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# The EFA Allenbridge Strategic Alpha Fund

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Let Allenbridge take the strain of monitoring & moving funds...



**Allenbridge**  
INVESTMENT CONSULTANTS

better  
performance  
through  
better  
research

# The EFA Allenbridge Strategic Alpha Fund

Let Allenbridge take the strain of monitoring and moving funds.

Jonathan Wallis, Jason Day and their team, whose research has provided Allenbridge clients with solid outperformance for over six years, will be responsible for fund manager selection for the Strategic Alpha fund of funds.

\*See overleaf how Allenbridge has performed against accepted industry benchmarks.



**Jonathan Wallis** Head of Fund Research

The Strategic Alpha Fund will enable clients to have their assets managed in line with our 'best ideas'. We envisage having from 16 to 25 funds, mostly equity managers for long-term growth, with names such as Jupiter, New Star, Schroders, and Neptune, all wrapped up in one fund, making it a lot easier for clients, as they can buy this portfolio as one fund holding. I am really excited by the prospect, because our fund selection has produced excellent returns for clients in the past and an investment in Strategic Alpha will ensure that their funds are being managed effectively, saving them a lot of time and effort monitoring and moving between managers.



**Jason Day** Investment Adviser to the Fund

We believe we will add value, or alpha, to this portfolio in two ways. Firstly, clients will benefit directly from our successful and proven hands-on approach to selecting managers. The feedback from our ISA investors is that our fund research is exemplary, but many clients just don't have the time to devote to switching between funds to optimise the returns. Strategic Alpha will bridge this gap. Secondly, we can introduce some specialist funds, such as investment trusts, that we use on the Private Client side of the business to enhance returns and, more importantly, to strengthen the portfolio with a defensive element. This strategy has been of great benefit, and I'm really pleased that we can now offer this to a wider audience from £100 per month.



**Alan Saunders** Chief Economist and Chairman of the Investment Committee

Strategic Alpha will select managers with solid long-term credentials. The investment committee will provide input on country and sector weightings for the portfolio, the core of which will be in UK equity funds. Europe, the US, Asia and Emerging Markets will be represented too. Many of us will invest our own money in the fund, so our interests are very much aligned with those of our investors. If you are looking for a diversified portfolio of funds, with professional management for capital growth, Strategic Alpha could be an ideal vehicle.



**Anthony Yadgaroff** Group Managing Director

The Strategic Alpha Fund is well positioned to work hard for our investors, with a first rate team behind it constantly reviewing managers, and where necessary, replacing them to profit from our 'best ideas'. Experience has shown us that holding a broad range of well-chosen funds really can add tremendous value and I strongly recommend that you consider an investment in Strategic Alpha.

## Investment Philosophy

The Strategic Alpha fund reflects the Allenbridge team's best fund ideas for capital growth. The strategic core of the portfolio will be invested in UK equity funds and further complemented with overseas equity managers.

In addition, the fund may also invest a proportion in specialist vehicles to provide an additional source of 'alpha' (the superior return of the fund relative to its benchmark index), and this may include alternative asset classes.

The fund's benchmark is the IMA Active Managed Sector.

## Why invest in the EFA Allenbridge Strategic Alpha Fund?

### **Enhanced performance through active asset allocation and fund manager selection**

With over 5,000 eligible funds to choose from, a fund of funds vehicle allows our team of fund research specialists to 'cherry-pick' the best talent and blend different manager styles together in order to enhance returns and manage risk.

In addition, on-going active management allows us to take a view on regional allocations and re-position managers accordingly. This dynamic adjustment can help enhance capital returns.

### **Diversification of Risk**

By investing in a broad spectrum of funds, the portfolio is not reliant on one underlying fund manager, sector or geographic region. This reduces volatility and provides a wide spread of underlying share holdings through the funds selected.

Strategic Alpha is designed for growth investors and invests in funds across global equity markets, with a core in UK funds. The portfolio is further diversified with exposure to alternative investment funds which can include commodities, hedge funds, private equity and property. The portfolio may also invest in cash and fixed interest securities during periods of severe equity market turbulence.

### **Consolidation**

Many investors find themselves with an inefficient combination of individual funds in their portfolio, which can be a drag on overall performance and may also put their capital at increased risk. Strategic Alpha can provide a portfolio of funds in one vehicle, offering simplicity, and allowing investors to use the fund as their primary investment.

