuters.



Square Mile Research

Square Mile is an independent investment research business that works in partnership with regulated professional financial services firms.

A Square Mile Fund Rating denotes a fund that is truly "best in class". The rating (A, AA, or AAA) is a mark of quality that represents a high and rising level of conviction that the fund will deliver its objectives. AAA is the highest level of conviction in the fund and its manager, and is a practical demonstration of Square Mile's belief in the long-term consistent delivery of the fund's objectives.

For more detailed explanations please visit our website at www.financialdiscounts.com or contact customer services on 08085 498477.

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