



# skandia investment solutions

terms and conditions for the  
ISA and collective investment account

These Terms and Conditions (Terms) detail the agreement between you and Skandia MultiFUNDS Limited, to manage your ISA and Collective Investment Account. ISA also includes former PEPs that automatically became ISAs under HMRC Regulations on 6 April 2008 – throughout these Terms these contracts are described as ISA (formerly PEP). The definitions which are detailed below (other than personal pronouns, for example, we, us, our, you and your) will appear in these Terms with the first letter capitalised.

Certain terms will only apply to specific types of Account and such terms will be marked accordingly. Any references to directives regulations and guidance notes include any subsequent amendments or substitutions. For the purposes of these Terms, the singular shall include the plural and the masculine the feminine and vice versa.

## Definitions

<b>we, us and our you and your</b>	The Plan Manager – Skandia MultiFUNDS Limited. The applicant for an Account. You must be at least 18 years of age and no older than 90 years of age.
<b>Account</b>	An Individual Savings Account 'ISA' as referred to in the Regulations, which under these Terms, means a stocks and shares ISA. An ISA (formerly PEP), which under these Terms means a stocks and shares ISA that was formerly a PEP before 6 April 2008. A Collective Investment Account 'CIA'.
<b>Application</b>	A form or electronic application which satisfies our requirements and includes your acceptance of these Terms.
<b>Bid Value</b>	The value of a Unit calculated using its bid (or selling) price.
<b>Cash Deposit</b>	We will deposit any cash held in your Account in one or more accounts held in our name at an approved UK bank or authorised institution that we nominate. Cash can arise from Investments, the sale of Investments, dividends, other rights, interest, tax claims and where you have instructed us to hold your Investment as cash. The cash will be held within your product and will appear on valuation statements. We do not accept liability for default by any UK bank or authorised institution holding cash under these Terms. All client account money is kept separate from the funds belonging to us.
<b>Client Extranet</b>	A secure internet site which we make available to registered users and which allows Investors to obtain valuations and Switch or Redirect Funds within their Account(s).
<b>Client Money Account</b>	A ring-fenced and separately identifiable bank account held by us for the sole purpose of holding client money on which no interest is payable.
<b>Cut-off Time</b>	Our deadline for trade related instructions to meet the next Dealing Point. Cut-off Times for each Fund are stated in our Funds List.
<b>Dealing Day</b>	Any Working Day on which the Fund Manager accepts trades.
<b>Dealing Point</b>	The time up to which the Fund Manager will accept trades on a Fund on the current Dealing Day. Dealing Points for each Fund are stated in our Funds List.
<b>Financial Adviser</b>	A firm or individual authorised by an appropriate body under financial services legislation to provide advice and arrange or carry out investment transactions on behalf of customers.

<b>FSA</b>	The Financial Services Authority (which shall also include any successor regulatory authority). We are authorised and regulated by the FSA for investment business and are bound by its rules. (FSA registration number 165359.)
<b>Fund</b>	Funds available through us to you, as detailed in our Funds List, which include: – ISA and ISA (formerly PEP): Units or shares in our Funds List as permitted by the Regulations. – CIA: Units or shares in any collective investment scheme included in our Funds List. These may include Authorised Investments, Open-Ended Investment Companies (OEICs), Société d'Investissement à Capital Variable (SICAV) and Structured Products.
<b>Fund Manager</b>	The investment company responsible for the management of the Fund.
<b>Funds List</b>	This means the Funds List for products available through the Skandia Investment Solutions platform, a document that is available on our website or from your Financial Adviser detailing the allowable Funds available through us.
<b>Head Office</b>	Our Head Office for which the postal address is Skandia House, Portland Terrace, Southampton, SO14 7AY.
<b>HMRC</b>	Her Majesty's Revenue & Customs.
<b>Investment</b>	Payments made to your Account. – Lump Sum Investment – one or more irregular payments by cheque, electronic UK bank transfer or debit card authorisation. – Regular Investment – monthly direct debit payments. – Transfer (ISA only) – cash proceeds from a different ISA manager on your behalf by cheque or electronic UK bank transfer. – Re-registration – the monetary value (as defined in Term 5.1.2) of Funds re-registered into our Nominee name on your behalf. For ISA Re-registration is only allowable from one ISA or manager to another.
<b>Investment Holding</b>	A subset of Units in the Investor's Account purchased by a particular Investment.
<b>Investor</b>	– ISA and ISA (formerly PEP): You the individual who enters into an agreement for an Account. – CIA: You the individual(s) or corporate body, including trustees or nominees, who enter into an agreement for an Account and your survivors or the legal personal representatives of the last of you to die.
<b>Key Features Document</b>	An FSA prescribed document containing information about your Account.
<b>Market Timing</b>	A trading strategy often coupled with frequent purchases and sales of units in collective investment schemes with the intention of anticipating changes in market prices. This is where the Investor is seeking to exploit a Fund whose price does not take account of the most recently available data and short-term trading where the investor takes a short-term trading position to take advantage of anticipated future market movements.
<b>Nominated Financial Adviser</b>	A firm and its appointed representatives authorised by an appropriate body under financial services legislation to provide advice and arrange or carry out investment transactions on behalf of customers and appointed by the Owner from time to time to act as his or her agent. The Owner's Nominated Financial Adviser may appoint any of its appointed representatives to act as the Owner's agent and may change any appointed representative appointed as their agent from time to time during the period they are appointed as the Owner's Nominated Financial Adviser.

<b>Nominee</b>	The Nominee is the custodian of the Assets in your Account. You are the beneficial owner of the Funds in your Account, however the Funds will be registered with the Fund Managers in the Nominee name.
<b>Owner</b>	The legal owner of the ISA and Collective Investment Account and if more than one, all of them.
<b>Plan Manager</b>	The Plan Manager manages your Account in accordance with your instructions, FSA rules and the Regulations for ISAs. In the case of an ISA and ISA (formerly PEP) Account the Plan Manager is the ISA Manager for the purposes of the Regulations. This service does not include a regular review of your Funds.
<b>Redirection</b>	A change in the Fund(s) to be purchased with your future Regular Investments.
<b>Regulations</b>	The Individual Savings Account Regulations 2007 (SI 2007 No. 2119) issued by HM Revenue & Customs (HMRC).
<b>Re-registration, Re-register, Re-registered</b>	The process of changing the legal (but not beneficial) ownership of Funds from one nominee to another, or from an individual to a nominee, without selling the Funds. This is achieved by the Fund Managers updating their records to show the new legal owner of the Re-registered Funds.
<b>Retail Client</b>	The FSA categorisation of investor that determines the level of regulatory protection the customer is afforded under the FSA rules. Retail Clients (usually individuals) receive the greatest level of regulatory protection, for compensation and complaints purposes.
<b>Settlement</b>	Settlement takes place on the date of receipt of the proceeds of the sale of a Fund from the Fund Manager in our UK bank account.
<b>Structured Product</b>	An investment vehicle comprising various cash assets and/or derivative products which are packaged together and managed with the objective of providing a risk-reward profile which would not otherwise be available to the market. The vehicle usually involves more than one investment firm. Typically a UK bank provides the product and the underlying risk protection and an investment firm manages the underlying assets of the product and holds and administers the product via its custodian on behalf of the customer. Where we arrange these products, the assets will be held by the investment firm in the name of the Nominee. Structured products are only available if you have received advice from a Financial Adviser.
<b>Switch</b>	The sale of one or more Fund(s) (or part of a Fund) in your Account and the purchase of one or more Fund(s) with the proceeds of the sale.
<b>Top-up</b>	An additional Investment into an existing Account.
<b>Transfer, Transferred</b>	ISA only a) Existing Funds within a stocks and shares ISA with another ISA manager are sold. The cash proceeds are sent to us and used to invest in Funds you select within your ISA with us, without any loss of tax benefits, or b) Cash held within a cash ISA with another ISA manager can also be transferred to us and used to invest in Funds you select within your ISA with us, without any loss of tax benefits.
<b>UK</b>	The United Kingdom of Great Britain and Northern Ireland does not include the Channel Islands or the Isle of Man.
<b>Units</b>	Units or shares in your chosen Fund(s) for your Account. The value of your Account is determined by the total Bid Value of the Units in your chosen Funds within the Account.

