



***Simply a
smarter way
to invest***

The benefit story

Transact is simply a faster, easier way to invest in leading funds and investments from the UK's financial powerhouses.

Transact gives you and your adviser freedom to tailor a portfolio to your 'financial gameplan' and then run it from one central point of control.

That means one level of fees, one standard of paperwork, one point of contact...not dozens. It means you can check or request changes to your portfolio whenever you want, day or night.

It means you and your adviser have more time free to make the decisions that matter.

Faster operation, simpler control, greater flexibility, better service – Transact gives you all of the diversity, with none of the complexity.

In short, it means you get more of this:

Choice
Access
Confidence
Service
Value
Performance

And a lot less of this:

Filling out forms
Making phone calls
Fuss
Hassle

Like we said – Transact is simply a smarter way to invest.

The problem

What's wrong with the way we invest now?

Modern portfolios protect your nest egg by distributing investments across a wide range of assets, and by and large, it works well – so long as you don't want to change anything. Change is difficult and tiresome, as each investment comes with its own fees and charges, its own paperwork and endless adminstrivia, its own service and reporting.

The problem is that, these days, change is the only predictable feature of the global economy, and it's getting faster all the time.

Of course, smart investors know this and use it to their advantage by restructuring their portfolios to exploit change instead of losing out to it. If you've got access to the necessary expertise, as well as the time and money needed continually to update your portfolio, the rewards can be great.

So...as things stand, you can choose between:

an impossibly complicated plan that is rigid and inflexible but will perform well so long as the rest of the world doesn't change...

or

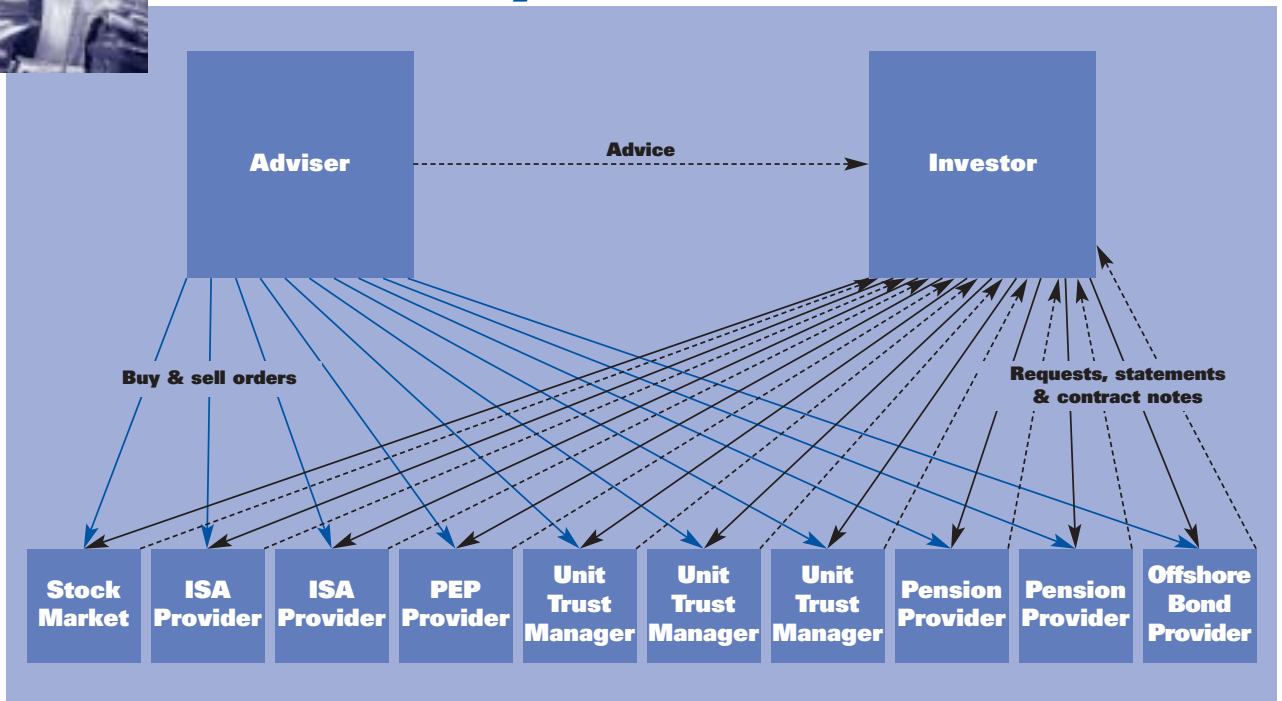
an impossibly complicated plan that can exploit change so long as you've the time and knowledge to manage it and are able to pay all the fees and penalties that go with it.

