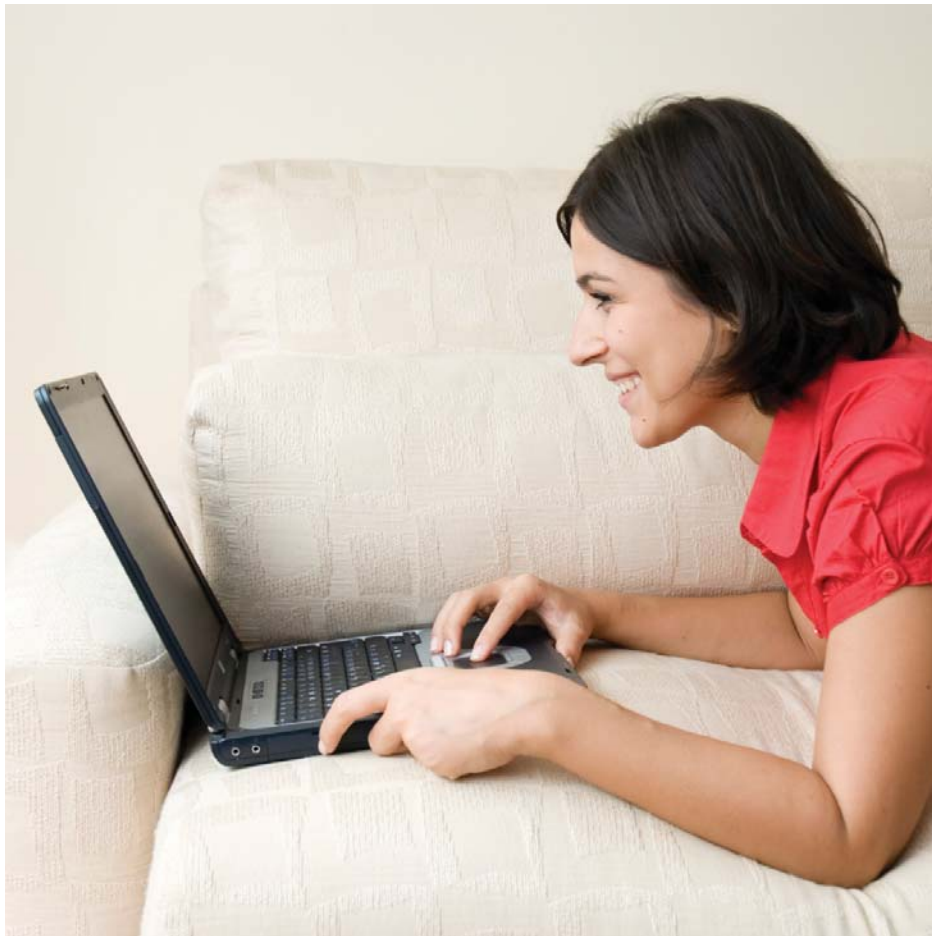


Unit Trusts and ISAs



Simplified Prospectus

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1. General Information

This Simplified Prospectus describes the important features of the Teachers and Sovereign Unit Trust range and the Individual Savings Accounts (ISAs) invested in the same range of unit trusts.

The Funds are:-

Teachers Cautious Investment Fund	Authorised date: 9 February 2006.
Teachers Balanced Investment Fund	Authorised date: 9 February 2006.
Teachers Adventurous Investment Fund	Authorised date: 9 February 2006.
Sovereign Ethical Fund	Authorised date: 17 April 1989.

All the Funds are unit trust schemes authorised by the Financial Services Authority and recognised under Section 237 of the Financial Services and Markets Act 2000.

The Teachers Schemes are classified as non-UCITS (undertakings for collective investments in transferable securities) retail schemes. The Sovereign Scheme is a UCITS retail scheme. All are registered in the United Kingdom.

It is important that you read this document carefully and understand the choices and risks associated with the Funds.

