

THE CHELSEA EASYISA

When it comes to considering funds for your ISA, the range is vast and the task of choosing just a few for your portfolio can be daunting.

With the Chelsea EasyISA portfolios, all you have to do is choose one of the five options, based upon your own requirements and attitude to risk. Your ISA will then be spread equally across the corresponding six funds, within the Chelsea FundStore. These EasyISAs are simply suggested portfolios and, due to their exposure to equities, may be subject to volatility, and thus potential capital loss. **The EasyISAs are not managed.**

How much can you invest?

The ISA allowance is £20,000 for the current tax year, 6 April 2018 – 5 April 2019.

An alternative solution for investors who want managed funds.

The EasyISA portfolio changes are detailed below and you need to make any switches yourself. However, our new VT Chelsea Managed Funds are monitored daily and you don't need to worry about making any changes, as the portfolio changes are all done for you. **For more details, see pages 8-11.**

Juliet Schooling Latter
Research Director,
Chelsea



The Chelsea EasyISA offers a choice of five simple portfolios, each spreading your investments across six funds.

Portfolio Changes

Aggressive Growth Easy ISA: LF Miton US Opportunities replaces Fidelity American Special Situations

The LF Miton US Opportunities fund has continued to produce strong performance and its bias to mid and small cap holdings makes it a more appropriate fit for the Aggressive Growth Easy ISA.

Global Income Easy ISA: Man GLG UK Income replaces Fidelity Enhanced Income

Fidelity Enhanced Income has generated a good yield but its total return has been disappointing. We think the Man GLG UK Income fund offers better potential for dividend growth over the long-term.

What to do next

- 1 Select the EasyISA which best suits you** (read the KIID & pre-sale illustration[^] for each relevant fund)
- 2 Decide how much you want to invest.**
- 3 Complete the form and return it to us with payment, easy!**

[^] See covering letter for details, or visit chelseafs.co.uk

How to invest

Call us on
020 7384 7300



Visit us at
chelseafs.co.uk

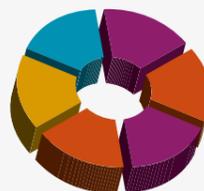


Send us a completed application form (see booklet)



Cautious Growth EasyISA

Cautious Growth is for the more risk-averse investor who is looking for growth with lower volatility. The portfolio has approximately one third invested in equities. Approximately one third will be invested in fixed interest, which tends to be less volatile than equities. The final third of the portfolio comprises targeted absolute return funds that should produce uncorrelated returns. N.B. this portfolio contains up to 40% equity exposure, so may be subject to greater volatility than the term Cautious may suggest and there is potential for capital loss.



- Baillie Gifford Strategic Bond
- BlackRock UK Absolute Alpha*
- Jupiter Strategic Bond
- Merian Global Equity Absolute Return Hedged*
- Rathbone Global Opportunities
- TB Evenlode Income

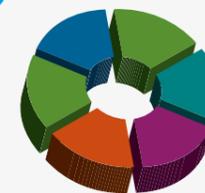
| | | | |
|--------------------------------------|---|----------------------------|---|
| Average Annual Management Charge | 0.86%*# | | |
| Average Ongoing Charges Figure (OCF) | 0.95%† | | |
| Benchmark | 1/3 Strategic Bond (sector average) | | |
| | 2/3 Mixed Investment 20-60% (sector average) | | |
| | | Cautious Growth Portfolio | Mixed Investments 20-60% Shares** |
| | | 3 Year Performance | 18.94% vs 16.66% vs 20.67% |
| | | 5 Year Performance | 36.14% vs 25.87% vs 30.17% |
| | | 10 Year Performance | 80.26% vs 60.80% vs 62.75% |

FE Analytics data as at 01/09/2018 compiled by Chelsea. *A performance fee may be applied, see the KIID for further details. **Sector average

† OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees. # The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF). These portfolios do not include cash allocations. Charges as at 17/09/18. ^Yields per annum as at 13/09/18

Balanced Growth EasyISA

Balanced Growth offers a medium level of risk and is for investors who wish to benefit from global equity markets, with some defensiveness offered through one sixth of the portfolio being invested in fixed interest and one sixth in targeted absolute return. The portfolio has the majority of its assets invested in equities based in developed markets (up to a maximum of 70% in equities), and so there is the potential for capital loss. The fixed interest portion is invested in a strategic bond fund which has the ability to invest across the credit quality spectrum.



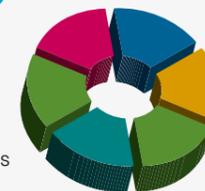
- AXA Framlington UK Select Opportunities
- Fidelity American Special Situations
- Janus Henderson Strategic Bond
- Janus Henderson UK Absolute Return*
- Liontrust Special Situations
- Threadneedle European Select

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|--------------------------------------|--|----------------------------|---|
| Average Annual Management Charge | 0.77%*# | | |
| Average Ongoing Charges Figure (OCF) | 0.87%† | | |
| Benchmark | 1/3 UK All Companies (sector average) | | |
| | 1/3 Global (sector average) | | |
| | 1/3 Mixed Investment 20-60% shares (sector average) | | |
| | | Balanced Growth Portfolio | Mixed Investments 40-85% Shares** |
| | | 3 Year Performance | 30.78% vs 35.76% vs 30.73% |
| | | 5 Year Performance | 50.84% vs 49.04% vs 42.89% |
| | | 10 Year Performance | 104.17% vs 100.71% vs 85.99% |

FE Analytics data as at 01/09/2018 compiled by Chelsea. *A performance fee may be applied, see the KIID for further details. **Sector average

Aggressive Growth EasyISA

Aggressive Growth is for the investor looking for pure capital growth, who is comfortable with a higher degree of risk and willing to invest a portion in Asian and emerging market equities. The portfolio is an unconstrained global equity portfolio, with exposure to large, mid and small-cap companies. It has the potential to produce greater returns through investing in faster-growing regions and more dynamic companies, but with a greater degree of risk and volatility. This portfolio can hold up to 100% in equities so there is the potential for capital loss.