Not much of a choice is it?

We didn't think so either... which is why we created Transact.



The old way



The answer

How does it work?

Transact works by unifying all your various assets and investment plans in a central point of command and control to create – perhaps for the first time – a totally holistic approach to financial planning.

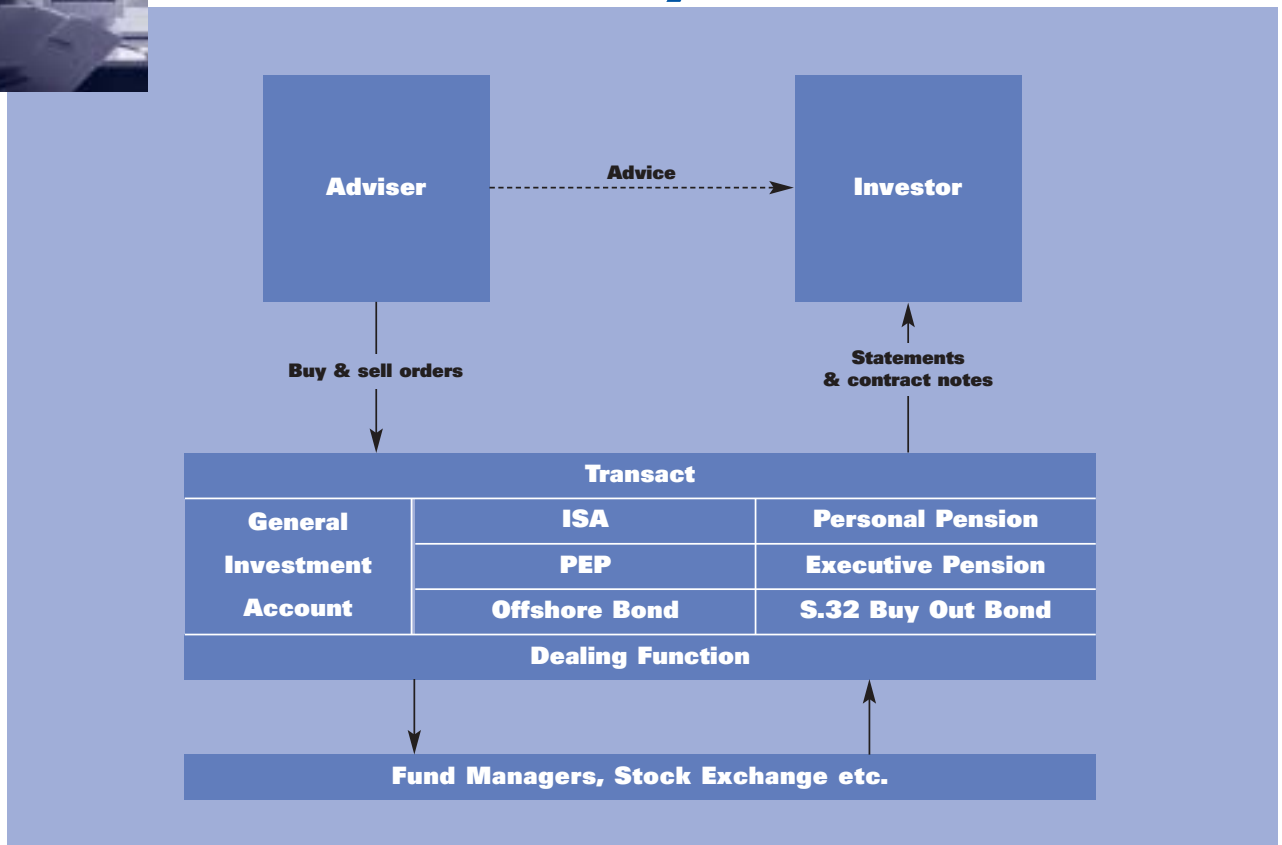
It's a portfolio builder, dealing service and tracking device rolled into one. Part software, part process, part management tool, Transact consolidates every activity and procedure into one investment process which can then be tracked and documented into a central, integrated report.