Manager

The Manager of the Unit Trust Schemes is Sovereign Unit Trust Managers Limited. The address of the registered office and head office is Tringham House, Deansleigh Road, Bournemouth, Dorset, BH7 7DT.

Investment Adviser

The Investment Adviser to the Funds is Legal & General Investment Management Limited. The address of its registered office is 1 Coleman Street, London, EC2R 5AA.

Trustee

The Trustee of the Unit Trust Schemes is National Westminster Bank Plc. It was incorporated in England & Wales as a public limited company on 18 March 1968. Its ultimate holding company is the Royal Bank of Scotland Group plc which is incorporated in Scotland. They hold the title to the Funds' investments on behalf of unit holders. Its registered and head office address is at 135 Bishopsgate, London EC2M 3UR.

Auditor

The Auditor of the Unit Trust Schemes is Mazars LLP, Tower Bridge House, St Katharine's Way, London E1W 1DD.

2. Our Unit Trusts

In simple terms, our Unit Trusts are open-ended investments into which you can invest for as long as you wish. We suggest that you consider investing in a Unit Trust for at least 5 - 10 years in order to give it time to establish and grow. You should be prepared to remain flexible about when you cash in your plan, as the longer you invest, the greater the possibility for capital growth.

Your contribution(s), after charges, buy units in one or more of our Funds. These Funds invest in a range of assets; unit prices can go up or down.

Funds

We offer a choice of 4 Funds. Information on these Funds is colour coded throughout this booklet as follows:

Teachers Cautious Investment Fund
Teachers Balanced Investment Fund
Teachers Adventurous Investment Fund
Sovereign Ethical Fund

Eligibility

You can invest in our Unit Trusts if you are aged 18 or over and resident in the United Kingdom.

Contribution Limits

Regular contributions:

- You can make regular contributions to your Unit Trust with a minimum of £50 each month.
- There is no maximum limit.
- If you wish to increase your monthly contribution, you can do so at any time.

Lump sum contributions:

- You can invest with a minimum of £2,000 in one or more of our Funds (subject to a minimum £1,000 per Fund).
- There is no maximum limit.
- If you wish to pay in further lump sums at a future date, you can do so at any time.

ISA Limits

The subscription limit for all investors for the tax year 2012/13 is £11,280.

3. Our Individual Savings Accounts (ISAs)

Before you read about our ISA range, here is some important information about ISAs in general. You should be prepared to remain flexible about when you cash in your plan, as the longer you invest, the greater the possibility for capital growth.

General

An ISA is not an investment on its own. It's a tax wrapper that you put around an investment which is then free from capital gains tax and further income tax on the income or growth from your investment. This is based on current tax rules which could change at anytime.

Annual Subscription Limit

- The subscription limit for the tax year 2012/13 is £11,280.
- You can invest up to £11,280 into a Stocks & Shares ISA, or
- You can invest up to £5,640 in a Cash ISA and the remainder in a Stocks & Shares ISA up to the maximum of £11,280.

ISA Transfers

- You can transfer from existing Cash ISAs (from previous tax years) to a new Stocks & Shares ISA, without affecting this year's subscription limit.
- If you wish to transfer from a Cash ISA from the current tax year to a Stocks & Shares ISA, you must transfer the whole balance.
- You can transfer from existing Stocks & Shares ISAs (from previous tax years) to a new Stocks & Shares ISA without affecting this year's subscription limit.
- If you wish to transfer a Stocks & Shares ISA from the current tax year, you must transfer the whole balance.
- You cannot transfer an existing Stocks & Shares ISA to a Cash ISA.
- Please note that money held in a Child Trust Fund can be rolled over into an ISA when the child reaches the age of 18.

Please call us if you wish to arrange a transfer. If you withdraw the money from your existing ISA yourself, it will lose its ISA status.

Our ISA Range

Our ISAs are all Stocks & Shares ISAs. They invest in our Unit Trust Funds as shown in Section 2 .

ISAs are open-ended investments, which means that you can invest for as long as you wish. We suggest that you consider investing in our ISA for at least 5 - 10 years in order to give it time to establish and grow.