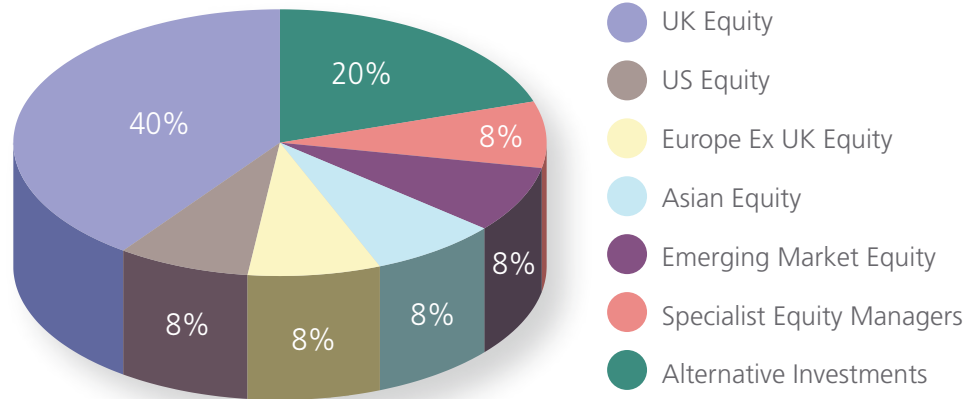
### **Tax efficiency**

Gains realised within the fund (for example, selling one fund in profit and buying a replacement) are exempt from capital gains tax, thus greatly freeing up the individual allowance and making tax planning more effective. This is particularly useful for trusts with their limited capital gains tax allowance.

# The EFA Allenbridge Strategic Alpha Fund - proposed asset allocation

The fund's asset allocation will broadly follow the illustrated pie chart, with a margin of around plus or minus 10% to each sector.

For example, an outline of 40% to UK Equities means that the fund could go up to 50% in the UK or as low as 30%. Similarly, a weighting to Alternatives at 20% would mean that the fund could go up to 30% or down to 10%, depending on our view of equity markets.



## The performance of Allenbridge model portfolios with an equity bias are illustrated below...

Charts calculated on a bid to bid basis (net income reinvested)

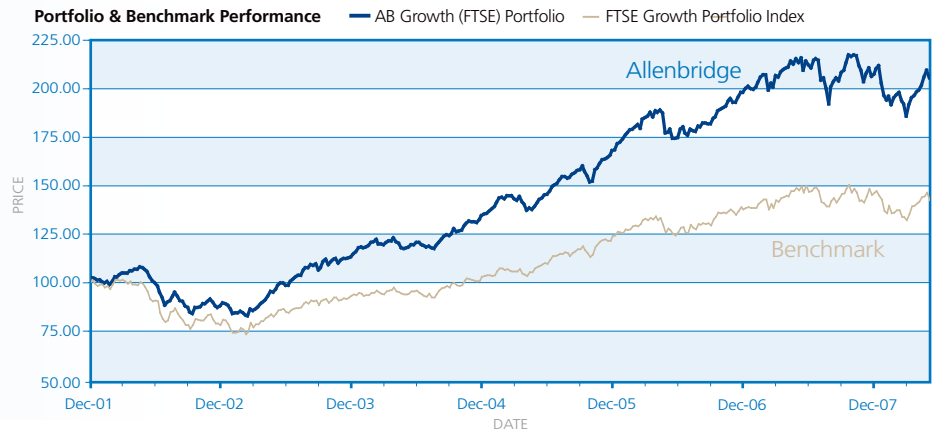
### AB Growth (FTSE) Portfolio 44% outperformance

