

Weatherbys Gilt Portfolio

3 UK government bonds ('gilts')
Maturing within 2 years
Exempt from Capital Gains Tax

A low-risk alternative to term deposits, offering potentially attractive yields net of tax.

- Each gilt pays a 'coupon' twice a year, which is subject to income tax.
- Each gilt is purchased at a price lower than £100, and will redeem at £100 at maturity (assuming the Bank of England does not default). Capital gains on UK gilts are exempt from tax.
- The portfolio consists of three separate gilts, to reduce exposure to unfavourable changes in interest rates near any single maturity date.
- For a fair comparison with a taxable savings account, we present hypothetical 'Gross Equivalent Yields' for various marginal tax rates. Please note that investors will only actually receive net yields.

Gilt	Yield	Gross Equivalent Yield		
		20% taxpayer	40% taxpayer	45% taxpayer
1	4.4%	5.5%	7.2%	7.8%
2	4.7%	5.7%	7.3%	7.9%
3	4.3%	5.3%	6.9%	7.5%

The actual prices of gilts purchased in the market, and hence their yields, will likely differ from those shown.

The value of the gilts in this portfolio can go down as well as up. If you sell prior to maturity, you may not get back what you originally invested.

Although highly unlikely, it is possible that the UK government might default on its debt obligations. In this scenario, you might not get back any of your original capital.

Capital losses on UK gilts cannot be used to offset gains elsewhere for the purposes of tax relief.

Tax laws are subject to change and taxation will depend on your individual circumstances.

This document is for information only and is not an investment recommendation.



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