Your contribution(s), after charges, buy units in one or more of our Funds. These Funds invest in a range of assets; unit prices can go up or down.

Eligibility

You can invest in one of our ISAs if you are aged 18 or over and resident in the United Kingdom and have not already invested in a Stocks & Shares ISA in the current tax year, unless that ISA is being transferred to us.

Contribution Limits

Subject to not exceeding the Annual Subscription Limit, detailed above:

Regular contributions:

You can make minimum regular contributions to your ISA of £50 each month

If you wish to increase your monthly contribution, you can do so at any time.

Lump sum contributions:

- You can invest a minimum of £2,000 (subject to a minimum contribution of £1,000 per Fund).
- If you wish to pay in further lump sums during the tax year, you can do so at any time.

4. What are the objectives and investment policies of the Funds?

Teachers Cautious Investment Fund

The objective of the Fund is to achieve a high level of income along with an element of capital growth. The Manager's policy to achieve this objective is to invest directly or indirectly, through investment in a range of collective investment schemes so as to gain exposure to a diversified portfolio of fixed interest securities and equities.

Teachers Balanced Investment Fund

The objective of the Fund is to obtain a balance between capital growth and income. The Manager's policy to achieve this objective is to invest directly or indirectly, through investment in a range of collective investment schemes so as to gain exposure to a diverse selection of UK equities, bonds and at times cash, to produce consistent income and capital growth.

Teachers Adventurous Investment Fund

The objective of the Fund is to focus on seeking capital growth from exposure to a range of markets. The Manager's policy to achieve this objective is to invest directly or indirectly, through investment in a range of collective investment schemes so as to gain exposure to global stock markets, normally restricted to approved securities, which are traded on or under the rules of an eligible securities market.

Sovereign Ethical Fund

The objective of the Scheme is to achieve primarily capital growth. The Manager's investment policy is for the Scheme to hold investments with the aim of tracking the performance of a combined weighting of 75% of UK FTSE4Good Index and 25% of FTSE Environmental Opportunities UK Index. Wherever possible our Ethical Fund excludes investment in: companies with operations in countries with oppressive regimes, companies who are involved in military production and sale which could result in the taking of human life or warfare, any company involved in a tobacco related business but includes investment in: companies who have significant involvement in environmental markets, including renewable and alternative energy, energy efficiency, water infrastructure and technologies, pollution control, waste management and technologies or environmental support services and only those companies who operate best practice in corporate governance.

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5. What type of investors are the Funds aimed at?

When choosing where to invest your money, it's important to weigh up the amount of risk you are prepared to take, in return for potential reward. It is very important to us that you understand what to expect when you invest with us. To make this easy for you to judge, we give each of our Funds a risk and reward rating based on the asset mix of the Fund.

We use a simple risk scale of 1-5; 1 represents very low risk and 5 represents high risk.

Each risk rating has a written risk profile to help you work out which you feel most comfortable with.

We also include a volatility measure. The volatility measure gives you an idea of the relative ups and downs associated with each level of risk.

The table overleaf gives you the risk rating for each Fund;