**Portfolio notes:**

Comprises Allenbridge recommendations from end of Dec 01 to end of May 08

**Benchmark allocation:**

- 60% UK Equity
- 25% Overseas Equity
- 10% Fixed Interest
- 5% Cash



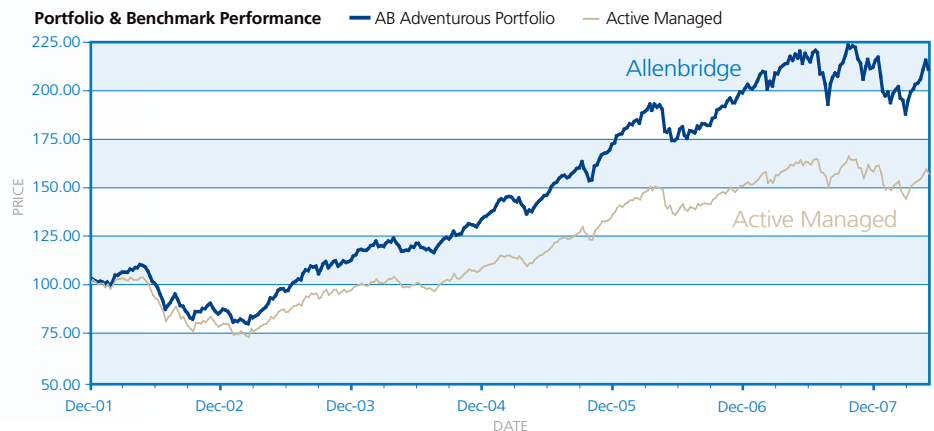
### AB Adventurous Portfolio 34% outperformance

**Portfolio notes:**

Comprises Allenbridge recommendations from end of Dec 01 to end of May 08

**Asset allocation:**

- 60% UK Equity
- 40% Overseas Equity



Please remember - past performance is not a guide to the future. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of factors such as variations in the exchange rates between currencies.

## Example Holdings

### Neptune Global Equity Fund

Managed by Robin Geffen, the fund aims to generate capital growth from a concentrated portfolio of around 50 securities, selected from across world equity markets. Whilst there are no sector or country restraints, exposure to Emerging Markets has been a key driver of returns. Neptune adopts a team approach, and Geffen is supported by sector specialists. The investment process combines global top-down analysis of economies, sectors and themes with detailed bottom up analysis using proprietary stock research and valuation models. The focus is on large cap equities with good liquidity.

### Martin Currie North America Fund

Managed from Edinburgh by Tom Walker and team, the fund aims for long-term capital growth through investment in a focused portfolio of large-cap US and Canadian equities. A disciplined process is employed, combining a vigorous screening model, with detailed bottom up fundamental research and top down macro and sector themes. The emphasis is on large cap stocks, particularly looking for companies that will deliver upward earnings revisions. A focused risk-controlled portfolio of 40 stocks is maintained, giving the discipline that whenever a new stock is added, an existing holding must be sold.

### Graphite Enterprise Trust Plc

Managed by William Eccles, this investment trust aims to provide long-term capital growth through unquoted companies. The fund is highly diversified across UK and European securities and has chosen to allocate through a very broad spread of holdings, using specialist third party private equity managers, like Candover and Cinven. Direct investments are also held and include Japanese restaurant chain Wagamama. The fund has displayed excellent long-term outperformance against the FTSE All-Share with lower correlation.

Other holdings may include:

#### UK Equity

- Newton Income
- AXA Framlington UK Select Opps
- L&G Growth Trust
- Standard Life UK Smaller Companies

#### European Ex-UK Equity

- Resolution Argonaut European Alpha

#### Asian Equity

- First State Asia Pacific Leaders

#### Emerging Market Equity

- Gartmore Emerging Markets

#### Specialist Equity Managers

- CF Eclectica Agriculture Fund

#### Alternative Investments

- BlackRock UK Absolute Alpha

## How to invest in the Strategic Alpha Fund



### Cofunds and FundsNetwork

The fund is available through the supermarkets above for direct investment, transfers or switching from existing holdings. Alternatively, contact Allenbridge on 0800 339999.

### ISAs, Investment Funds and SIPPs

The fund is eligible for ISAs and SIPPs and may also be bought outside of these tax-wrappers as an investment fund.

**If you have an investment query or would like to discuss any aspect of the Strategic Alpha Fund in more detail - please call Jason Day on 0800 339999.**

### Fund Charges

Initial charge 0.5%  
(5% less 4.5% for Allenbridge clients)

Annual management charge 1.5%

Minimum regular savings of £100 per month

Minimum lump sum investment £1,000

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Registered No. 1919345

The Authorised Corporate Director (ACD) of the EFA Allenbridge Strategic Alpha Fund is Elite Fund Administration.

Elite Fund Administration (EFA) is a trading name of WAY Fund Managers Limited.

WAY Fund Managers Limited,  
Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB  
Registered No. 4011838 England and Wales.

Authorised and regulated by the Financial Services Authority  
A member of the IMA (Investment Management Association)

The investment adviser to the Fund is Capital Advisory Partners Limited.  
Authorised and regulated by the Financial Services Authority