

Investing with Neptune

www.neptunefunds.com



At Neptune, we specialise in long-term investments that we believe could help you provide for your future. We take a hands-on approach, only investing in companies if we have strong conviction in their prospects, based on our outlook for their overall industry and their individual prospects within the real world.

All of our funds can be held within a pension, an ISA or simply invested in directly so you can access your money at any time. Whether you are aiming to grow your initial investment amount or want a regular income, we can help you invest your savings in stockmarkets around the world.

Neptune funds are designed to be held with a long-term view, as our investment team seeks to benefit from economic change and real world themes. However, please remember that the value of an investment can go down as well as up and you may not get back the full amount originally invested.

**Neptune:
what makes us
stand out from
the crowd?**

Neptune's entire fund range is managed using the same central real world investment process. We believe that in an increasingly globalised world, equities (companies' shares) should be viewed at an industry or sector level.

The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested.

This document contains Neptune's views and as such this document is deemed to be impartial research. We do not undertake to advise you as to any change in our views. Opinions expressed are as at the date of issue, but may be subject to change.

Neptune funds may have high historic volatility ratings and past performance is not a guide to future performance.

Global View

Our investment process starts with a global view. While many fund managers split the world into regions before starting their company research, we first look at the prospects of different industries globally. This approach recognises the importance of globalisation and helps us to identify companies that we believe can benefit from changes in the real world.

Active Management

Neptune takes an 'active management' approach. Not only do we constantly review fund positioning according to our global view, we also feel no obligation to hold certain stocks just because the 'market' thinks they are important. We recognise that fund performance is generated not just by the stocks held but also by the decision to exclude others that subsequently perform poorly. We believe Being able to back the winners and avoid the losers is a key advantage of active management.

High Conviction

Because we undertake our own primary research we have very high conviction in our investment decisions. While diversification – or spreading risk across a number of investments – is important, we believe that holding too many stocks can undermine potential returns. Many competitor funds hold more than a hundred stocks, but our funds typically contain between thirty and fifty and we have total confidence in the investment case for each.

Ownership Focus

With over 75% of Neptune being owned by its directors and employees, there is no corporate backer or large external shareholder dictating company strategy. Our business decisions are taken by the teams running the company as we strive to constantly improve the service we provide to our fund investors.

Our range of funds



Fund Range

Neptune has a wide selection of funds to suit the needs of most investors, from global portfolios to more specialised regional funds. Whether you are looking to grow your investments or receive a regular income, we may have a fund that could help you achieve your goals.



Multi-Asset Funds



UK Funds



Developed Market Funds



Emerging Market Funds



Global Funds

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Over the next few pages we set out our fund range, providing a brief introduction to their specific objectives. It is important to remember that whilst we work hard in pursuing the stated aims of our funds, there is no guarantee that the investment objectives will be achieved. Each fund also carries its own specific risks – these are detailed in the Key Investor Information Documents (KIIDs) and Prospectuses, which can be downloaded from www.neptunefunds.com or ordered from our Customer Services Team.

New to investing?

We have explained common investment terms and phrases in the glossary at the back of this brochure.

Looking for a multi-asset portfolio?

Multi-asset funds provide a carefully selected mix of assets, such as equities, fixed income and cash. Investing in a mix of assets can help to diversify your investments away from a single asset class, thereby potentially reducing overall risk.

Neptune Global Alpha Fund *(Growth)*

Holding approximately 50 of our very best investment ideas from around the world, this focused fund aims to generate strong capital growth. It has the flexibility to invest in equities, fixed income, cash and property – the weightings of which are based on how we expect the different asset classes to perform – with very few constraints.

Neptune Balanced Fund *(Growth)*

Offers investors a diversified portfolio, which aims to reduce risk by keeping some investment in cash and/or fixed income, while seeking growth through a portfolio of carefully selected companies; the balance of different assets is determined by our view on the global economy.

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There is no assurance that the investment objectives of the funds will be achieved.

Want to invest in British companies?

These funds apply our rigorous and comprehensive research to the UK stockmarket. We offer a range of products designed to deliver income, growth or a mixture of both.

A majority of the investments made by the Fund may be in securities of small and medium sized companies. Such securities may involve a higher degree of risk than would be the case for securities of larger companies.