Fund	Risk Rating	Risk Profile	Volatility	Description
Cautious	2	Low	Low/ Medium	<p>You are only willing to take low levels of risk. You are prepared to accept the potential for only a small amount of capital growth for the greater security of your money. You understand that you could still lose money on a “Low Risk” investment.</p> <p>You understand that Teachers Assurance regard a “Low Risk” investment as one which typically invests:</p> <ul style="list-style-type: none"> Up to 20% in equity markets (company shares) and the remainder in Gilts, Corporate Bonds and Cash.
Balanced	3	Medium	Medium	<p>You are willing to take a moderate amount of risk. You accept that there will be fluctuations in the value of your investment and that you need to remain flexible about when to cash in your plan. You understand that you could lose money on a “Medium Risk” investment.</p> <p>You understand that Teachers Assurance regard a “Medium Risk” investment as one which typically invests:</p> <ul style="list-style-type: none"> Between 60 - 75% in equity markets (company shares) and property with the remainder in a combination of Gilts, Corporate Bonds and Cash.
Adventurous	4	Medium/ High	Medium/ High	<p>You are willing to take a medium to high level of risk. You accept that fluctuations in the value of your investment will be commonplace and that you need to remain flexible about when to cash in your plan. You understand that, if stock markets fall, you have a greater chance of losing money than with a “Low Risk” or “Medium Risk” investment.</p> <p>You understand that Teachers Assurance regard a “Medium / High Risk” investment as one which typically invests:</p> <ul style="list-style-type: none"> Between 90 - 100% in equity markets (company shares) with the remainder in Cash. You understand that our “Medium / High Risk” funds may carry ‘Specialist Investment’ Risk You understand that our “Medium / High Risk” funds may carry significant ‘Currency’ Risk
Ethical	4	Medium/ High	Medium/ High	<p>You are willing to take a medium to high level of risk. You accept that fluctuations in the value of your investment will be commonplace and that you need to remain flexible about when to cash in your plan. You understand that, if stock markets fall, you have a greater chance of losing money than with a “Low Risk” or “Medium Risk” investment.</p> <p>You understand that Teachers Assurance regard a “Medium / High Risk” investment as one which typically invests:</p> <ul style="list-style-type: none"> Between 90 - 100% in equity markets (company shares) with the remainder in Cash. You understand that our “Medium / High Risk” funds may carry ‘Specialist Investment’ Risk You understand that our “Medium / High Risk” funds may carry significant ‘Currency’ Risk

6. What are the risks associated with Unit Trusts and ISAs?

- Both capital and income values may fall as well as rise and you may not get back the full amount of your original investment.
- What you get back depends on the actual investment performance of the Funds and is not guaranteed. Investment in Unit Trusts and ISAs should be regarded as a long-term investment and you should therefore not invest money you may need in the short term.
- If you cash in your investment, particularly in the early years, you may get back less than your contributions.
- Where the Fund invests in fixed interest securities (corporate or government bonds), the value of that part of the Fund is sensitive to interest rate trends. An increase in medium to long-term interest rates is likely to reduce the value of that part of your investment.
- If you exercise your right to cancel within 30 days of inception, you may not get a full refund of the amount paid if the value of the investment has fallen when we receive your cancellation notice.
- Taxation rules could be altered by future legislation.
- Inflation will reduce the buying power of your investment.

In addition, the following risk factor is specific to the Teachers Adventurous Investment Fund and the Teachers Balanced Investment Fund

- Where a Fund invests overseas, changes in exchange rates between currencies may cause the value of your investment and the level of income to rise or fall.

Full details of all the risks associated with investing in these Funds can be found in the Full Prospectus.

7. How do I buy units?

You can buy units on each working day. Your instruction to buy units will receive the buying price fixed at the next valuation point. This is called forward pricing. Valuation takes place each working day at 12.00pm.

Regular monthly investment Direct Debits will usually be claimed on the 15th of the month, or the next working day if the 15th is not a working day, and units will be bought at the buying price on this day. If you are investing in unit trusts through an ISA, the Direct Debit will be claimed on the 20th of the month or the next working day.

To treat the interests of both new purchasers and existing customers fairly, large investments (defined as 5% or more of the Fund's value or above £15,000 for the Ethical Fund) may result in using a higher buying price.

8. Do I have a right to cancel my investment?

When you buy units we will send you notice of your legal right to cancel under the Financial Services and Markets Act 2000. You then have 30 days in which to change your mind.

If you do cancel, you may not get a full refund of the amount paid if the value of your investment has fallen from the date of investment to the date when we receive your cancellation notice.

9. How do I sell units?

You can instruct us by telephone or in writing to withdraw all or part of your investment. Instructions to sell units will be carried out at the selling price fixed at the next valuation point following receipt of your instructions. We will ask you to confirm instructions given over the telephone in writing. Written instructions to sell must be signed by each unit holder.