<b>Working Day</b>	A day that we are open for business at our Head Office. We are open from 9am to 5pm Monday to Friday excluding English UK Bank Holidays and Skandia Day. Skandia Day is an additional discretionary one-day holiday given to our staff immediately prior to or following the Christmas Bank Holiday. We reserve the right to open for business on a day that is not a Dealing Day and also to remain closed on a day that is a Dealing Day.
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## 1. General

- 1.1 The Nominee is Skandia MultiFUNDS (Nominees) Limited.
- 1.2 You must give us any information we may reasonably require to carry out our duties for your Account. In particular for an ISA, you must tell us if you change your home address and if you cease to be resident and ordinarily resident in the UK for tax purposes. To support any notification of a change of address we may request sight of a recent official document confirming your name and new address, for example a utility bill but not a mobile phone bill or in an alternative format acceptable to us.
- 1.3 We may delegate any of our functions or responsibilities to a third party without your consent as provided by the Regulations where applicable. We shall satisfy ourselves that any such third party is competent to carry out the functions or responsibilities.
- 1.4 We act on an execution-only basis, which means that we do not give any advice regarding Funds or your Account, nor do we exercise any judgement on your behalf as to the merits of the transactions on your Account we arrange.
  - 1.4.1 The availability of a particular Fund does not imply that it is suitable for you. Your Financial Adviser will recommend Investments suitable for you. You are considered to be a Retail Client.
- 1.5 We may act as principal when selling investments from your Account to make payments to you under an automatic withdrawal arrangement or when selling investments to meet Account charges. For automatic withdrawals we remove investments from the Account equal to the value of the cash withdrawal in accordance with Term 16 using the latest published prices for the Funds on the withdrawal date. These units are then aggregated and sold on the subsequent Dealing Day. Similarly investments are removed from your Account to the value of a charge in accordance with Term 22 using the published prices on the date the charge is due. These units are typically aggregated and sold on the first Dealing Day of each month. In some instances we will profit from these transactions and in some instances we will suffer a loss depending on the market movements in the Funds traded.
  - 1.5.1 We are required to put arrangements in place to enable us to deliver the best possible result for you when dealing with orders for them under these Terms. We will carry out your investment instructions by transmitting them to the operator of the Fund or its agent for execution. At present we do not believe there is any other 'execution venue' available that could provide a better outcome for you in terms of price, cost, speed, likelihood of execution and settlement, or any other relevant matters.
- 1.6 We cannot commit you to a financial obligation to add to the Funds in your Account either by borrowing or committing you to a contract which may require extra payments. We cannot commit any of the assets of your Account to any obligation to underwrite any issue or offer for sale of securities.
- 1.7 A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract. However third parties' rights that are not covered by this Act are unaffected.
- 1.8 These Terms shall be subject to and construed in accordance with the Laws of England and Wales. We and you submit to the exclusive jurisdiction of the courts of England and Wales.
- 1.9 All ISA and ISA (formerly PEP) Accounts are subject to the Regulations in force at the time.

- 1.10 Money laundering regulations require financial services companies to make checks on the applicant(s) for business. We reserve the right not to process instructions, including any payments, if satisfactory identification documents have not been provided. Financial Advisers are required to provide appropriate evidence of identity for relevant business introduced. Investment by means of building society cheques and UK bankers' drafts should show the originating client's name and account. Your Financial Adviser as your agent is responsible for obtaining, recording and preserving evidence of the identity of all third parties introduced to us by the Financial Adviser, in accordance with the Money Laundering Regulations 2003 and for any of our requirements relating to such regulations notified to the Financial Adviser. Your Financial Adviser will send to us such evidence of identity as we may request and supporting evidence (where appropriate). We will not be liable for the acts or omissions of the Financial Adviser in providing this information.
- 1.11 Where multiple events occur on the same Working Day we reserve the right to determine the order in which they occur as seems appropriate and reasonable in the circumstances. For example, a request to pay an additional Lump Sum Investment and a request for a partial encashment on the same Working Day may result in the Lump Sum Investment being delayed.
- 1.12 Monetary payments will only be made to you and will be made in Pounds Sterling. Where the payment is to be made by electronic bank transfer we will only make payment to a UK bank or building society unless agreed otherwise with us.

## 2. Opening your Account

### Terms 2.1 to 2.11 are not applicable to ISA (formerly PEP)

- 2.1 Your Application is an offer to us to make an Investment into an Account. ISA only – The Application must show the tax year for the Investment.
- 2.2 To constitute an offer an Application must be accompanied by whichever of the following methods of payment are applicable for your intended Account:
  - 2.2.1 a cheque
  - 2.2.2 evidence of a UK bank transfer already made to us
  - 2.2.3 a debit card authorisation for electronic applications only; or
  - 2.2.4 a direct debit instruction.
- 2.3 If your Application is for:
  - 2.3.1 A Transfer then it will not constitute a binding offer until we have also received at our Head Office the cash proceeds and any other required documents from the other manager. This must include a properly completed transfer form from the other manager. A completed transfer authority is also required for each ISA manager.
  - 2.3.2 Re-registration then it will not constitute a binding offer until the re-registration is complete. A completed re-registration authority is also required for each Fund Manager or plan manager as applicable. For ISA Accounts this must include a properly completed transfer form from the other manager.
- 2.4 You should be aware that if you Transfer you bear the risk of market fluctuations and may benefit or suffer accordingly. Prices cannot be guaranteed or determined in advance.
- 2.5 We cannot accept your offer until we receive at our Head Office a valid Application and Investment via post or electronic means.
  - 2.5.1 Receipt at our Head Office by post means actual receipt on a particular Working Day.
  - 2.5.2 Receipt at our Head Office by electronic means, means when our system has acknowledged receipt of an electronic Application submitted by your Financial Adviser.
  - 2.5.3 It is a condition of these Terms that communication of our acceptance of your offer is not required to bring the contract into effect.
- 2.6 We will communicate with you as soon as reasonably possible if we cannot accept your offer. In such circumstances we will not be obliged to give you any reason for the rejection.
  - 2.6.1 If you need to provide us with outstanding information or documentation, then we can only accept your Application when we receive the outstanding requirements, which must be within 10 Working Days of receipt of your Application. If we do not receive the outstanding information or documentation we will return your Application to you or your Financial Adviser.

- 2.6.2 In the case of a Transfer, if you need to provide us with outstanding information or documentation, then we can only accept your Application when we receive the last outstanding item at our Head Office. Alternatively we may return your Application to you or your Financial Adviser.
- 2.7 If we accept your Application we will send you an acknowledgement as soon as reasonably possible confirming the amounts and payment dates of your Investments and the Funds you have chosen.
  - 2.7.1 If your initial Application was submitted by electronic means:
    - 2.7.1.1 We will provide you with a declaration for you to sign. You should review the information contained within the declaration to ensure it is correct, sign and return the declaration to us within 30 days from the date of the letter to avoid future delays in carrying out your instructions. To protect your interests we may require additional evidence of your identity before carrying out an encashment or withdrawal instruction on your Account.
    - 2.7.1.2 **ISA only** – Upon receipt of notification of any corrections that do not invalidate the ISA under the Regulations, we will re-issue a new declaration to you with the correct details. If the amendment causes your ISA to be made void under the Regulations we will return your Investment to you in accordance with Term 19.
- 2.8 **ISA only** – The Regulations permit you to make personal payments to only one stocks and shares ISA in a tax year and, where appropriate, to continue to invest into your Account in following tax years. If you do not make an Investment (excluding Transfers or re-registration) to your Account in an entire tax year then, before you can make any later Investments, you must submit a new Application to us subject to all the provisions of this Term 2. Our ISA is a stocks and shares ISA only.
- 2.9 If we accept your Application then your Account will start:
  - 2.9.1 Where paid by cheque, on the Working Day on which we receive an Application and a valid cheque subject to Term 2.11.
  - 2.9.2 Where paid by direct debit, the Working Day we receive an Application and a valid direct debit authority.
  - 2.9.3 Where paid by debit card, the Working Day we receive an Application and the debit card payment has been authorised.
  - 2.9.4 Where paid by electronic UK bank transfer, one Working Day after the date the money has been transferred to our UK bank account and receipt of an Application.
  - 2.9.5 **ISA only** – Where paid by the proceeds of a Transfer, on the Working Day we receive the cash proceeds and any necessary documentation from the other manager(s).
  - 2.9.6 Where Investment is by Re-registration, on the Working Day we receive the re-registered Units and any necessary documentation from the other manager(s).
- 2.10 An Account may have a start date and an investment date that are on different Working Days.
- 2.11 Your Account will be deemed not to have started if, for initial Investments, the cheque, debit card payment or direct debit is not honoured and that Investment will be cancelled.

