

INVESTMENT SOLUTIONS STRATEGIC GLOBAL FUND (JERSEY)



Investment
Solutions
(Jersey) Limited

IT ALL ADDS UP!

INVESTMENT SOLUTIONS LIMITED

Investment Solutions Limited is the largest provider of multi-manager investment portfolios in the South African market, with total assets under management exceeding R150 billion globally. As such, it is able to deliver investment expertise and service to institutional and private investors. Investment Solutions (Jersey) Limited is a wholly owned subsidiary of Investment Solutions Limited.

To achieve its goals, the company has adopted a spirit of innovation and creativity in its approach to providing solutions-based investment products.

The following six sub-funds of the **Strategic Global Fund** (approved by the South African Financial Services Board) are available:

- Strategic Global Equity Fund
- Strategic Global Bond Fund
- Strategic Sterling Bond Fund
- Strategic US Dollar Liquidity Fund
- Strategic Sterling Liquidity Fund
- Strategic Euro Liquidity Fund

The **Strategic Global Fund** is domiciled in the stringent regulatory environment of Jersey and has been approved by the Jersey Financial Services Commission (JFSC).

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INVESTORS' DILEMMA

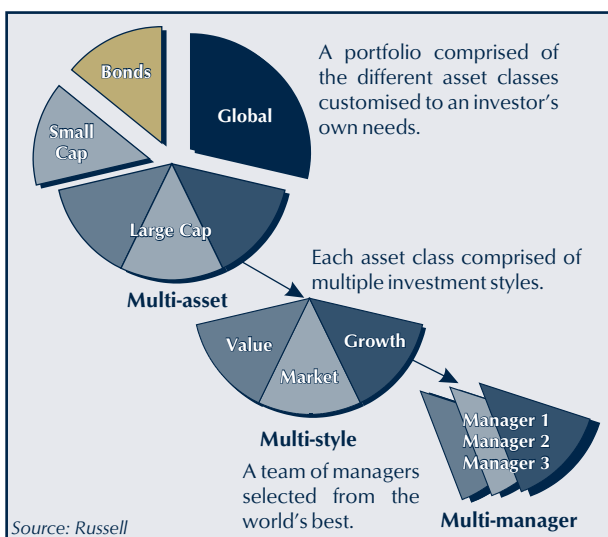
We live in a world in which volatility is the norm rather than the exception. An investor's goal is to achieve the highest possible return with the lowest possible level of risk. Unfortunately, the nature of investment markets is such that the risk-return relationship is, for the most part, positively correlated – a higher return will have a higher associated risk. So, by taking an additional risk in a portfolio, an investor should be compensated with higher returns.



Investment Solutions, in alliance with its global partner Russell, has developed a more efficient way to structure portfolios, making it possible to control risk without necessarily giving up returns, i.e. diversification for risk control and consistent above-average performance. The diagram above illustrates the point graphically. It shows a reversal of the typical risk/return relationship.

DIVERSIFYING AWAY RISK

The portfolios offer investors the benefits of the multi-asset, multi-style, multi-manager approach to asset management.



- An investor's portfolio may be designed to include multiple asset classes in proportions tailored to individual risk profiles, providing multi-asset diversification.
- The range of funds is further diversified by investment styles representing the main strategies utilised by some of the best asset managers to outperform the markets, providing multi-style diversification.
- Investment Solutions and Russell portfolios employ multiple specialist asset managers, with each manager's appointment based on their expertise in a particular investment discipline, providing multi-manager diversification.

Achieving increased return without increasing risk.