The minimum value of units you can sell is £50.

The proceeds will be forwarded to you within 4 working days of receipt of the signed instruction.

To find up to date information on Fund prices please see the question, **"Where are Fund prices published?"**

To treat the interests of both sellers and remaining customers fairly, large withdrawals (defined as 5% or more of the Fund's value or above £15,000 for the Ethical Fund) may result in using a lower selling price.

10. Can I switch into another Fund?

You can switch from one Fund to another without charge, by completing the switch form.

If your investment is in a Unit Trust, switches between Funds can give rise to a Capital Gains Tax charge. This does not apply to switches between Funds within an ISA.

If you are in any doubt as to how this might affect you, please call us on 0800 056 0563 before you give your instruction to make a switch.

11. Where are Fund prices published?

Fund prices are available on our website at www.teachersassurance.co.uk - Scroll down to the bottom of our Home Page and click on 'Fund Prices'. They are also available on request from the Manager by telephoning 0800 056 0563.

12. Can I take an income from my investment?

The underlying investments in the Funds may generate income in the form of interest or dividends, which are paid into the Funds.

This income is distributed to unit holders by allocating additional units. Unit holders in the Cautious Investment Fund and the Balanced Investment Fund can, however, choose to receive this income as a cash payment, if they prefer.

Please note:

- For investments in the **Cautious Investment Fund**, these are treated as interest distributions.
- For investments in the **Balanced Investment Fund**, **Adventurous Investment Fund** and **Sovereign Ethical Fund**, these are treated as dividend distributions.

The payment dates for the Funds are as follows:-

	Interim	Annual
Teachers Cautious Investment Fund	28/29 February	31 August
Teachers Balanced Investment Fund	30 April	31 October
Teachers Adventurous Investment Fund	30 June	31 December
Sovereign Ethical Fund	31 October	30 April

The interim income payment is subject to an average minimum payment of £10 per unit holder. Any amount below this figure will be included in the annual income payment. The manager will pay the final distribution to the unitholder providing there is income available in the scheme.

Please see Section 14 for details of how each type of income distribution is taxed.

Stamp Duty Reserve Tax (SDRT)

Regulations require an SDRT charge to be payable for certain redemptions and sales within Funds with equity investments. The amount depends on the pattern of dealing within the Fund and can't be determined at the time of your instruction to buy or sell. The charge may have an adverse effect on the Fund value. The Financial Services Authority (FSA) rules allow these costs to be recovered from investors when buying and selling. Our Policy is to charge to the Fund, however the Manager reserves the right to charge an SDRT provision of up to 0.5% to the value of any cancellation or redemption that constitutes a "large deal". A "large deal" for this purpose is a transaction with a value of £15,000 or more.

Cashback Option

You can make regular withdrawals from your investment but there are minimum amounts you should invest to fund these withdrawals:-

Frequency	Minimum amount invested per Fund
Monthly	£12,000
Quarterly	£6,000
1/2 yearly	£4,000
Yearly	£2,000

These withdrawals are funded by the sale of units from your Fund which take place on the 14th of each month or the next working day. Payments will be made into your Bank or Building Society Account by the 20th of each month. Any withdrawals are subject to a minimum of £50 per payment.

You may not wish to take cashback from your investment until it has been invested for 12 months. Any cashback withdrawals in excess of investment returns will erode your capital. All withdrawals are subject to the Fund value being not less than £500. A summary of all transactions will be shown on your half yearly statements.

13. What tax is payable by the Funds?

Authorised unit trusts are exempt from UK taxation on capital gains realised on the disposal of investments held within the Funds.

All income received by the Fund is subject to corporation tax at 20% except dividend distributions which are exempt from corporation tax.

14. What tax will I pay?

Unit Trusts

Where the Fund makes a **dividend distribution** it will be paid net of 10% tax. Non-taxpayers cannot reclaim the tax credit. Basic rate taxpayers will have no further tax liability. Higher rate taxpayers will have to pay an extra 22.5% tax, giving a total liability of 32.5% tax.