For Top-ups only, if the cheque, debit card payment or direct debit is not honoured, any Funds purchased with that investment will be cancelled and any shortfall, this being the size of any fall in market value of the Funds being cancelled, will be deducted from the Account.

## 3. Cancellation

### Terms 3.1 to 3.2 are not applicable to ISA (formerly PEP)

- 3.1 You may withdraw your Application before your Account starts. In the case of a Transfer or Re-registration, it will be your responsibility to contact the other manager to make arrangements to reinstate the original assets.
- 3.2 Cancellation rights apply to:
  - 3.2.1 ISA – Regular Investments, Lump Sum Investments and Transfers
  - 3.2.2 CIA – Regular Investments and Lump Sum Investments. You have the right to cancel this agreement within 30 days of receipt of our confirmation of the transaction. In the event of cancellation within this period your Investment will be returned to you, less any fall in the market value of the Funds. Cancellation rights do not apply to Investments made by way of Re-registration. If you decide to cancel, you must let us know in writing.

## 4. Investment

### Terms 4.1 to 4.12 are not applicable to ISA (formerly PEP)

- 4.1 The current minimum Investment amount required to open a new Account is £2,500. For Regular Investments the minimum Investment amount is £99 per month. There is no minimum amount for an additional Investment into an existing Account. We reserve the right to increase or introduce any minimum amount in accordance with Term 33.3.
- 4.2 You must use our prescribed Application method (unless otherwise agreed with you separately) for all additional Investments.
- 4.3 Where your Application requests Regular Investments then;
- 4.3.1 you can instruct us to collect payments on either the 10th or 20th of the month. If either of these is not a Working Day then we will collect on the next Working Day, and
- 4.3.2 for all Regular Investments we will send written confirmation of the amount to be collected at least five days before the first direct debit collection date.
- 4.4 Regular Investments are only payable monthly and must be paid by direct debit except for the first Regular Investment which may be paid by cheque, a debit card authorisation or evidence of a UK bank transfer to us. The earliest Regular Investment in a tax year will be collected on 10 April and the latest that can be collected will be on 20 March. If either of these is not a Working Day then we will collect on the next Working Day. Regular Investments will continue into subsequent tax years unless you tell us otherwise.
- 4.5 Subject to the Regulations where applicable, you may request to:
- 4.5.1 Pay additional Lump Sum Investments in the tax year and make Transfers or Re-registrations to your Account. We will require you to complete a new Application or an alternative instruction acceptable to us on each occasion. Following our acceptance, the additional Investment will be applied to your Account in accordance with Term 6 and for Re-registration Term 5.
- 4.5.2 Increase your Regular Investment amount.
- 4.6 You may reduce your Regular Investment amount provided the new amount is not less than our minimum Regular Investment amount.
- 4.7 If you have suspended your Account, you may apply to us to reinstate it and if we agree, the Investments may recommence. If you were making a Regular Investment which has been suspended for 13 or more months, then reinstatement will only be possible with a new Application in accordance with Term 2.
- 4.8 Where a change to an Investment amount involves amendment to your direct debit, we will carry out the change as soon as reasonably practicable after we receive your instruction. If we receive fewer than 10 Working Days' notice before the next collection date, we cannot guarantee that the change will be effective from that date and it may therefore have to operate from the following month.
- 4.9 **ISA only** – The maximum total Investment (not including Transfers or Re-registrations from another ISA manager) you can make in a tax year is the amount specified in the Regulations at the time. The maximum Investment to a stocks and shares ISA in the 2009/2010 tax year for investors aged under 50 on 5 April 2010 is £7,200. From 6 October 2009, investors who will be aged 50 or over by 5 April 2010 will be able to subscribe £10,200 to a stocks and shares ISA in the 2009/2010 tax year. All ISA investors aged 18 or over will be able to subscribe the higher amount each tax year from 6 April 2010. An Investment may also include an additional amount for the initial charge detailed in Term 22.1. Where you are making additional Regular Investments, collections will cease once the maximum limit plus initial charge has been reached. Collections will recommence on the start of the new tax year unless you advise us otherwise.

4.10 **ISA only** – The first Investment and all Lump Sum Investments may be paid by cheque, debit card or UK bank transfer and will be paid for tax purposes on the date that we accept your Application for that payment as explained in Term 2. Therefore the payment can be on any Working Day between 6 April and the following 5 April. Investment by electronic bank transfer is deemed to have been received one Working Day after the date the money was received in our bank account.

4.11 **ISA only** – Following an acceptable ISA Transfer to us from another ISA manager, subsequent distributions may be sent to us by that ISA manager. If the amount we receive is £50 or more, we will buy additional Units in your Account in accordance with Term 6 (for the purposes of this Term, Cash Deposit will be treated as a Fund) in the same proportions and Funds as selected in your Transfer application. Normal charges as set out in Term 22 will apply. If the amount we receive is less than £50 it will be returned to the previous ISA manager.

### 4.12 Bed and ISA Application

A Bed and ISA is where you instruct us to encash Funds in an existing CIA and to reinvest the proceeds into an ISA. Under the Regulations we must wait for the cash proceeds of all Funds sold from the CIA to be received into our UK bank account before using the proceeds to make a Lump Sum Investment into the ISA. This means that for the ISA Investment to be made before the end of a tax year, the CIA Settlement must also be complete before the end of that tax year. Therefore, to carry out your instruction we must normally receive it at least ten Working Days before the last Working Day of the tax year. Details of the exact deadline will be available from us near the end of the tax year.

## 5. Re-registration

### Terms 5.1 to 5.6 are not applicable to ISA (formerly PEP)

- 5.1 You can Re-register a Fund(s) into the name of our Nominee (subject to our requirements at the time) where you hold an existing Unit or share holding that is also available in our Funds List. In this event:
- 5.1.1 We will apply the Re-registered Units as an Investment to your Account. For the purposes of the Terms this will be regarded as the Investment you pay.
- 5.1.2 The amount applied as an Investment to your Account will be equal to the Bid Value of the Re-registered Units on the date that Re-registration of an individual Fund is complete.
- 5.1.3 For a Switch or withdrawal (see Terms 9, 16, and 17) to be made following a Re-registration, the Funds must have been Re-registered into the name of our Nominee. A significant delay could occur due to delays with your previous ISA manager or the Fund Manager carrying out the request to Re-register Funds. As a result, there could be a significant delay which is outside of our control before any Switch or withdrawal can be carried out. We will notify you when the Re-registration is complete. If a Switch or withdrawal has been requested during the period of delay then the request will not be carried out and will be returned to you or your Financial Adviser. If we receive confirmation of Re-registered Funds from your previous ISA manager or the Fund Manager(s) at different times, you will be able to request a Switch out of or make a partial withdrawal from each individual Fund as soon as the Re-registration for that Fund has completed.
- 5.1.4 The number of Units or shares in a Re-registered Fund will be the same as in the original investment except where they have been converted from accumulation Units to income Units or vice versa, in which case the conversion factor ensures that the value is unchanged.
- 5.1.5 The current minimum Investment amount under Re-registration to open a new Account is £2,500. There is no minimum amount for an additional Investment into an existing Account.
- 5.2 To Re-register Units you must complete the relevant Application and provide us with all documents of title and any other document we may reasonably require. Any document which is incomplete, illegible, ambiguous or otherwise invalid will be returned to you or your Financial Adviser and no Re-registration will be made until all documents have been correctly completed and received at our Head Office.