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Neptune Income Fund (*Income*)

Our best income-generating ideas in one, targeted fund. Selects our top 33 stock ideas based on their potential to deliver sustainable dividend payments. Focuses predominantly on UK companies, though may include some overseas stocks to boost income and returns. Pays out dividends twice a year.

Neptune Quarterly Income Fund (*Income*)

Invests primarily in high-yielding UK companies, aiming for rising levels of income with some potential for capital growth. Pays four dividends per year from a portfolio of approximately 40 holdings selected from across the market, from small and medium sized companies to large multinational corporations.

Neptune UK Opportunities Fund (*Growth*)

High conviction, focused fund with the freedom to invest in large or small stocks. Draws on detailed global sector research to target select growth opportunities across the entire UK equity market, including "special situation" companies which we believe may have been overlooked by the market and whose share prices are therefore lower than we believe they should be.

Neptune UK Mid Cap Fund (*Growth*)

A fund dedicated to medium-sized companies, investing primarily in stocks listed in the FTSE 250 Mid Index, as well as the larger companies of the FTSE Small Cap Index. These stocks tend to be under researched by analysts, and therefore their share prices are often lower than we believe they should be, offering the potential for strong growth.

**Interested in
the developed
economies?**

North America, Europe and Japan have huge economic power and are home to many of the world's largest and most innovative companies. We invest in companies based in these regions that, in our opinion, are best-placed to take advantage of the global themes identified by our research.

Neptune European Opportunities Fund *(Growth)*

Designed to give investors access to exciting global companies based in Europe, excluding the UK. Deep research into which industry sectors offer the strongest opportunities drives stock picking, as we aim to find what we believe are the best companies in the best sectors in Europe.

Neptune Japan Opportunities Fund *(Growth)*

Aims to deliver growth by investing in medium and large sized Japanese companies that we believe are the very best in their industry sectors globally. Provides exposure to one of the world's most important stockmarkets, but with a focus on global companies rather than those exposed to Japan's domestic economy.

Neptune Japan Institutional Fund *(Growth)*

A sophisticated fund which has the same underlying portfolio as the Neptune Japan Opportunities Fund. Offers both hedged and unhedged share classes, giving investors the opportunity to manage their own currency risk.

Neptune US Opportunities Fund *(Growth)*

The fund invests across a broad spectrum of companies in the world's largest and most diverse stockmarket. It has the flexibility to invest in Canadian companies too, and offers the potential for long-term capital growth from quality companies that we believe can deliver sustainable long-term returns.

Neptune US Income Fund *(Income)*

Offers investors exposure to strong, stable companies, with the ability to sustainably grow their dividend in a region often overlooked by income investors. The fund's focus on income generation could make it a more cautious alternative to traditional US growth funds. Pays distributions four times a year.

There is no assurance that the investment objectives of the funds will be achieved.

**Ready for
emerging markets?**

Developing countries are home to many of the world’s most exciting and fastest-growing companies. Our emerging markets fund range offers exposure to these companies through single country portfolios and more geographically diversified, regional funds. Whilst emerging markets may potentially provide higher returns, it is important to remember that they are also higher risk than investments in developed markets.

Investing in emerging markets can involve a higher degree of risk. Less developed markets are generally less well-regulated than the UK and do not have the strict standards of accounting and transparency present in developed markets. Some emerging markets may have relatively unstable governments, economies based on only a few industries and markets that trade only a limited number of securities. As a consequence, both the value of investments made and the ease of which the underlying securities can be bought and sold may be adversely affected.

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Neptune China Fund (Growth)

Provides exposure to one of the world’s fastest growing economies. Using detailed economic and industry sector research to determine which companies are best-positioned to benefit from China’s significant growth and the development of the surrounding region.

Neptune India Fund (Growth)

We believe India is a country full of potential – a young population, rising urbanisation and growing domestic consumption. The fund aims for strong growth by investing in companies that Neptune believes are best-positioned to make the most of these trends.

Neptune Latin America Fund (Growth)

Latin America is a land rich in natural resources. The fund invests in companies that we believe stand to benefit from the growing global demand for commodities and the wealth that these materials are generating across the Latin American economies.

Neptune Russia & Greater Russia Fund (Growth)

A pioneering product, this was the first UK-based fund to invest solely in Russian companies. Uses team-based research to identify industry sectors and companies most likely to benefit not only from Russia’s significant natural resources but also the opportunities that this mineral wealth is creating in other parts of the economy.