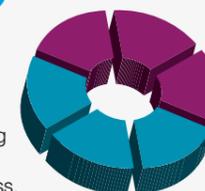
- BlackRock European Dynamic
- Fundsmith Equity
- JOHCM UK Dynamic*
- LF Miton US Opportunities
- Marlborough UK Micro-Cap Growth
- Stewart Investors Asia Pacific Leaders

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|--------------------------------------|-------------------------|-----------------------------|--|
| Average Annual Management Charge | 0.99%*# | | |
| Average Ongoing Charges Figure (OCF) | 0.90%† | | |
| Benchmark | MSCI World Index | | |
| | | Aggressive Growth Portfolio | Global** |
| | | 3 Year Performance | 59.29% vs 69.92% vs 57.73% |
| | | 5 Year Performance | 81.38% vs 93.71% vs 74.77% |
| | | 10 Year Performance | 157.32% vs 177.53% vs 134.51% |

FE Analytics data as at 01/09/2018 compiled by Chelsea. **Sector average

Income EasyISA

Income is for investors looking to generate income, with some prospect for capital growth. The portfolio is invested in fixed interest, across the credit quality spectrum, and defensive, dividend-paying companies, based largely in developed markets. There is also one sixth invested in absolute return to further diversify the income stream. This combination aims to maintain, and potentially grow, capital over the long term, whilst paying dividends throughout the year. The portfolio has approximately 50% exposure to equities, at the time of writing, so there is the potential for capital loss.



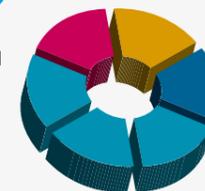
- Invesco Perpetual Monthly Income Plus Yield: 5.09% ^ Paid: Monthly
- M&G Global Dividend Yd: 2.76% ^ Paid: Mar, Jun, Sep, Dec
- Schroder High Yield Opportunities Yield: 6.19% ^ Paid: Monthly
- SLI UK Equity Income Unconstrained Yield: 4.21% ^ Paid: Mar, Jul
- Threadneedle UK Equity Alpha Income Yield: 4.30% ^ Paid: Jan, Jul
- TwentyFour Dynamic Bond Yield: 4.53% ^ Paid: Mar, Jun, Sep, Dec

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| Average Annual Management Charge | 0.75%# | | |
| Average Ongoing Charges Figure (OCF) | 0.85%† | | |
| Benchmark | 1/2 Strategic Bond (sector average) | | |
| | 1/2 UK Equity Income (sector average) | | |
| | | Income Portfolio | Mixed Investments 20-60% Shares** |
| | | 3 Year Performance | 22.26% vs 19.52% vs 20.67% |
| | | 5 Year Performance | 34.37% vs 32.03% vs 30.17% |
| | | 10 Year Performance | 107.56% vs 87.35% vs 62.75% |
| | | Average Portfolio Yield | 4.51% ^ |

FE Analytics data as at 01/09/2018 compiled by Chelsea. **Sector average

Global Income EasyISA

Global Income offers investors a medium to high level of risk within a globally-diversified portfolio and these equity income funds are selected for their potential to grow their yields over time. Over 50% of the portfolio is invested in US and European equities, with approximately 15% in UK equities. The remainder is invested across other regions, such as Asia, emerging markets and Japan. This portfolio can hold up to 100% in equities so there is the potential for capital loss.



- Artemis Global Income Yield: 2.97% ^ Paid: Oct, Apr
- BlackRock Continental European Income Yield: 3.93% ^ Paid: Feb, May, Aug, Nov
- Fidelity Global Enhanced Income Yield: 4.82% ^ Paid: Feb, May, Aug, Nov
- Guinness Global Equity Income Yield: 2.63% ^ Paid: Aug, Feb
- Man GLG UK Income Yield: 5.16% ^ Paid: Monthly
- Schroder Asian Income Yield: 4.07% ^ Paid: Mar, Oct

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|--------------------------------------|-----------------------------|--------------------------------|---|
| Average Annual Management Charge | 0.71%# | | |
| Average Ongoing Charges Figure (OCF) | 0.91%† | | |
| Benchmark | Global Equity Income | | |
| | | Global Income Portfolio | Global Equity Income* |
| | | 3 Year Performance | 47.4% vs 47.01% vs 47.01% |
| | | 5 Year Performance | 63.93% vs 60.16% vs 60.16% |
| | | 10 Year Performance | N/A vs 134.50% vs 134.50% |
| | | Average Portfolio Yield | 3.93% ^ |

FE Analytics data as at 01/09/2018 compiled by Chelsea. **Sector average

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