- 5.3 We will only accept your entire holding in an Authorised Unit Trust or OEIC represented by a certificate or other documents of title.
- 5.4 We may decline any Application to Re-register without giving any reason.
- 5.5 Should the Fund Manager advise us that it cannot Re-register the Units/shares to us we will contact you for further instructions.
- 5.6 We reserve the right to cease to offer the Re-registration facility or to restrict it or extend it to other forms of collective investment schemes and to company shares. If we cease to offer or restrict the Re-registration facility notice will be provided to you in accordance with Term 33.3.

## 6. Allocation and Unit Prices

- 6.1 You can invest initially in a maximum of 50 Funds per Investment Holding.
- 6.2 Investments received are used to purchase Units in the Funds you have selected. The number of Units allocated to each Fund will be determined by dividing the value of the Investment apportioned to that Fund by the offer price of the Units in that Fund on the day they are purchased. Purchase of Funds is made after the deduction of the initial charge (see Term 22.1).
- 6.3 Each portion of your Investment directed at a Fund will be invested in accordance with your Investment instructions, after receipt of both valid payment and a satisfactory completed Application, and following acceptance by us in accordance with Term 2.5. Deals will usually be placed in accordance with your Investment instructions on the Dealing Day we accept your Application.
  - 6.3.1 All Funds have a Cut-off Time prior to the Dealing Point. Deals placed before the Cut-off Time will usually receive prices based on the next Dealing Point.
  - 6.3.2 Deals placed after the Cut-off Time will usually receive prices based on the Dealing Point on the following Dealing Day.
  - 6.3.3 Instructions are dealt with in due turn and will normally be executed on the day of receipt and deals will normally receive prices based on the Dealing Point no later than the Dealing Day following receipt. When unusually large numbers of paper Applications are received, instructions may be executed on the day following receipt and may receive prices based on the Dealing Point on the subsequent Dealing Day.
  - 6.3.4 Cut-off Times for all Funds are contained in our Funds List.
- 6.4 All of the Funds available in our Funds List are priced daily by the Fund Manager, although some Funds (for example, Structured Product) have a deal order and associated price receipt process that completes over two Dealing Days rather than one. A full list of the Funds affected is available in our Funds List.
- 6.5 Lump Sum and Transfer Investments will be evidenced by the issue of a contract note. This will detail the Investment received, the date of Investment and the number of Units purchased within your Account. The contract note will be issued within one Working Day of confirmation from the Fund Manager of the final price receipt. Typically this will be within two Working Days of receipt of your Investment.
- 6.6 Records of Units held in each Fund within your Account are maintained separately for each Investment made. The Units held in respect of a particular Investment are collectively referred to as an Investment Holding. Your Account may therefore contain many Investment Holdings, one for each Investment made.
- 6.7 Where exceptional circumstances apply (for example, if no accurate price is available from the Fund Manager), then we may defer a purchase of Units to the earliest Dealing Day we consider to be appropriate and reasonable.
- 6.8 Under exceptional disaster scenarios it may be necessary to suspend dealing on Funds within your Account. It may also be necessary for the Fund Manager to suspend their Funds following their liaison with the FSA. This could mean that some or all of the Funds available to your Account are suspended.

## 7. The Funds

### 7.1 Fund objectives

Some Funds may carry specific risks. Our Funds List details the Fund objective of each of your chosen Funds and provides details of specific risks involved.

- 7.2 The prices of Funds are calculated on a forward pricing basis. This means that once the Fund Manager has received instructions to buy or sell Units, the price of those Units will be determined at the next valuation point of the Fund.
- 7.3 Funds will be valued on each Dealing Day. Each Fund will have its own Dealing Point and Cut-off Time during each Dealing Day. These times are detailed in our Funds List.
- 7.4 Some Funds have a deal order and associated price receipt process that completes over two Working Days as opposed to one. Details of these Funds are available in our Funds List.
- 7.5 Funds available to you will either be on an income or accumulation basis. Where no instruction is received from you as to which Unit type you wish to purchase we will purchase accumulation Units. Where accumulation Units are not available income Units will be purchased.

## 8. Validity of Fund instructions (does not apply to Re-registration)

- 8.1 Where you invest into more than one Fund the instruction for each Fund must be a whole percentage number or if not a whole percentage it must be to two decimal places (for example, 33% or 33.35%). If not shown as a whole percentage or to two decimal places (for example, 33.355% or one-third) we may round the percentage of each such Fund to the nearest two decimal places (33.355% will be rounded up to 33.36%). If the total does not equal 100%, we may add to or deduct from the percentage of one Fund in your instruction to resolve the difference, according to rules dictated by the sequential position that the chosen Funds hold within our computer system.
- 8.2 Where a direct debit amount for a Regular Investment is changed, Investment into Funds will be made on the current percentage basis unless new instructions are provided. If you change the direct debit amount and provide new instructions, these should be expressed in whole percentage terms of the total revised Regular Investment and not merely the change.
- 8.3 If a Fund instruction does not relate to an allowable Fund or the instruction is illegible or otherwise invalid then:
  - 8.3.1 If it is for a Lump Sum Investment or a Transfer, the relevant amount of the Investment will be held in Cash Deposit until we receive valid instructions from you.
  - 8.3.2 If it is for a Regular Investment, the relevant amount of the Investment will be held in Cash Deposit until we receive valid instructions from you.
  - 8.3.3 If it is to Switch your Funds as detailed in Term 9, or to redirect the Funds for future Regular Investments, the existing Funds will continue to be the Funds in your Account until we receive valid instructions from you.

## 9. Switches and Redirections

- 9.1 To carry out a Switch we sell the existing Fund and use the sale proceeds to buy the new Fund. For the purposes of this Term 9, Fund includes Cash Deposit.
- 9.2 On receipt of a valid instruction at our Head Office to Switch a specified percentage of a Fund, we will sell the relevant Units in the existing Fund(s) and subsequently reinvest the sale proceeds into the new Fund(s) selected.
  - 9.2.1 Where the Switch instructions are received at our Head Office by electronic means, your Financial Adviser must receive acknowledgement of the Switch from our system for it to be considered received by us. Amounts to be Switched out will normally be disinvested at the next Dealing Point for the Fund if received prior to the published Cut-off Time. Switch instructions received after the Cut-off Time will usually receive prices based on the Dealing Point on the following Dealing Day. The proceeds will be reinvested at the next Dealing Point following confirmation from the Fund Manager of the prices for the sale valuation points. Typically this will be no later than the next Dealing Day, subject to Term 6.3.