Where the Fund makes an **interest distribution** it will be paid net of 20% tax. Non-taxpayers will be able to reclaim the tax paid from HM Revenue and Customs. Basic rate taxpayers will have no further tax liability. Higher rate taxpayers are liable at the higher rate of 40%, with credit being given for the income tax already paid.

When you sell your units, any capital returns may be subject to capital gains tax if your overall gains for the tax year are over the current limit (£10,600 for 2012/2013).

ISA

When you sell your units in your Individual Savings Accounts, you will not be subject to capital gains tax.

Interest distributions are paid net of 20% tax which is deducted at source. As this is an ISA investment, we subsequently recover this 20% tax from HM Revenue and Customs. This is then either reinvested on your behalf by purchasing extra units or if you elected to receive an income, it will be paid to you after we have received it from HM Revenue and Customs.

Dividend distributions have tax credits of 10% that are not reclaimable for ISA holders.

You do not have to declare an ISA on your tax return.

If your ISA is still in force when you die, your ISA status will end and the value will form part of your estate for inheritance tax purposes. The Funds remain invested until we receive an instruction from your legal representative.

Further information

The rates and basis of taxation may change in the future. The favourable tax treatment of ISAs may not be maintained.

You should remember that the tax law applicable depends on your own personal situation and residency status. If you have any doubt about your position you should obtain professional advice.

More detailed information about taxation is contained in the Full Prospectus. Copies of the Full Prospectus are available free of charge at any time on request from the Manager's Head Office at Tringham House, Deansleigh Road, Bournemouth, Dorset, BH7 7DT.

If you require more information, support or guidance on this please visit our website at www.teachersassurance.co.uk or call our Customer Support Team free on 0800 056 0563.

15. What are the charges and expenses?

Initial charge

We make an initial charge of 3% on all investments into the Teachers Funds.

The initial charge is deducted from each investment amount. After we deduct the initial charge we invest the remaining money at the buying price fixed at the next valuation point.

The initial charge on the Sovereign Ethical Fund is 3%. This charge shows in the difference between the buying and selling price of units in the Fund.

Annual management charge

Sovereign Unit Trust Managers Ltd, as scheme managers, earn a fee of 1.25% per annum of the Fund value for administering and managing the investment in the Teachers Funds and 1.5% per annum of the Fund value for administering and managing the investment in the Sovereign Ethical Fund. The charge is calculated at an equivalent daily rate and deducted from the income of the Fund.

We take this charge from the income generated by your investment.

Distribution reinvestment charge

Please be aware that our standard initial charge of 3% will be applied to the reinvestment of any distributions or tax.

Other fees and expenses

Other fees paid directly from the Funds cover audit, safe custody, registration, trustee and Regulator's fees.

Transaction charges levied by the custodian are £10 per trade for all Funds. For the Sovereign Ethical Fund, charges levied by brokers are negligible. As the Teachers Adventurous, Balanced & Cautious Funds are currently invested in a range of collective investment schemes there are no direct broker charges.

We deduct these fees and charges as they arise.

16. How will charges and expenses affect my investment?

Cautious Investment Fund

The effect on an investment of £3,000 into the Teachers Cautious Investment Fund unit trust assuming growth of 4.5% a year is set out below. Income, after tax, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	132	3,000
3	3,000	226	3,190
5	3,000	334	3,400
10	3,000	677	3,980

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £677.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 4.5% to 2.9%.

The effect on an investment of £3,000 into an ISA assuming growth of 5.5% a year is set out below. Income, plus any reclaim of tax available, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	143	3,020
3	3,000	264	3,250
5	3,000	407	3,510
10	3,000	882	4,240

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £882.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 5.5% to 3.5%.

The rates of return assumed by Teachers Assurance for the Teachers Cautious Investment Fund are lower than the standardised projection rates supplied by the Financial Services Authority. This is to reflect current investment conditions.