It's simple to build – choose from an extensive range of asset options and specialised tax wrappers to create a portfolio that suits you. Select the income you want, arrange for regular withdrawals and transfers into your bank account... you can even incorporate your existing investments into the portfolio if you wish.

It's simple to manage – all information, as well as all instructions to buy or sell assets, is accessed through one point and all dividends and rebates are collected for you by Transact. This leaves you and your adviser free to concentrate on the decisions that matter.



The Transact way



OK, what's the catch?

It's simple to access – important transactions are available on-line 24 hours a day through your personalised webpage and our secure transaction system, both accessible to you via your private PIN number if you wish. Of course, if you'd rather a more human touch, your financial adviser and our Client Service Managers are on call during business hours.

It's simple to track – you get accurate and reliable reporting from a single, trustworthy source, with comprehensive six-monthly statements and total documentation of all purchases, sales, deposits and withdrawals, as well as secure internet access to daily valuations and fund information.

Transact isn't free of charge. That's about the only catch.

But unlike other portfolios, Transact reduces all initial and annual charges to a single standard regardless of the assets or investment plans chosen and offers several discount plans for long term or volume investors.

(Make sure you read our 'Clear Basis for Costs' section for more details.)

But what makes Transact exceptional is what it delivers for what it costs.

For about the same (or less) than you'd pay for a long-term traditionally managed portfolio, Transact delivers all the benefits of a smarter, simpler investment process with less trouble, less fuss and a lot less effort.

Which means you get more time, more freedom, more control.

Not much of a catch, is it?

What do I do next?

If you're ready for the Transact difference, here's how to get started.

1. Establish your investment needs with your adviser (Transact is only available from professional, authorised independent financial advisers).
2. Select the funds, shares and tax wrappers that are right for you.
3. Read the accompanying 'Transact Terms & Conditions' documentation and key features.
4. Complete the application form including the deposit instruction and the appropriate investment instructions.
5. Sign and send in the form (we'll need a signed copy when you first set up your portfolio) along with any direct debit or transfer instructions and a cheque so we can purchase the assets on your behalf.

You can open a portfolio for as little as £5,000 (as a single payment) or £1,000 plus a direct debit mandate for £200 per month.

That's it. As soon as we receive your application details, we set up your portfolio and a private, secure webpage in your name. Once we have access to cleared funds and your original signed application, Transact can start working for you.

What happens after that?

1. Once we receive a complete and correct application from you, we then open a General Investment Account in your name.
2. We set up your choice of tax wrappers and buy your choice of investments from the wide range available.
3. We send you written confirmation along with the access codes for your private, secure webpage at www.Transact-Online.co.uk where you can track the value of your portfolio and request transactions at any time, day or night.
4. It's that easy. Anytime you want to buy, sell or switch any of your investments you just let us know by post, phone or internet.

The choice

What sort of plans can I choose from?

There are several different plans you can choose from, but underpinning them all is the General Investment Account, the foundation stone of your Transact Portfolio, and a solid base upon which to build any future investment.

With the General Investment Account in place, you can then choose from a range of specialist tax wrappers. These access the same selection of funds and shares and can be added to your portfolio for little extra cost. These include:

Individual Savings Account (ISA) – earn income or growth from stocks, shares and/or cash in this tax efficient environment.

Personal Equity Plan (PEP) – consolidate your existing Personal Equity Plan Investments and continue to enjoy the tax breaks.

Pensions (Personal, Executive and S.32 Buy Out Bond) – save for your retirement, not for the taxman's.

Offshore Bond – hold a range of collective investments and cash in a tax effective way especially valuable in mitigating the effect of Inheritance Tax.

And as you'd imagine, all these facilities can be operated with the same levels of ease and simplicity that make Transact a smarter, better, faster way to invest.

Why hasn't someone thought of this before?

Well they have, but not in the UK. Transact is based on an idea that transformed the US investment industry in the 1980's, has dominated the Australian market since the 1990's and is now having much the same impact in South Africa and New Zealand.

In the 20 years it's taken to reach the UK, it's become bigger, faster and smarter than ever.

And these days it's called Transact.

Appendix

A clear basis for costs

Transact has a transparent cost structure. By breaking the running costs into three clear components, Transact allows you to see exactly where your money is going at all times.