- 9.2.2 Typically, where the instructions are received at our Head Office in writing they will be processed on the day of receipt. All Funds have a Cut-off Time prior to the Dealing Point. Deals placed before the Cut-off Time on the day of receipt will usually receive prices based on the next Dealing Point. Deals placed after the Cut-off Time on the day of receipt will usually receive prices based on the Dealing Point on the following Dealing Day. The proceeds will be reinvested at the next Dealing Point following confirmation from the Fund Manager of the prices for the sale valuation points. Typically this will be no later than the next Dealing Day, subject to Term 6.5.
- 9.2.3 Where you hold more than one Fund in your Account and you request to Switch out of all the Funds (including a change to the percentage amount invested in one or more of the Funds) we will sell the relevant Units in the Funds selected and subsequently reinvest the sale proceeds into the new Fund(s) selected. The proceeds will not be reinvested until the prices from all the selected Funds have been received from all Fund Managers. Where the Funds selected for sale have different Cut-off Times this may result in an additional delay whilst we are awaiting receipt of all proceeds. Due to daily changes in Unit Prices, different valuation points for different Funds and forward pricing on the number of Units that will need to be sold and purchased in order to carry out your instructions, it is possible that the proportionate value of the holdings will differ slightly from the target proportions after these Switches have been carried out.
- 9.2.4 Some Funds (for example, Structured Products) have a deal order and associated price receipt process that completes within two Dealing Days as opposed to one. This means that for a Switch out of this type of Fund into a new Fund that follows the same process the Switch will typically take no more than five Dealing Days to complete from receipt of your instruction. A list of these Funds is shown in our Funds List.
- 9.3 On receipt of instructions to Switch a specified monetary amount we will sell the relevant Units in the existing Fund(s) and reinvest the sale proceeds into the new Fund(s) selected.
- 9.3.1 Typically, where the instructions are received at our Head Office by electronic means, Switch transactions, whether the sale or the purchase part of the transaction, will normally take place at the next Dealing Point, for the respective Funds on the day of receipt of the instruction if received prior to the published Cut-off Time for that Fund. Switch transactions placed after the Cut-off Time will usually receive prices based on the Dealing Point on the following Dealing Day.
- 9.3.2 Typically, where acceptable instructions are received at our Head Office in writing, deals placed before the Cut-off Time will usually receive prices based on the next Dealing Point on the same Dealing Day. Deals placed after the Cut-off Time will usually receive prices based on the Dealing Point on the following Dealing Day. Typically this is the same Dealing Day for the reinvestment.
- 9.3.3 Some Funds (for example, Structured Products) have a deal order and associated price receipt process that completes within two Dealing Days. This means that for a Switch out of this type of Fund into a new Fund that follows the same process, the Switch will typically take no more than three Dealing Days to complete from receipt of your acceptable instruction. A list of these Funds is shown in our Funds List.
- 9.4 Where the total value of a Switch instruction when reviewed in light of all trading activity is of a sufficient size to affect our cash liquidity position it may mean we would be unable to settle with the Fund Manager of the Units purchased as we have not received settlement from the Fund Manager in relation to the Units sold. We therefore reserve the right to sell the existing Units in accordance with Term 9.2 and 9.3 but not purchase the new Units until we have received the cash settlement from the Fund Manager. New Units will be purchased at the next available Dealing Point. If this occurs we will notify you in writing as soon as reasonably practicable.
- 9.5 Instructions to Switch your Funds must be made in accordance with Term 32 and we will send you a transaction statement as confirmation that the transaction has taken place. The statement will be issued within one Working Day of receipt of all prices from the Fund Manager(s). Typically this will be within five Working Days of your instruction to Switch. A transaction advice will not be sent for Switches in relation to phased investment or portfolio rebalancing instructions on your Account. Where multiple transactions have taken place you will receive multiple transaction advices.
- 9.5.1 We will treat instructions to Switch Units in more than one Fund at the same time as a single transaction. Where any part of the instructions cannot be processed, we will not process any part of the transaction until we receive revised acceptable instructions.
- 9.6 Should you wish to Switch a monetary amount from a Fund, the minimum balance to be retained is 20% of that Fund's Bid Value from which the Switch is being made. This is to guard against a Switch instruction being received where, due to market movements, the monetary amount requested exceeds the value of the Fund available to Switch.
- 9.7 Market Timing can be disruptive to fund management and causes dilution in Funds which is detrimental to long-term Investors. We seek to monitor Market Timing and take appropriate action where we or any underlying Fund Manager identifies Market Timing is taking place on any Funds.
- 9.8 We reserve the right to reject, defer, apply an appropriate levy or charge on a Fund or individual transactions if under FSA guidelines and best market practice, we reasonably consider any activity to constitute Market Timing. We will notify you of any measures imposed in this regard and agree a consequent course of action.
- 9.9 Any charge imposed will be equivalent to the charge imposed on us by the Fund Manager as a direct result of your Market Timing transaction and is not an arbitrary or punitive charge made by us.
- 9.10 You must use our prescribed form (unless otherwise agreed with you separately) for all Switch transactions.
- 9.11 Where multiple Switches are requested on the same Working Day we reserve the right to determine the order in which they occur as seems appropriate and reasonable in the circumstances, unless we have agreed with you separately to process your instructions in a particular order.
- 9.12 Where exceptional circumstances apply (for example, if a Fund is temporarily suspended for trading) we may defer a Switch to the earliest Dealing Day we consider to be appropriate and reasonable.
- Redirections**
- Term 9.13 is not applicable to ISA (formerly PEP)**
- 9.13 Where you are paying Regular Investments you can request a Redirection at any time. In order to take effect for the next Regular Investment collection date the instruction must be received at least ten Working Days before the direct debit collection date.
- 9.14 You must use our prescribed form (unless otherwise agreed with you separately) for all Redirection instructions.
- 10. Portfolio rebalancing**
- 10.1 You can elect to have portfolio rebalancing applied to your whole Account at any time subject to an Application being received by us. Your Account must have a minimum value of £1,000 (plus one and a half times any outstanding phased initial charge where applicable (see Term 22.1.2)) at the time of setting up the rebalancing instruction.
- 10.2 This option allows you to Switch Investments between Funds automatically within your Account every 3, 6 or 12 months to restore the proportionate value of your Investments to percentages you have specified.
- 10.3 To prevent very small transactions taking place, we will only perform these Switches where the proportionate value of at least one of the Funds either exceeds or falls below the target percentage for the Fund by more than a specific tolerance percentage set by us and which may be revised from time to time where it is no longer economic to operate under the existing tolerance level set. Where the tolerance level is revised notice will be provided in accordance with Term 33.3. The tolerance is currently set at 2%. This means that any Fund movement greater than 2% on the date specified in your instruction will result in the whole Account being rebalanced.

- 10.4 If you have selected portfolio rebalancing we will automatically Switch Investments between Funds within your Account, on the scheduled rebalance date specified in your Application, to restore the proportionate value of your investments to the percentages specified. Automatic Switches as a result of restoring the proportionate values of your Investment are not subject to any Switch charge (see Term 22.3.1). Due to daily changes in Unit Prices, different valuation points for different Funds and forward pricing on the number of Units that will need to be sold and purchased in order to carry out your Instructions it is possible that the proportionate value of the holdings will differ slightly from the target proportions after these Switches have been carried out.
- 10.5 **ISA and ISA (formerly PEP) only** – Cash is not available as a target Fund for portfolio rebalancing.
- 10.6 A transaction advice will not be issued after each portfolio rebalance.
- 10.7 Any income distributions awaiting reinvestment or withdrawal will be excluded from any portfolio rebalancing Switches.
- 10.8 You can select the month you wish the first portfolio rebalance to start. The rebalance will always occur on the 15th day of the month. Where the 15th is not a Dealing Day the portfolio rebalance will take place on the next available Dealing Day.
- 10.9 If you do not specify a start month we will start the portfolio rebalancing on the next available start date depending on the frequency you have selected and portfolio rebalancing will continue until your instructions are completed or cancelled. To take effect for the next available start date your instruction must be received ten Working Days before that date.
- 10.10 Portfolio rebalancing instructions cannot run concurrently with phased investment instructions.
- 10.11 Your instructions will be cancelled in the event of any of the following occurrences:
- death claim
  - Account closure
  - an ad hoc Switch request/Redirection
  - all/part of the Account being made void
  - closure of a Fund(s) affected by your instructions
  - suspension of a Fund(s) affected by your instructions
  - additional Investment not into the original Funds selected and their proportions
  - partial encashment not from the existing Funds selected and their proportions.