Multi-asset

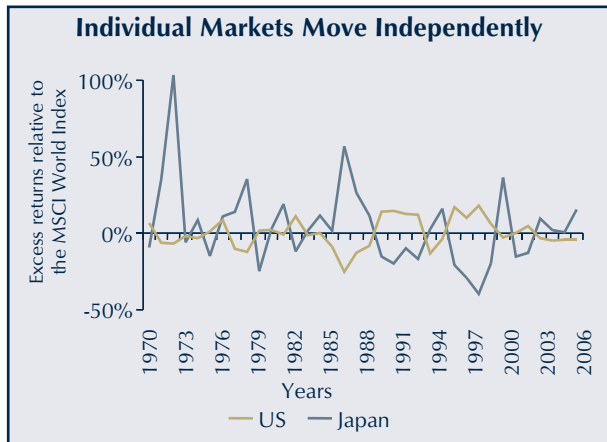
Different asset classes perform at different times, depending on the prevailing economic environment. Additional complexity is created, as certain asset classes are more volatile than others. The graph shows that although equity markets are more volatile, they could significantly outperform other asset classes over the longer term. Mixing asset classes reduces risk. By diversifying across different asset classes, investment objectives are more readily met within the constraints of individual risk profiles.



Source: Global Equity (Dec 1985-Dec 2005) MSCI World Index
Global Bond (Dec 1985-Dec 2005) Citi World Government Bond Index

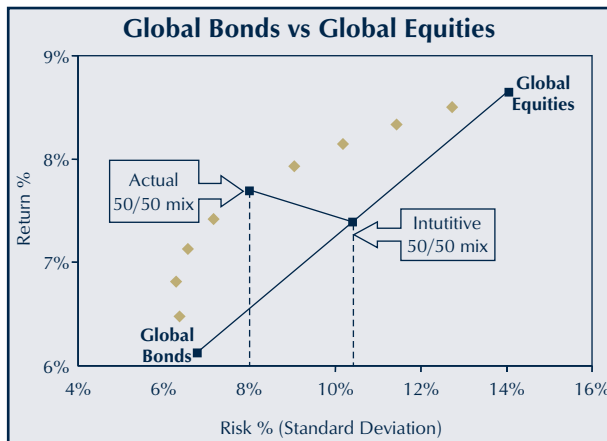
Moreover, investment in different geographic regions (Japan, Europe, the US, etc.) ensures that exposure to the economic volatility a single region may experience is reduced or eliminated. By investing in different countries, exposure to some of the best performing global stocks is attainable.

The graph below shows the historical risk-return relationship of global bonds and global equities.



Source: Datastream

Typically, the risk (or volatility) of bonds is lower than that of equities, but bond returns are lower than equity returns. By structuring portfolios to include a mix of equities and bonds, a risk-and-return trade-off, which lies somewhere between the two asset classes, is achieved. Closer inspection shows that returns achieved for a given level of risk are higher than would have been expected. This is because different asset classes perform independently (they are not perfectly correlated) and can partially neutralise each other's peaks and troughs, reducing overall volatility.



Source: Global Equity (Dec 1985-Dec 2005) MSCI World Index
Global Bond (Dec 1985-Dec 2005) Citi World Government Bond Index
Dollar Cash (Dec 1985-Dec 2005) 90-day US Treasury Bill

The solution is diversification by asset class and region.

Multi-style

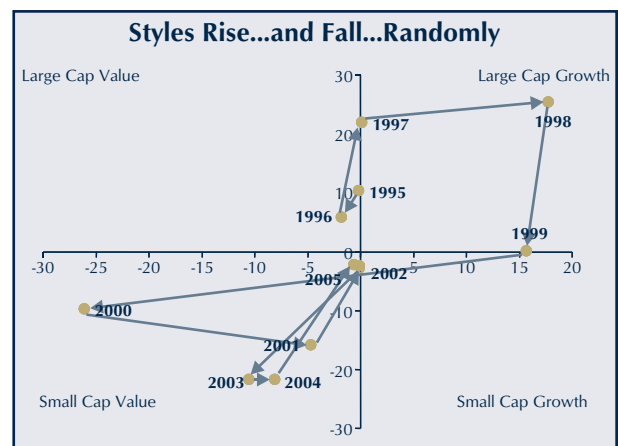
Globally, asset managers use different methods to select the equities and bonds in which they will invest.