Balanced Investment Fund

The effect on an investment of £3,000 into the Teachers Balanced Investment Fund unit trust assuming growth of 6% a year is set out below. Income, after tax, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	134	3,040
3	3,000	236	3,330
5	3,000	358	3,650
10	3,000	779	4,590

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £779.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 6% to 4.4%.

The effect on an investment of £3,000 into an ISA assuming growth of 7% a year is set out below. Income, plus any reclaim of tax available, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	145	3,060
3	3,000	275	3,390
5	3,000	436	3,770
10	3,000	1,010	4,880

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £1,010.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 7% to 5.0%.

16. How will charges and expenses affect my investment? (continued)

Adventurous Investment Fund

The effect on an investment of £3,000 into the Teachers Adventurous Investment Fund unit trust assuming growth of 6% a year is set out below. Income, after tax, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	138	3,040
3	3,000	249	3,320
5	3,000	382	3,630
10	3,000	840	4,530

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £840.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 6% to 4.2%.

The effect on an investment of £3,000 into an ISA assuming growth of 7% a year is set out below. Income, plus any reclaim of tax available, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	143	3,060
3	3,000	270	3,400
5	3,000	428	3,770
10	3,000	992	4,900

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £992.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 7% to 5.0%.

Sovereign Ethical Fund

The effect on an investment of £3,000 into the Sovereign Ethical Fund unit trust assuming growth of 6% a year is set out below. Income, after tax, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	149	3,030
3	3,000	286	3,280
5	3,000	449	3,560
10	3,000	1,000	4,360

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £1,000.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 6% to 3.8%.

The effect on an investment of £3,000 into an ISA assuming growth of 7% a year is set out below. Income, plus any reclaim of tax available, has been reinvested in further units of the unit trust. The figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

At End Of Year	Investment to Date	Effect of Deductions to Date	What you might get back
	£	£	£
1	3,000	154	3,050
3	3,000	305	3,360
5	3,000	492	3,710
10	3,000	1,150	4,740

The last line of the table shows that over 10 years the effect of total charges and expenses on a lump sum investment could amount to £1,150.

Putting it another way, this would have the same effect as bringing down the illustrated growth rate from 7% to 4.7%.

17. What is the Total Expense Ratio (TER) of each Fund?

The TER shows the annual operating expenses of each of the Funds.

The TER is the accepted standard in the European Union to help you compare the operating costs of different schemes. It does not include transaction expenses.

The TER figures for each Fund shown below are for the periods as shown:-

Teachers Cautious Investment Fund for the period 01/07/2011 to 31/12/2011	1.46%*
Teachers Balanced Investment Fund for the period 01/09/2011 to 29/02/2012	1.50%*
Teachers Adventurous Investment Fund for the period 01/11/2010 to 31/10/2011	1.51%
Sovereign Ethical Fund for the period 01/03/2011 to 29/02/2012	1.82%

*Expenses have been annualised

18. What is the Portfolio Turnover Rate (PTR) for the Funds?

The PTR is the rate of trading activity in a portfolio of investments.

The formula used to calculate the PTR is as follows:-

$$\frac{(\text{Purchases of securities} + \text{Sales of securities}) - (\text{Subscription of units} + \text{Redemption of units})}{(\text{Average Fund Value over the period}) \times 100}$$

The PTR for each of the Funds is:-

Teachers Cautious Investment Fund for the period 01/07/2011 to 31/12/2011	-2.35%
Teachers Balanced Investment Fund for the period 01/09/2011 to 29/02/2012	-0.18%
Teachers Adventurous Investment Fund for the period 01/11/2010 to 31/10/2011	3.17%
Sovereign Ethical Fund for the period 01/03/2011 to 29/02/2012	35.20%

19. What is the historical performance of the Funds?

The Teachers Funds were launched on 10 February 2006; figures are available up to December 2011.

Figures shown on the bar chart relate to the Cautious, Balanced and Adventurous Funds.