## 11. Phased investment

### Terms 11.1 to 11.10 are not applicable to ISA (formerly PEP)

- 11.1 You can elect for a Lump Sum or Transfer Investment to be phased into your chosen Fund choice at the time you send us your Lump Sum or Transfer Application.
- 11.2 Your Investment amount will be held in Cash Deposit and phased proportionately into your chosen Funds over a 3, 6 or 12 month period as specified in your Application.
- 11.3 You can select the month you wish phased investment to start. The phasing will occur on the 1st day of the month. Where the 1st is not a Dealing Day the phasing will take place on the next available Dealing Day.
- 11.4 If you do not specify a start month we will start the phasing on the next available start date following receipt of your Application and will continue until your instructions are completed or cancelled. To take effect for the next available start date your instruction must be received at least 10 Working Days before that date.
- 11.5 For a phased investment where no phased Switches have yet taken place, the number of Switches remaining will be the same as the timescale selected. This means that where a new phased investment instruction is received to run for 12 months, the number of phased Switches remaining will be 12.
- 11.6 Phasing out of Cash Deposit will be calculated by dividing the amount held in Cash Deposit by the number of phased Switches outstanding at the time, including the current phased Switch. This means that where an instruction to phase over three months is received; one third of the amount held in Cash Deposit on your Account will be Switched at the beginning of month one to the Funds specified in your Application; one half of the remaining balance in Cash Deposit will be Switched at the beginning of month two and all of the remaining balance will be Switched at the beginning of month three.

- 11.7 Phased investment instructions cannot run concurrently with portfolio rebalancing. An instruction for a new phased investment will cancel any portfolio rebalancing in force at the time.
- 11.8 Where a phased investment instruction is in force at the time of receiving a new phased investment instruction, the new instruction will cancel the existing instruction.
- 11.9 A transaction advice will not be sent following each phasing transaction.
- 11.10 Your instructions will be cancelled in the event of any of the following occurrences:
- death claim
  - Account closure
  - all of the Account being made void
  - closure of a Fund(s) affected by your instructions
  - suspension of a Fund(s) affected by your instructions
  - Cash Deposit being fully depleted.

## 12. Cash Deposit

- 12.1 **ISA and ISA (formerly PEP) only** – The Regulations only allow you to hold cash temporarily in your ISA. If the cash is not invested, HMRC may require us to return the cash to you and any interest arising on that cash may be subject to income tax.
- 12.2 Interest earned on cash in your ISA and ISA (formerly PEP) is subject to a 20% flat rate charge by HMRC.
- 12.3 Interest earned on cash in your CIA is subject to income tax at the savings rate which as at the date of these Terms is 20%.

## 13. Interest

- 13.1 We will pay interest on Cash Deposit balances held within this Account. Cash waiting to be paid out to you under Term 14 and Term 17.8 will not pay interest. Interest will be paid or credited subject to any deduction required by the relevant tax legislation and Regulations at the time.
- 13.2 Interest will be calculated daily on the Cash Deposit balance within your Account and paid daily at a rate set by us. The rate of interest payable at the time is available by telephoning us on 023 80334411 and is also available from our website. The rate will be in excess of the lowest amount that would have been earned in an instant access deposit account with a UK clearing bank for the relevant period. The rate will be set at the beginning of each calendar month and will remain in force for the remainder of that month. Interest cannot begin to accrue until your Account has started. Interest will not be credited to your Account in respect of cash where we have purchased Units on your behalf but have not yet paid the Fund Manager nor where we have received cash and there is a delay in reinvestment within ten days of receipt under Term 15, nor where we defer a transaction for any reason in accordance with these Terms.
- 13.3 We will hold sale proceeds in a Client Money Account if you instruct us to sell part or all of the Fund but do not give us acceptable instructions to buy new Funds, make a partial withdrawal or close your Account.

## 14. Income payment option

- 14.1 You can elect to have the income payment option applied to your Account at any time or at a future date stipulated by you subject to receipt of a satisfactory Application. This option allows you to have the income distributed by the Funds in which you have invested, paid out to you on the months and frequencies you choose rather than having them reinvested. You can only select this option when Funds that pay income form part of your Account.
- 14.2 The income to be paid out will be held in cash in a non-interest-bearing Client Money Account from the date we receive the distribution from the Fund until the date of payment. All income will be paid into your nominated UK bank account on the 28th day of the month selected in your Application. Where the 28th is not a Working Day then income will be paid on the previous Working Day.
- 14.3 In order to action your request we must receive your Instruction at least five Working Days prior to the 28th of the month. Payments under the income payment option will be made if sufficient income has been received to meet the minimum payment shown in 14.4.

- 14.3.1 Start dates
- 14.3.1.1 Monthly frequency – subject to 14.4 – these will start in the following month after we receive your Application.
- 14.3.1.2 Frequencies other than monthly – subject to 14.4 – payments will start on the 28th day of the month after the selected interval for income payments (3, 6 or 12 months) has passed, starting from the following month after we receive your Application. This means that for an Application submitted in November with an annual income payment frequency, the first payment will be made on 28 December in the following year.
- 14.4 The payments made to you will be with respect to distributions received at least four Working Days before the payment date. Where the accumulated amount is less than £25, then the payment of such an amount will be deferred until the next or some subsequent period when the accumulated amount is at least £25. If an Income Payment Option is cancelled before accrued distributions have been paid, then the balance of the accrued distributions held in a non-interest-bearing Client Money Account will be paid directly to your UK bank. We reserve the right to make periodic payments where an accumulated amount is under £25 and it is unlikely that the £25 limit will be reached at any time in the future. We reserve the right to increase this minimum and notice will be provided to you in accordance with Term 33.3.
- 14.5 Instructions to add or alter the income payment option must be received by us in an Application.
- 15. Reinvestment of income**
- 15.1 Income distributed by Funds will normally be reinvested into the Funds from which they derive within ten Working Days after our receipt of the income distribution and accompanying tax voucher. If an income distribution is received from a Fund which you no longer hold, then this income will be reinvested into the largest Fund held in your Account, including cash. Any reinvestment of income will be apportioned across all Investment Holdings that have Units in the Fund.
- 15.2 If your Account has already been closed, then this income will be held in cash in a non-interest-bearing Client Money Account until all outstanding income distributions have been received. It will then be paid in accordance with the instructions given by you when closing your Account.
- 16. Automatic withdrawal option**
- 16.1 You can elect to have an automatic withdrawal option applied to your Account at any time or at a future date stipulated by you.
- 16.2 The minimum automatic withdrawal amount is £25 per payment. However we reserve the right to increase this minimum and notice will be provided to you in accordance with Term 33.3.
- 16.3 You may choose to receive fixed amount or annual percentage withdrawals on the 28th day of the month in accordance with the frequency or months you selected in your Application.
- 16.4 Withdrawals will be provided through the encashment of Units from your Funds up to seven Working Days before the due payment date. Any income distributions paid by a Fund Manager to your Account will be reinvested into your Account under Term 15 and will not be included in any fixed or percentage withdrawal option set up on your Account.
- 16.5 For withdrawals of a fixed monetary amount only you can elect to increase your automatic withdrawal amount by 5% each year or by the published increase in the Retail Prices Index (RPI) as published by the Office for National Statistics. The rate used will be two months in arrears. For example, this means that the RPI rate published in April 2009 for the year to March 2009 continued to be used by us throughout May 2009.
- 16.6 All fixed monetary amount or percentage withdrawals will be paid into the UK bank you have nominated.
- 16.7 Automatic withdrawal start date.
- 16.7.1 Monthly withdrawal payments – these will start in the month we receive your Application provided that we receive the Application before the 15th of the month. If we receive your Application after the 15th of the month withdrawal payments will commence in the following month.
- 16.7.2 Frequencies other than monthly – these will start on the 28th day of the month after the selected interval for withdrawals (3, 6 or 12 months) has passed. This means that, for example, an Application submitted before 15 November with an annual withdrawal frequency, the first payment will be made on 28 November in the following year. For an Application submitted after 15 November with an annual withdrawal frequency, the first payment will be made on 28 December in the following year.
- 16.8 When setting up the option, you cannot select a level of withdrawal which over the period of one year would exceed 10% of the value of your Account. The level of withdrawals selected will be reviewed regularly by us and may be automatically adjusted without notice to ensure that withdrawals remain within this limit.
- 16.9 If you request an annual percentage withdrawal then the percentage amount is divided by the payment frequency you request. This creates a percentage amount per payment. The amount you will receive as a withdrawal on the payment date is calculated by multiplying the value of your Account on that date with the percentage amount per payment.
- 16.10 Instructions to add or alter the automatic withdrawal option must be received in an Application to us.
- 16.11 A sale of Units to realise automatic withdrawals will be spread proportionately across all Funds (including Cash Deposit) in the Account.
- 16.12 You can cancel the automatic withdrawal option at any time. In order to take effect for the next available withdrawal date your instruction must be received at least 10 Working Days before the next withdrawal payment date is due.
- 16.13 Where exceptional circumstances apply (for example, if a Fund is temporarily suspended for trading), we may defer a sale of Units to the earliest Dealing Day we consider to be appropriate and reasonable.
- 16.14 In order to maintain the Account where you are taking withdrawals, the minimum balance you must leave in the account is £1,000 (plus one and a half times the value of any outstanding phased initial charge (as under Term 22.1 if applicable)) at the date the transaction is processed. We may amend the minimum in the future to take regard of administration costs for maintaining Accounts.
- 17. Partial encashment**
- 17.1 You can apply to make a partial encashment from your Account, at any time or at a future date stipulated by you subject to an Application being received in writing at our Head Office, and the minimum balance being left in your Account. The minimum partial encashment amount allowable is £50 per payment. We reserve the right to increase this minimum and notice will be provided to you in accordance with Term 33.3.
- 17.2 If you wish to make a partial encashment, the minimum balance you must leave in your Account is £1,000 (plus one and a half times the value of any outstanding phased initial charges (see Term 22.1)) at the date the transaction is processed. In addition, when a monetary value is specified as a partial encashment, the minimum balance to be retained is 20% of the Fund value for each specific Fund from which the encashment is being made. This is to guard against an encashment instruction being received where due to market movements the monetary amount requested exceeds the value of the Fund available to encash.
- 17.3 Partial ISA and ISA (Formerly PEP) transfers are not permitted. Requests to transfer to another ISA Manager will result in the whole of the Account being transferred to your new manager.
- 17.4 We will normally sell Units at the next Dealing Point for a Fund.
- 17.4.1 All Funds have a Cut-off Time prior to the Dealing Point. Deals placed before the Cut-off Time will usually receive prices based on the next Dealing Point.
- 17.4.2 Deals placed after the Cut-off Time on the day of receipt will usually receive prices based on the Dealing Point on the following Dealing Day.
- 17.4.3 Instructions are dealt with in due turn and will normally be executed on the day of receipt and deals will normally receive prices based on the Dealing Point no later than the Dealing Day following receipt. When unusually large numbers of paper Applications are received, instructions may be executed on the day following receipt and may receive prices based on the Dealing Point on the subsequent Dealing Day.
- 17.4.4 Cut-off Times for all Funds are contained in our Funds List.