Neptune Emerging Markets Fund (Growth)

Access a wide range of developing economies in a single fund. Draws on Neptune’s expertise in emerging markets to create a diverse portfolio of our very best investment ideas from across these economies. The manager can exclude certain emerging economies if he believes they are too high risk.

Why not go global?

Neptune's approach to global investing sees us selecting companies – often regardless of where they are based – that we believe offer the best exposure to our favoured sectors and investment themes. This may help to maximise opportunities and diversify investments away from a single country or region. In our global funds, the managers can completely exclude countries or regions at any time if they believe they pose a risk to investor's capital.

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Neptune Global Equity Fund *(Growth)*

A truly global fund that invests in companies from around the world. Our rigorous process aims to identify global sectors with the highest potential for growth. We then only select what we believe are the best stocks from these sectors – wherever they are located – for the fund.

Neptune Global Smaller Companies Fund *(Growth)*

Specifically targets niche small and medium sized stocks. The fund has the freedom to invest anywhere in the world and seeks out companies that we believe can deliver faster growth and higher returns than their larger peers.

Neptune Global Income Fund *(Income)*

Designed for investors seeking regular equity income and long-term growth from a global portfolio. The fund pays out dividends four times per year and is designed to be a more cautious alternative to traditional global growth funds, or for investors who want to diversify their income sources outside the UK while retaining the potential for capital growth.

Investment considerations

All investments carry some risk – their value, and any income from them, can fall as well as rise and you may not get back the original amount invested. Additionally, some funds have specific risks to particular geographic regions and to the size of the companies that they focus on. Below we set out some of the specific risks that may apply to some Neptune funds.

Overseas markets

Investing in overseas markets can bring additional returns and spread risk to different markets. However, there are also risks associated with investing in such markets, including changes in currency exchange rates, which may reduce the value of your investment.

Smaller companies

Funds that invest significantly in smaller company shares may be riskier as these stocks can be more difficult to buy and sell and their share prices may move up and down more frequently and more markedly than larger companies.

Emerging markets

Investing in emerging markets or less developed economies may bring greater risk than investing in developed economies due to political, economic or structural challenges that are occurring in these economies. This means your money may be at greater risk.

Fixed income

Fixed income holdings are impacted by changes in interest rates, inflation and any decline in creditworthiness of the borrower (the fixed income issuer). Fixed income holdings that provide a higher level of income usually also carry greater risk as such issuers may have difficulty in paying their debts.

For more information on the risks specific to each fund, download the relevant Key Investor Information Document (KIID) and prospectus from our website, or call our Customer Services Team for hard copies of these documents. Remember though, if you are unsure about the suitability of an investment, you should contact an authorised financial adviser.

Visit our website at www.neptunefunds.com for more information on each of our funds.

Steps to investing

Before investing in a Neptune fund, you will need to read the latest version of a Key Investor Information Document (KIID) specific to the fund and share class you are interested in. In addition, our Supplementary Information Document (SID) contains further useful information about Neptune, including information on our terms and conditions, tax considerations and your rights as an investor.

1

Consider what your investment goals are

2

Consider how much you want to invest and how often,
i.e monthly savings or lump sum

3

Choose which fund you want to invest in

4

Read KIIDs & SID

0800 587 5051 (+44 (0) 1268 44 3920) or
download from www.neptunefunds.com



To invest by phone

Call our Customer Services Team on
0800 587 5051
(+44 (0) 1268 44 3920).

Phone lines are open on weekdays from 9am to 5pm UK time. Please note that for security purposes phone calls may be recorded and monitored.



To invest by post

Neptune Investment Management
PO Box 9004
Chelmsford
Essex CM99 2WR

Please complete an application form which can be downloaded from www.neptunefunds.com or requested by contacting our Customer Services Team on the number to the left or address above.

Glossary

Asset Classes

Different types of underlying investment, including equities, fixed income, property and cash.

Asset classes tend to behave differently to each other, which is why many investors spread their investments over several classes to spread risk.

Benchmark Index

A standard against which the performance of a fund can be measured, e.g. an index such as the FTSE 100 Index. Neptune funds are not tied to replicating a benchmark, and holdings can therefore differ from a quoted index.

