

## The Connaught Income Fund, Series 3 Fund Summary

This document should be read in conjunction with the Information Memorandum

- Quarterly fixed income payment
- Short term agricultural bridging finance with an average 65% LTV
- All loans secured against property with a first legal charge
- Additional guarantee on the income from the Specialist Partner
- 30 days notice to withdraw subject to the conditions detailed in the Information Memorandum
- Up to 10.15% annualised over 3 years (total return)
- Suitable for pensions in accumulation or drawdown
- Independent actuarial report available
- Eligible for SIPPs/SSAS/Direct Investments & Charities
- Available via Transact/Nucleus/Ascentric & Novia platforms

This is a UCIS, it is not covered by the FSCS and is only suitable for investors whose financial advisors have assessed them for adherence to COBS 4.12 or the PCIS order. The debenture and quarterly distribution are dependent on the financial performance of the Specialist Partner.

| Investment             | Interest Rate | AER   |
|------------------------|---------------|-------|
| £20,000 to £49,999     | 8.50%         | 8.77% |
| £50,000 up to £249,999 | 8.70%         | 8.99% |
| Over £250,000          | 9.00%         | 9.31% |

### Important Notice

**THIS DOCUMENT DOES NOT REPLACE the Information Memorandum and an investor must not consider investing in the Fund until they have read the Information Memorandum and considered the risks outlined in that document before committing themselves.**

This document is not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The investment approach and process described may not be suitable for all investors. Past performance is not a guide to future performance, and the investments discussed may go down as well as up, and all investors may get back less than they originally invested. The opinions expressed are subject to change without notice and no reliance should be placed upon them. Although Connaught Asset Management considers the information in this document to be reliable no warranty is given to its accuracy or completeness. This document is issued by Connaught Administration Services Limited and is only directed at (i) persons who are 'investment professionals/experienced investors' as such are defined in article 19 of the financial services and markets act 2000 (financial promotion) order 2005 who have professional experience in matters relating to investments and (ii) other persons to whom it may lawfully be promoted (together, 'relevant persons'). It should be read in conjunction with the Information Memorandum.

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|----------------------------|--|
| <b>Closing Date:</b>       | Open ended investment vehicle                                      |
| <b>Minimum Investment:</b> | £20,000 through an authorised and regulated investment specialist  |
| <b>Maximum Investment:</b> | None – special terms will apply to any investments over £1 million |
| <b>Allocation Rates:</b>   | 100% of monies invested  |
| <b>Fund Operator:</b>      | Dunadd Asset Management Limited                                    |
| <b>Trustee:</b>            | Capita Trust Company Limited                                       |
| <b>Asset Manager:</b>      | Connaught Asset Management   |
| <b>Specialist Partner:</b> | Acorn and its wholly owned subsidiaries                            |
| <b>General Partner:</b>    | Connaught Administration Services                                  |

- SEDOL Number: B44DJR2
- ISIN Number: GG00B44DJR28
- Lipper: 68086458

#### Fees and expenses:

Initial fee: 2%

Annual Management Charge: 1.5%

Fund Pricing: fixed at £1 per unit

All fees and expenses are paid for by the General Partner. Investors always receive 100% allocation when monies are invested, with no redemption penalties upon withdrawal.

#### Fund Structure:

The Fund is structured as an English Limited Partnership and an Exempt Unit Trust (for SIPP and SSAS investment). Investors become either Limited Partners in the Limited Partnership or, in the case of Exempt Investors, Unit Trust Holders in the Exempt Unit Trust. Capita Trust Company Limited has been appointed as the Trustee of the Exempt Unit Trust. Dunadd Asset Management Limited has been appointed to manage the Exempt Unit Trust. Some offshore bonds will allow investment into the Fund.

The Fund also accepts investment through a number of platforms.

#### Fund Income Payment:

The Fund will calculate income payments quarterly on 1st January, 1st April, 1st July and 1st October and will pay the income to investors within 21 days. Any investments made during a quarterly period will be paid out on a pro-rata daily calculated basis. Investors may choose to roll-up their income and buy new units in the Fund (some investment platforms do not allow this, please refer to your Financial Adviser for confirmation).

#### Withdrawals:

Investors may withdraw any investments by giving 30 days written notice to the Fund Operator so long as the minimum remaining investment is above £20,000. Any withdrawals made during a quarterly payment period will lose any income due in that quarter, subject to page 10 of the Information Memorandum.

#### Acorn's lending record:

UKAFL is a new company that has been established for the sole purpose of accessing the revolving credit facility provided by the Fund; two previous companies UK Farm Finance Ltd and UK Country Capital Ltd share key personnel with UKAFL.

Between May 1999 and May 2005, the directors for UK Acorn Farm Finance were responsible for 180 loans to the value of £11.4 million at an average loan to value of 65%. No losses were incurred on this loan book.

Between August 2005 and August 2007, UK Country Capital (Barclays Capital credit facility) made 159 loans to the value of £78.9 million at an average loan to value of 65.2%. The default rate was 11%.

The Series 3 Income Fund currently has 41 active loans with the overall value of £21,262,811.50

#### Keeping Investors appraised:

Quarterly Interim reports are published for investors and are available to view and downloading by visiting [www.connaughtam.com](http://www.connaughtam.com) and logging in using a username and password issued by the Asset Manager.