These methods can generally be categorised into one of several broad investment styles. For example, Growth and Value are two of the main investment styles used by equity asset managers.

Managers with a Growth style are primarily interested in a company's earnings. They have a strong bias towards companies they expect to exhibit profitability and shareholder earnings greater than the industry norm.

Value managers are more interested in obtaining a company's stock at a good price. They may purchase shares in a company that is currently out of favour with the market, believing the stock is good value for the price.

Different investment styles perform better than others, depending on the prevailing market environment. In the US, for example, managers that purchased Value shares, such as Utilities or Resources, performed well in 1993, but managers that concentrated on Growth companies in industries such as Technology or Healthcare performed better in 1999. The chart demonstrates that having a style bias towards either Growth or Value shares would have had a large effect on performance over the past 10 years. The active management style chosen by the asset manager will significantly affect a successful outcome.



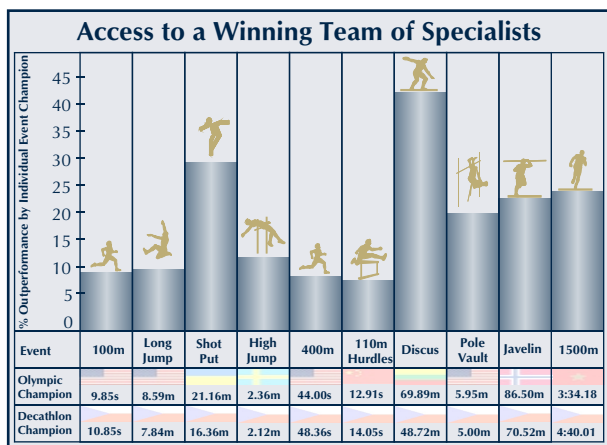
Source: Morgan Stanley Capital International World Index and Morgan Stanley

Neither style is better than the other, as each will perform under different economic conditions. The dilemma facing investors is that it is impossible to know which style will be in favour at any given time. By mixing the different styles risk is reduced and more consistent long-term returns are achieved.

Mixing styles reduces volatility of investment returns.

Multi-manager

The rationale behind the Investment Solutions Strategic Global Fund is that no one is good at everything and specialists usually perform better than generalists. The chart illustrates this in the context of the Olympics, showing that individual event champions can easily beat the decathlon champion in every event. This applies equally to investment management. Why should a manager that excels at investing in, for example, US equities be the best at managing a portfolio of Japanese equities, or fixed income securities? The best results will come from employing the best managers within each asset class.



Manager Selection

Many investors believe the best way to select the best investment managers is by referring to their past performance. This is not surprising, it seems logical to assume that if a manager has performed well in the past, it is likely to do so in the future. This view is reinforced in the media, and the financial press in particular focuses heavily on past performance. League tables of top performing funds can be found in almost any financial publication. However, manager selection is about picking today's and tomorrow's best managers – not yesterday's hot performers – would you drive looking through your rear vision mirror or looking forward through the windscreen?

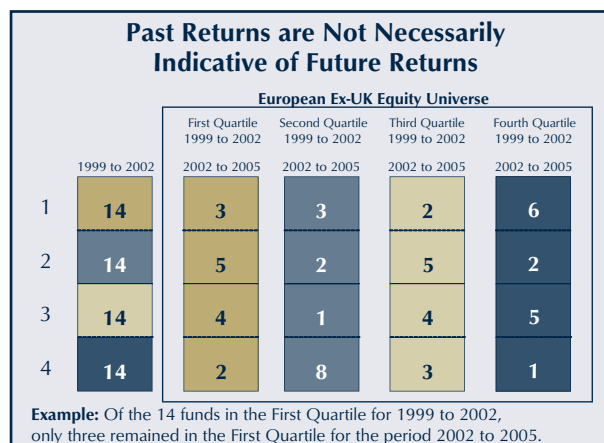
In selecting these managers, the company is assisted by global partners Russell Investment Group, State Street Global Advisors, EIM, Prudential, Orbis and Investment Solutions Fund Managers. Prudential is used as a global asset allocation adviser.

