

Thesis

Product Update

June 2011

Welcome to Thesis Product Update, a publication about the latest developments and news on Thesis products.

Optima to adopt NURS structure

The Thesis Optima team has recently written to investors in the Optima fund of funds range and their introducers to let them know of a proposed change in the structure of our Optima funds. We are proposing to leave the snappily named 'Undertakings in Collective Investments in Transferable Securities' (UCITS) regime and move instead to a 'Non UCITS retail scheme' (NURS). Should the proposals be agreed, the change will come into effect at midnight on the 23rd June 2011.

Putting aside yet another abbreviation for us all to adopt and get used to; from an Optima investor's point of view, there will be very little visible change involved in this. The name, strategy, unit prices and nominal client holdings of current Optima funds will be unaffected. The main difference lies in the less constrained investment powers available to the manager of the Optima funds in the Non UCITS regime.

The UCITS regime was created to promote a pan-European market in financial services. It allows funds created in one jurisdiction to be 'passport' or marketed directly into other members states without the need for separate regulatory approval from each recipient state.

To ensure universal adoptability the regime restricts investments, to an extent, on the basis of broad considerations such as liquidity and domicile. NURS funds by contrast have greater flexibility, allowing for instance greater maximum weightings in a single underlying collective investment - useful for funds of funds, especially in the fixed interest arena where this is often appropriate. They are also permitted to invest in commercial property funds or physical property, offshore funds or hedge funds.

As Thesis has no requirement to passport into Europe, we feel the enhanced investment opportunities under the NURS regime would be beneficial, providing increased scope for us to protect and grow our investors' capital, and we have decided to propose a change to the NURS structure for the funds.

In doing so we adopt the stance of much of the more forward looking elements of the UK fund of funds industry, where the greater constraints of the UCITS regime are seen as an unnecessary hindrance for funds of funds, that are focused and marketed for a UK audience.

Optima Fund Factsheets

Details of the performance and other information of the entire range of Optima Funds can be found on our website.

Factsheets are available to download for each of the following funds:

- Optima Growth Fund
- Optima Cash Fund
- Optima Bond Fund
- Optima Balanced Fund
- Optima Multi Asset Strategy Fund
- Optima Income Fund

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This update is for information only and is not an invitation to engage in investment activity.

Thesis Asset Management plc and Thesis Unit Trust Management Limited are authorised and regulated by the Financial Services Authority. Investors should be aware that the value of their investments and the income from them can fall as well as rise and investors may not receive back the full amount they invest. Past performance is not necessarily a guide to future performance. Investments denominated in foreign currencies are subject to fluctuations in exchange rates which can be favourable or unfavourable.

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Please feel free to contact your **Investment Manager** to discuss any aspects of this update.

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