- 17.5 Any such sale of Units will be spread across all Funds in your Account, including Cash Deposit as under Term 12, proportionate to each Fund's Bid Value, unless you specify a particular Fund(s) to be sold.
- 17.6 If you request a partial encashment which would cause the Account value to fall below the minimum shown in Term 17.2, we reserve the right not to carry out the request before obtaining your further instructions.
- 17.7 You can fully or partially encash one or more specific Funds rather than request a particular lump sum. You can partially encash a monetary amount or a specified percentage of the whole Account.
- 17.8 Partial encashment instructions must be received in writing. The cash proceeds will be paid to you in accordance with your instructions either by Banking Automated Clearing Services (BACS) or cheque, within five Working Days of receipt in our bank account of all proceeds from all the Funds you have sold. This means that typically the cash proceeds will be paid to you within ten Working Days of receipt of your instruction. Money awaiting payment out to you will be held in a non-interest-bearing Client Money Account outside of your Account until it is paid out to you. Should you request an alternative method of payment we will deduct any costs incurred from the payment.
- 17.9 We will apply the encashments to Investment Holdings on a first-in first-out basis according to when the Investment Holding was established within the Account.
- 17.10 Where exceptional circumstances apply (for example, if a Fund is temporarily suspended for trading), we may defer a sale of Units to the earliest Dealing Day we consider to be appropriate and reasonable.

## 18. Closure by you

- 18.1 You may encash your Account or transfer (ISA only) the cash proceeds of your Account to another manager at any time or at a future date stipulated by you subject to an Application being received.
- 18.2 We will normally sell Units at the next Dealing Point for a Fund if we receive your instruction and place the deal prior to the published Cut-off Time on the day of receipt. If we receive your instruction and place the deal after the published Cut-off Time on the day of receipt you will usually receive prices based in the Dealing Point on the following Dealing Day.
- 18.3 Instructions to encash your Account must be received in writing and the cash proceeds will be paid to you in accordance with your instructions, within five Working days of receipt in our UK bank account of all proceeds from all the Funds you have sold. This means that typically the cash proceeds will be paid to you within ten Working Days of receipt of your instruction. Money awaiting payment out to you will be held in a non-interest-bearing Client Money Account until it is paid out to you.
- 18.4 Where the investor charge has been taken prior to closure you will not receive any refund of the charge.
- 18.5 **Only applicable to Accounts accepted before July 2007 where you contracted with Selestia Investments Limited.** If you have selected the phased initial charging basis for any of your Investments and subsequently request a full encashment, the outstanding phased initial charges (if any) will be deducted from the encashment value before being paid to you.
- 18.6 CIA only – As an alternative to a sale, you may request that we Re-register Funds into your name. Any costs involved at the time must be borne by you outside of the Account and must be paid before Re-registration takes place.
- 18.7 After your Account has closed and we have issued a cheque which is then not banked, we will hold the money in a non-interest-bearing account outside of your Account designated as a Client Money Account. After six years have elapsed we will no longer hold such money in a client account. We undertake to make good any valid claim for such money after it has been released from the Client Bank Account but, as it would no longer be held as 'client money', it would consequently not be ring-fenced in the event of our insolvency.
- 18.8 Payments from your Account will discharge us from all liabilities and claims arising from the transaction.
- 18.9 Where exceptional circumstances apply (for example, if a Fund is temporarily suspended for trading), we may defer a sale of Units to the earliest Dealing Day we consider to be appropriate and reasonable.

## 19. Closure by us or by HMRC

- 19.1 We are entitled, subject to notifying you, to close your Account if we cease to act as Plan Manager for any reason. For example, we may consider it to be financially inappropriate to continue to act or, where applicable, we may consider it impractical for us to comply with the Regulations. The closure would be carried out on the date specified in the announcement we will make to you. Unless we receive notification to transfer the cash proceeds as in Term 18.1 or re-register as in Term 18.6, the cash will be sent to you. Closure of your Account by us will not entitle you to any compensation or damages under this Term. Alternatively any other options available at the time of our ceasing to act as Plan Manager will be outlined in any announcement to you.
- 19.2 Term 19.2 applies to ISA and ISA (formerly PEP) only
  - 19.2.1 Your Account will close automatically if HMRC treats it as void under the Regulations. We will sell Units at the next Dealing Point and no later than the next Dealing Day, following receipt of the notification from HMRC.
  - 19.2.2 We will deduct from the cash proceeds of the sale of Funds an amount equal to the amount of tax relief that is to be repaid to HMRC.
  - 19.2.3 We will send you the remaining cash proceeds as soon as reasonably practicable and within 30 days of receipt of the notification from HMRC. Money awaiting payment out to you will be held in a non-interest-bearing Client Money Account outside of your Account.
  - 19.2.4 If HMRC treats part of your Account as void under the Regulations, we will close that part only and any sale of Units will be spread proportionately across all Units in your Account.
  - 19.2.5 We will notify you as soon as reasonably practicable of any failure to satisfy the Regulations which has caused, or will cause, all or any part of your Account to become void.

## 20. Repairs by HMRC (ISA only)

- 20.1 Should HMRC instruct us to repair your ISA Account where the Regulations have been breached and part of the ineligible ISA investments needs to be removed from the Account, with no excess to be repaid to you, we will sell Units equal to the amount of tax relief that is to be repaid to HMRC. We will normally sell Units at the next Dealing Point for a Fund if the HMRC instruction is received by us prior to the published Cut-off Time. Transactions for Funds with a Cut-off Time of 1pm or later will usually receive prices based on the Dealing Day of receipt and all others will usually receive prices for the following Dealing Day.
- 20.2 Any amount to be repaid to you will be treated in accordance with Term 19.

