

January 2020 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.

There have been some changes to fund names to look out for, R&M funds now have the name ES R&M, Newton funds have been renamed BNY Mellon and Standard Life funds been rebranded ASI, following the merger with Aberdeen.

One fund of note that has come back on the list is Artemis Income. The fund, popular

with our clients has made a return due to improvement in performance.

We hope that the new list and the latest Fundwatch magazine give you some food for thought. Our website has much more information for you, should you wish to do a little more research.

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

The next list will be available in July 2020.



Funds Added To Previous List

Artemis Income I	Fund Performance
BNY Mellon Global Dynamic Bond W	Rating Change
Fidelity Index US P	Fund Performance
Fidelity Index World P	Rating Change
HSBC FTSE All World Index C	Fund Performance
Investec UK Alpha I	Fund Performance
JPM UK Dynamic C	Fund Performance
JPM US Select C	Fund Performance
Jupiter Asian Income I	Fund Performance
L&G All Stocks Gilt Index Trust I	Fund Performance
L&G US Index Trust I	Fund Performance
Merian UK Alpha R	Fund Performance
Premier Multi-Asset Distribution C	Fund Performance
Premier Multi-Asset Monthly Income C	Fund Performance
Threadneedle European Select ZNA	Rating Change
Threadneedle Managed Equity Focused ZNA	Fund Performance

Funds Removed From Previous List

Artemis European Opportunities I	Fund Performance
Artemis Global Growth I	Fund Performance
FP CRUX European Special Situations I	Fund Performance
iShares UK Gilts All Stocks Index (UK) D	Rating Change
L&G Emerging Markets Government Bond (US\$) Index I	Rating Change
M&G Global Dividend I	Fund Performance
Schroder European Z	Fund Performance
Stewart Investors Worldwide Sustainability B	Fund Performance
Threadneedle Managed Equity & Bond ZNA	Fund Performance
Vanguard FTSE Developed World ex-UK Equity Index A	Fund Performance

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 charges on all funds, including investments outside an ISA, are available on our website or by contacting us.

ISSUED JANUARY 2020

Asia Pacific Excluding Japan

Fidelity Asia W
Fidelity Emerging Asia W
First State Asia Focus B
Invesco Asian (UK) Y
Jupiter Asian Income I
Schroder Asian Alpha Plus Z
Schroder Asian Income Z

China/Greater China

First State Greater China Growth B

Europe Excluding UK

BlackRock European Dynamic FD
Fidelity European W
Threadneedle European Select ZNA

Flexible Investment

Jupiter Merlin Growth Portfolio I
Threadneedle Managed Equity ZNA

Global

Artemis Global Select I
ASI Global Smaller Companies Ret Platform I
Baillie Gifford Global Alpha Growth B
Baillie Gifford Global Discovery B
BNY Mellon Long Term Global Equity W
Fidelity Global Special Situations W
Fidelity Index World P
First State Global Listed Infrastructure B
Fundsmith Equity I
HSBC FTSE All World Index C
Investec Global Strategic Equity I
Rathbone Global Opportunities Fund I

Global Bonds

M&G Global Macro Bond I

Global Emerging Markets

Fidelity Emerging Markets W
JPM Emerging Markets B
JPM Emerging Markets Income C
MI Somerset Global Emerging Markets B

Japan

Baillie Gifford Japanese B
HSBC Japan Index C
iShares Japan Equity Index (UK) D
Man GLG Japan Core Alpha C Professional

Mixed Investment 0%-35% Shares

Vanguard LifeStrategy 20% Equity A

Mixed Investment 20%-60% Shares

Artemis Monthly Distribution I
Jupiter Merlin Income Portfolio I
Premier Multi-Asset Distribution C
Premier Multi-Asset Monthly Income C
Vanguard LifeStrategy 40% Equity A

Mixed Investment 40%-85% Shares

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

North America

Artemis US Select I
Fidelity Index US P
HSBC American Index C
iShares North American Equity Index (UK) D
JPM US Equity Income C
JPM US Select C
L&G US Index Trust I
Merian North American Equity R
Natixis Loomis Sayles U.S. Equity Leaders N/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 2019 and will be updated half-yearly.

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

Property

iShares Global Property Securities Equity Index (UK) D

Specialist

Stewart Investors Asia Pacific Sustainability B

Stewart Investors Indian Subcontinent Sustainability B

TwentyFour Monument Bond I

Sterling Corporate Bond

BlackRock Corporate Bond D

Fidelity Moneybuilder Income W Dis

Invesco Corporate Bond (UK) Y

M&G Corporate Bond I

M&G Strategic Corporate Bond I

Royal London Corporate Bond M

Sterling High Yield

AXA Global High Income Z

Baillie Gifford High Yield Bond B

M&G Global Floating Rate High Yield IH

Threadneedle High Yield Bond ZNI

Sterling Strategic Bond

Artemis High Income I Monthly and Quarterly

Artemis Strategic Bond I Monthly and Quarterly

Invesco Monthly Income Plus (UK) Y

Invesco Tactical Bond (UK) 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

BNY Mellon Global Dynamic Bond W

BNY Mellon Real Return W

UK All Companies

ES R&M UK Equity High Alpha B

ES R&M UK Recovery B

Fidelity Index UK P

Fidelity Special Situations W

Franklin UK Mid Cap W

HSBC FTSE All Share Index C

Investec UK Alpha I

iShares UK Equity Index (UK) D

JOHCM UK Dynamic Y

JPM UK Dynamic C

Jupiter UK Special Situations I

L&G UK Index Trust I

LF Lindsell Train UK Equity

Liontrust Special Situations I Inc

Man GLG Undervalued Assets Professional C

Merian UK Alpha R

Merian UK Mid Cap R

Schroder Recovery Z

Vanguard FTSE UK All Share Index A

UK Equity Income

Artemis Income I

Franklin UK Equity Income W

Man GLG UK Income C Professional

Schroder Income Z

UK Gilts

L&G All Stocks Gilt Index Trust I

UK Smaller Companies

Artemis UK Smaller Companies I

ASI UK Smaller Companies Ret Platform I

Liontrust UK Smaller Companies I Inc

Merian UK Smaller Companies U1

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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