The cumulative percentage return of the Teachers Funds over the period 10 February 2006 to 31 December 2011 was:

Cautious Investment Fund: 21.2%

Balanced Investment Fund: 13.5%

Adventurous Investment Fund: 8.9%

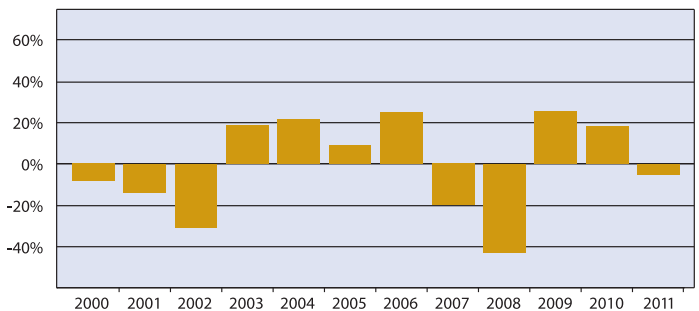
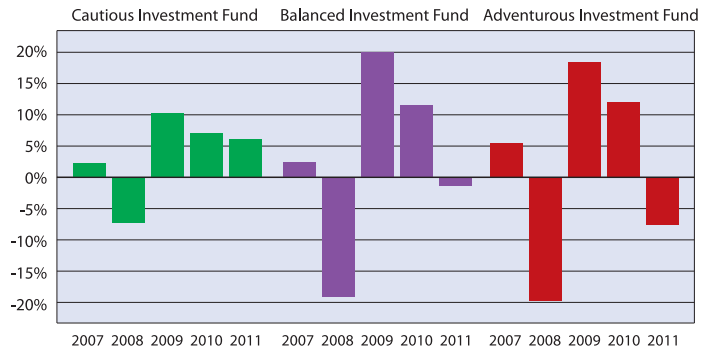
Figures are based on the selling price with net income reinvested (Source: Teachers Assurance). More up to date figures may be available on request.

Sovereign Ethical Fund

The bar chart shows the performance of the Sovereign Ethical Fund over the last 10 years. The cumulative percentage return of the Sovereign Ethical Fund over the 10 year period to the end of 2011 was -6.8%.

Figures are based on the selling price with net income reinvested (Source: Teachers Assurance). More up to date figures may be available on request.

Past performance is not a guide to future performance. The value of income and units can go down as well as up. Tax concessions are not guaranteed and can change at any time.



20. How will I know how my investment is doing?

You will receive a half-yearly statement telling you how your Unit Trust or ISA is doing.

You will also receive an interim report and a final report on your chosen Fund(s) each year.

You can monitor unit prices via our website. Go to www.teachersassurance.co.uk. Scroll down to the bottom of our Home Page and click on "Fund Prices".

You can also monitor your own Unit Trust or ISA securely through our password protected "My Plans" facility on our website. From our Home Page, simply click on "My Plans" to set up your account.

21. How to contact us

If you want additional information you can contact us in the following ways:

Phone us free on **0800 056 0563**. Lines open Monday to Friday 8:30am-8:00pm and Saturday 9:00am-1:00pm.

Write to us at Teachers Assurance, Tringham House, Deansleigh Road, Bournemouth, Dorset, BH7 7DT.

Email us via our website **www.teachersassurance.co.uk**

The Funds are authorised and regulated by the Financial Services Authority. You can contact them through their website **www.fsa.gov.uk** or call their consumer helpline on **0845 606 1234**.

This Simplified Prospectus is prepared in accordance with the New Collective Investment Scheme (COLL) Sourcebook contained within the FSA handbook.

Copies of the Full Prospectus for each of the Sovereign and Teachers Funds and copies of the most recent annual and half yearly reports are available free of charge at any time on request from the Manager's Head Office at Tringham House, Deansleigh Road, Bournemouth, Dorset, BH7 7DT.

If you are in any doubt as to whether the products detailed in this Simplified Prospectus are suitable for you, you should consult an Independent Financial Adviser. You can find details of your local Independent Financial Adviser by visiting www.unbiased.co.uk. Please note, you may be charged for advice.