Here's how it works:

The Cost of the Investments

(goes to the selected fund managers & brokers)

The Cost of the Advice

(goes to your financial adviser)

The Cost of Transactions

(goes to Transact)

The Cost of the Investments

These are the fees charged by the fund managers and/or stockbrokers who supply the assets for your portfolio.

However, we've managed to negotiate discounts and savings on these costs across a wide range of funds. What's more, we're achieving more rebates over time as Transact grows. Your adviser has a breakdown of current discounts.

Of course, all these savings are passed directly on to you, either in the form of lower charges, cash refunds or additional investments.

On balance it means that, over time, a Transact portfolio costs broadly the same as if you managed your portfolio yourself, but with all the added benefits of a simple and responsive approach to investment.

(Some fund managers will rebate less than others and some funds may not offer discounts, so please take a close look at your options with your adviser before you choose.)

The Cost of Advice

Financial advisers are paid for the work they do in designing, establishing and maintaining your portfolio. This payment also acknowledges the value of their ongoing involvement and advice.

Traditionally, an adviser's commission consists of three elements – an initial payment when the portfolio begins, an annual payment, and a switching commission whenever a fund or share is 'switched' for another.

These payments are calculated as a small percentage of the sums involved, but given the flexibility and scope of Transact, we've created four different commission plans to allow you and your adviser to select the fee structure that suits you best.

The Cost of Transactions

Transact is a service, not a product. It earns a commission by carrying out your instructions – buying and selling funds, stocks and shares – the transactions that earn money for your portfolio.

You can deposit cash into your portfolio at no charge. The first time we use cash to buy investments we charge an initial commission of 0.5% (that's 50p per £100).

Every subsequent purchase made with the same cash is now technically being used for a 'switch' and therefore attracts a lower level of commission – just 0.20% (or 20p per £100).

There are no charges for selling an investment, other than the normal expenses associated with share dealing.

The annual commission (collected in quarterly instalments) is based on the value and make up of your portfolio – 0.6% p.a. on investments and switch cash, 0.45% p.a. on other cash, (that's 60p per £100 and/or 45p per £100 respectively).

Transact automatically discounts its charges for transactions as your portfolio grows...the longer you invest, the more cost-efficient your Transact investment becomes.

Where can I find out more?

Transact is only available through independent financial advisers. Your adviser can tell you more.

Your adviser is:

Risk Factors

Transact provides access to a wide range of stockmarket related assets such as unit trusts, investment trusts and other equities. Such investments always involve risk and these risks are described below.

- Unlike a bank or building society deposit, the value of your investments can fall as well as rise, so you may not get back the amount you invest.
- Income can fluctuate, both in monetary value and in percentage terms.
- The price you pay includes initial and annual costs which will have an effect on the value of your investments. Initial costs, in particular, will have an immediate effect so you should always regard your investments as for the long term (normally at least five years).
- Past performance is not a guide to future returns.
- The value of any tax benefits that are available will depend upon your personal circumstances. Tax legislation can change at any time.
- You should note that, other than where the Express Trade service is used, buy and sell instructions from clients are pooled to take advantage of the cost savings of dealing in larger sums. These instructions will only be executed beginning no later than 2.00pm on each Business Day (and instructions received after 1.00pm on any day will be executed beginning no later than 2.00pm on the next Business Day). This means that the price of assets may rise or fall in the period between the receipt of your instruction and the time it is actioned.

Some types of investment also have different specific risks.

These include:

- Investing overseas involves the purchase of assets priced in currencies other than sterling. This means that changes in exchange rates, as well as asset price changes, will affect the value of such investments.
- Investing in “emerging” or “developing” markets or sectors has the potential for higher returns but is also likely to be more volatile and higher risk. This is largely due to the fact that these markets and sectors are more susceptible to significant cultural, political or economic change.
- Some income funds charge all or part of their expenses to capital rather than income. Whilst this enables them to pay a higher dividend, it does correspondingly reduce their potential for capital growth.
- Smaller company investments may be less liquid than those in larger companies and price fluctuations may therefore be greater.

There are other risk factors that apply to specific Transact facilities – and these are detailed in the relevant separate Key Features Documents which you should read. The full terms and conditions of Transact are available from your adviser.

Transact is operated by:

Integrated Financial Arrangements plc,

Domain House,

5-7 Singer Street,

London EC2A 4BQ

Authorised and regulated by the Financial Services Authority.

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Integrated Financial Arrangements plc.
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