Russell employs more than 100 research analysts dedicated to the task of finding good future performers. They focus on the key drivers of future performance, which include rigorously addressing the

quality of the people, the investment process and the company's commitment to the product.

To gain a comprehensive understanding of the capabilities of a firm's people and process, the analysts combine a detailed quantitative analysis of the managers' portfolios with extensive fundamental research.

Russell analysed the European Equities (ex UK) Funds in S&P Micropal over a six-year period to end 2005. It ranked the funds from highest to lowest over 1999 to 2001, the first three-year period. Over the following three-year period, Russell tracked the returns of each of the funds. In the chart below, the column headed First Quartile 2002-2005 shows the position of the original top performing funds over the second three-year period – again split into quartiles. Of the 14, only three remained in the top quartile, five moved into the second quartile and six performed below average.



Source: S&P, Offshore/Luxembourg Universe, Europe ex-UK Equity at 31 December 2005

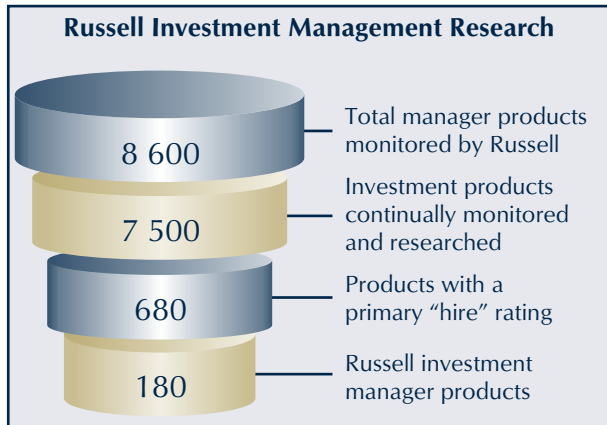
Russell and other companies have done this research using other asset classes and over different time periods and the results are nearly always the same. Past performance is no guide to future performance.

So, to select asset managers some other research basis is needed, as past performance simply cannot reveal whether a manager stands any chance of repeating good past performance in the future.

Consistently good investing is about bright people making informed decisions. Most investors are unable to research asset manager organisations to determine if the organisation has talented professionals making good decisions. This research requires resources and expertise.

Analysts look beyond the performance numbers and uncover the process, personnel and strategy that can

affect an asset manager's future performance. Qualitative judgments are confirmed through rigorous quantitative analyses, using proprietary analytical tools to identify how managers add value and manage risk.



Source: Russell at 31 December 2005

Russell devotes an enormous amount of resources to researching asset managers. It employs over 80 professional analysts dedicated to researching and finding the best asset managers around the world. These experienced analysts monitor 8 600 asset managers and study more than 7 500 investment products. All the selected managers are subject to continuous scrutiny and in-depth analysis to ensure that they remain appropriate for the mandates they were awarded. The Investment Solutions Strategic Global Fund accesses about 40 of the best specialist managers around the world.

GLOBAL SOLUTION

Careful manager selection will result in superior investment returns.

Russell offers:

- Access to about 50 of the world's best specialist managers.
- Global in-depth manager research 8 600 investment management teams are researched in 120 countries.
- A highly experienced investment team of more than 790 investment professionals, including about 200 manager research analysts and portfolio managers, dedicated to finding the top investment managers for clients and combining them in diversified portfolios.

ABOUT THE INVESTMENT SOLUTIONS STRATEGIC GLOBAL FUND

The Investment Solutions Strategic Global Fund is structured as an open-ended, offshore unit trust, governed by the laws of Jersey. The Manager, Administrator and Trustee have been granted permits under the Collective Investment Scheme (Jersey) Law 1988. Units in the Fund are designated to separate Class Funds, which are managed separately and independently.