Bond/Fixed Income

A loan from an investor to a company or government in return for regular interest payments. The interest is paid for a fixed period. At the end of the term, the original amount invested is repaid. Occasionally, a government or company defaults on the loan, meaning that the promised interest rate and/or capital is not repaid.

Diversification

Spreading investment across a number of different assets, regions or sectors. This can potentially lower the risk compared to investing in individual stocks or just one asset class, region or sector.

Dividend

A payment made by a company to its shareholders, decided by the company's Board of Directors per share class. Not all equities pay a dividend and dividends may increase or decrease over time.

Equity

A share of ownership in a company. Also known as a stock or share.

Growth

The increase in value of your investment over time.

Income

The payments you receive from your investment.

Income generated by a fund can also be reinvested to help boost the value of your investment over time.

Multi-Asset

A mix of different assets, which can help diversify your investments.

Return

The amount you get in terms of income and growth in your investment.

Risk

The potential for losing value in your investment.

Yield

The amount of income generated by a bond, company share, or a fund's overall investments, in relation to the current price of the fund.

Share Class

Each Neptune fund has a number of share classes, sometimes called unit classes, which are designed for different types of investor. Investors need to select a specific share class when placing deals into one of our funds. Where there are different share classes for a fund, they all invest in the same underlying portfolio. However, differences may include whether the share class automatically reinvests or pays out as cash the income the fund receives from its holdings. Another key difference is that charges may differ across share classes, meaning that they come with different costs to the investor. Some share classes have lower charges because they are designed for institutional investors with large amounts to invest. In these cases, the minimum investment amount for that share class may be very high, meaning that most individual investors cannot place a deal in that share class.

Need Advice?

If you are unsure which of our funds, if any, are most suitable for your circumstances, you should contact an authorised financial adviser. If you do not already have a financial adviser, help can be found at the Institute of Financial Planning or on the Unbiased website. Neptune does not provide advice to individuals on their investments either directly or via wrapper products such as ISAs and pensions.

Institute of Financial Planning
www.financialplanning.org.uk

Unbiased website
www.unbiased.co.uk

Important Information

This document is issued by Neptune Investment Management (“Neptune”) which is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS and is registered in England and Wales, Company Registration No.4341768. Neptune funds are available to any person that may be marketed to under the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001. We are required to tell you that this guide is in English and that we will communicate with you in English. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser and please read all fund documentation before investing.

These Funds may have high historic volatility ratings and past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise from the amount originally invested. Tax assumptions and reliefs depend upon an investor’s particular circumstances and may change if those circumstances or the law change. Details are contained in the Prospectus. These Funds may invest more than 35% in government and public securities in a number of jurisdictions. For further details please see the Prospectus. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. For the impact of charges and other expenses on specific funds, reference should be made to the Prospectus, Key Investor Information and Supplementary Information Documents which can be obtained by calling 0845 125 6294 or downloaded from www.neptunefunds.com. The treatment of charges is not uniform across all funds. Lines are open on weekdays from 9am to 5pm UK time. This document contains Neptune’s views and as such this document is deemed to be impartial research. We do not undertake to advise you as to any change in our views. Opinions expressed are as at the date of issue, but may be subject to change. The material contained in this presentation is for information only and does not constitute investment advice or recommendation to any reader of this material to buy or sell investments. Neptune is not authorised to give investment advice and only provides information on Neptune products. This document does not form part of any contract for the sale or purchase of any investment. Any investment application will be made solely on the basis of the information contained within the Prospectus (including all relevant covering documents) which will contain investment restrictions. This brochure is intended as a summary only and without taking into account individual investment objectives, financial situation, particular needs or tolerance for risks.

Investment Risks

Funds that invest in a smaller number of stocks can carry more risk than funds spread across a larger number of companies. Investments in smaller companies can be less liquid than investments in larger companies and price swings may therefore be greater than in large company funds. Where a fund holds investments denominated in currencies other than sterling, investors should note that exchange rates may cause the value of these investments, and the income from them, to rise and fall. Potential investors in emerging markets should be aware that emerging market investments can involve a higher degree of risk. Less developed markets are generally less well-regulated than the UK and do not have the strict standards of accounting and transparency present in developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. As a consequence, both the value of investments made and the case of which the underlying securities can be bought and sold may be adversely affected. Some funds may use derivatives for investment purposes. These instruments can be more volatile than investments in equities or bonds.