Jersey is one of the most respected and well-established offshore financial centres in the world. Individual investors, small and medium-sized companies and large multinational corporations alike are drawn by its reputation for well-regulated financial services and political and economic stability. Furthermore, the FSB has approved the Fund. Investment Solutions' comprehensive service includes bi-annual statements, quarterly investment reports and monthly fund fact sheets. The Fund is traded daily. Additional marketing material can be found on www.investmentsolutions.co.za.

About the Strategic Global Asset Class Funds

Investment Solutions (Jersey) Limited offers a range of multi-manager asset class funds which include equity, bond and cash funds. This allows investors to invest in single asset classes or construct their own multi-asset investment portfolios.

INVESTMENT APPLICATION

To invest in the Investment Solutions Strategic Global Fund, contact your financial adviser.

Investment Solutions invites you to read the Prospectus, which provides all the rules and regulations governing the Investment Solutions Strategic Global Fund.

Switching and Redemption Fees

No fees are charged when performing a switch or redemption.

Redemptions

Investments may be redeemed entirely or reduced to a minimum balance of £2 500, or its currency equivalent. Transactions will be actioned on the dealing date following receipt of complete written instructions.

Manager

The Manager, Investment Solutions (Jersey) Limited, is a wholly owned subsidiary of Investment Solutions Holdings Limited.

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Charges and Expenses

Class Fund	Base Currency	Management Fee (p.a.)	Administrator and Trustee Fee (p.a.)	Service Fee (p.a.)	Total (p.a.)
Asset Class Funds					
Strategic Global Equity	USD	1.25%	0.10%	0.50%	1.85%
Strategic Global Bond	USD	1.15%	0.10%	0.50%	1.75%
Strategic Sterling Bond	GBP	1.15%	0.10%	0.50%	1.75%
Strategic US Dollar Liquidity	USD	0.65%	0.10%		0.75%
Strategic Euro Liquidity	EUR	0.65%	0.10%		0.75%
Strategic Sterling Liquidity	GBP	0.65%	0.10%		0.75%

Notes:

1. Full details of the charges and expenses are set out in the Prospectus and the supplements thereto.
2. The offer price includes a preliminary charge at a rate of up to 4%.
3. These charges and expenses do not include any telegraphic transfer and banking charges that may be incurred on the purchase or redemption of Units.
4. These charges will reduce the investment value.
5. All the above fees are current fees and may be subject to change as detailed in the Prospectus.
6. Investors may only invest in the base currency of the relevant Class Fund being invested in, or, where applicable, the currency equivalent of a minimum of £2500.

IMPORTANT INFORMATION

This document is for information purposes only and does not form part of the Investment Solutions Strategic Global Fund Prospectus. The content should not be relied on for the purposes of making an investment in the Investment Solutions Strategic Global Fund.

The Fund is an open-ended unit trust established in Jersey on 28 April 1997 as an unclassified fund that currently has six class funds. The Fund is an unregulated collective investment scheme in the UK and its promotion in the UK is restricted by the Financial Services Act 1986. Unclassified funds are not covered by the Compensation for Investors (Jersey) Regulations 1988.

This material is for information only and does not constitute an invitation to subscribe for Units in the Fund. There is no assurance that the investment objectives of the Fund will actually be achieved. It should be remembered that the value of Units can go down as well as up. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

If an investment in the Fund is redeemed at an early stage, the preliminary charge paid upon purchase of Units may exceed any return on the investment, in which case investors will not receive the full amount of their original investment. Unit trusts are generally medium to long-term investments. The value of Units may go down as well as up and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and, if so, would be included in the overall costs. Historic pricing is used. Fluctuations and movements in exchange rates may cause the value of the underlying investments to go up or down.

Copies of the Prospectus can be obtained from:

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Investment Solutions (Jersey) Limited is regulated by the Jersey Financial Services Commission for the conduct of fund services business.