## 21. General closure provisions

- 21.1 Closure of your Account for whatever reason will not affect:
  - 21.1.1 the completion of incomplete transactions undertaken as part of your Account
  - 21.1.2 any liabilities or obligations of either of us to the other incurred before the date of closure
  - 21.1.3 all sums rightfully due from either of us to the other becoming payable on the date of closure.
- 21.2 Once your Account is to be closed in accordance with Terms 18 or 19 statements referred to in Term 28.1 will no longer be sent to you.
- 21.3 ISA only – On closure of your Account (except where it is transferred to another manager) you will not be able to subscribe to another stocks and shares ISA during the same tax year of your Investment to the closed Account.
- 21.4 If your Account is closed you cannot reinstate it.

## 22. Charges

- All charges quoted are current rates and are not guaranteed in the future. We reserve the right to increase or introduce a charge and notice will be provided to you in accordance with Term 33.3.
- 22.1 **Plan Manager's charges**

We will apply the following charges to your Account. Currently our initial charge does not apply to Re-registration.

    - 22.1.1 **Initial charge**

From 15 September 2008 an initial charge of 4.5% is deducted from each Investment you make. The balance is invested in your selected Investment Funds.

- 22.1.2 Phased initial charge (only applicable to Investments accepted before 2 July 2007 where you contracted with Selestia Investments Limited). Your full Investment is invested in your selected Funds and a phased initial charge of 1.25% per annum of the relevant Investment is deducted from your Account over the following 60 months. This charge is deducted monthly at a rate equal to the annual rate divided by 12. We will sell Units to meet this charge. If you select this option, and you close your Account before this period has elapsed, then any outstanding phased initial charge will be deducted from your encashment value before being paid to you.
- 22.1.3 Investor Charge
- 22.1.3.1 The investor charge with effect from 1 April 2009 is £52.32 per annum and does not include VAT. For up-to-date details of this charge please refer to your Financial Adviser or the Funds List.
- 22.1.3.2 The charge covers all Accounts held by an individual under the same client reference number. If you wish to notify us of multiple client reference numbers recorded against your name please do so in writing. The Offshore Collective Investment Bond is not included in the investor charge as this product is provided by Old Mutual International (Guernsey) Limited. Where you are both an individual Investor as well as an underlying Investor in a joint, corporate, trustee or pension scheme account then the investor charge will apply separately for each.
- 22.1.3.3 The charge is taken half-yearly based on the opening date of your first Investment. For new Investments the first half of the charge where applicable on this Account, will be deducted from the Investment with the balance invested in your selected Funds. Thereafter a charge will be applied by deduction of Units on each six-month anniversary from the largest Fund, including cash in your Account. If there are not enough Units in your largest Fund to meet the charge, we will sell Units from your next largest Fund and so on until the charge has been met. Units in your Account will be sold to meet this charge unless you also hold another product with us.
- 22.1.3.4 Should you, as an Investor, hold multiple products with us then the charge will be applied to just one of the products that you own, in the order of Collective Investment Bond, Collective Retirement Account, Collective Investment Account, ISA (formerly PEP) and then ISA Account. If you hold multiple Accounts of the same type (for example, you hold two CIA Accounts), the charge will be taken from the first Account opened with us.
- 22.1.3.5 The investor charge will increase annually in April in line with the increase of the Average Earnings Index over the previous year. The increase will be calculated by comparing the latest published Index value with that published one year previously.
- 22.1.3.6 If this Account would normally have the investor charge deducted from it, and there are no other Accounts held by you and this Account contains only Funds that have been Re-registered, then the investor charge will be waived. In the event that an additional Investment is received, the charge will be applied from the six-month anniversary of the Account opening immediately after a top-up Investment is made and six-monthly thereafter. For example, if an Account was opened on 1 January 2010 by way of a Re-registration and subsequently a Lump Sum is invested on 1 May 2010, the first charge will be applied with effect from 1 July 2010.
- 22.1.4 We periodically review the charges and reserve the right to adjust the charges in future where it is no longer economic for us to continue on the current basis. Should adjustments be required, with the exception of the increase to the investor charge by Average Earnings Index, notice will be provided to you in accordance with Term 33.3.
- 22.2 Fund Managers' charges**
- 22.2.1 Fund management fee
- The respective Fund Managers deduct a percentage of the Fund value each year to cover the day-to-day management of the Funds. The actual fee applied depends on the underlying choice of Fund but is typically in the range of 0.5% to 2.0% per annum. The Fund Managers also deduct other expenses from the Fund such as audit fees, registrar's fees, trustee and depository fees. This fee will vary depending on the underlying investments of the Fund you are investing in, although typically 0.25% per annum, they do vary Fund by Fund typically in the range of 0.1% to 1.8%. The charge is reflected in the price of the Units. Specific details are available in the Funds List.
- 22.2.2 Other costs for buying and selling Funds.
- 22.2.2.1 When purchasing Units in a Unit Trust there is normally an offer (buying) price and a bid (selling) price. The difference between the two is called a 'bid/offer spread' and includes the Fund Managers' dealing costs and their initial charges. We use our buying power to secure discounted and in many cases no initial charge on the part of the Fund Manager for our Investors. The discounted initial charges available through us are in our Funds List. Fund Manager initial charges do not apply to Re-registration.
- 22.2.2.2 In some cases, for example with OEICs, Funds are single-priced and the Fund Manager normally takes an explicit up-front initial charge. Once again, we use our buying power to secure discounted or even no initial charges on the part of the Fund Manager when investing on behalf of our Investors. In the case of OEICs and other Collective Investment Schemes, Fund Managers sometimes charge a dilution levy to protect the interests of existing and remaining investors. Where there are unusually high levels of buying and selling this may increase the Fund's dealing costs and affect the value of its assets and a dilution levy may be charged which will be reflected in the Unit price.
- 22.2.2.3 Some Fund Managers use 'swinging single pricing' whereby the Fund Manager has discretion to 'swing the single daily price' to be higher or lower than the mid-market price to counteract the effects of dilution. This 'swing' is called a dilution adjustment and would normally apply when there are high volumes of shares being created or cancelled. Swinging pricing differs from the dilution levy approach where the single mid-market price is still quoted and a dilution levy may apply in addition.
- 22.2.2.4 Fund Managers' discounted initial charge available through us and their annual management charge may be viewed in the Funds List. We will notify you, as soon as reasonably practicable once we have been informed by the Fund Manager, of any increase to the annual management charge once and where possible prior to the increase. Typically the Fund Manager will inform us less than 30 days prior to the change.
- 22.2.2.5 Occasionally a Fund Manager may refund an initial charge where a Fund is closing, should this occur we will retain the charge.
- 22.2.2.6 Investment charges
- We are paid an income known as a rebate from Fund Managers that varies from fund to fund, and can vary over time. At 30 June 2009 the amounts received vary between 0% and 1.31% of the Fund value. So for a Fund of £10,000 this would amount to between nil and £131 a year. This amount is paid out of income that would otherwise be retained by the Fund Manager, and not from your investment, and is used, in part, to pay any ongoing commission to your Financial Adviser. We also receive, from some Fund Managers, a small administration fee when we add a Fund for the first time. Other than this we receive no income from the buying or selling of Funds within your Account.

## 22.3 Transaction charges

- 22.3.1 Switch commission charge
- 22.3.1.1 If you agree for your Financial Adviser to receive Switch commission then we will make a corresponding Switch charge which will apply to your whole Account. The charge is a percentage charge of up to a maximum of 3% of the monetary amount realised from the sale of Units in the Switch transaction, including Switches into and out of cash. This will apply to all Switch instructions; it will even apply to Switches where you have not received advice, unless you instruct us otherwise on the appropriate form or in writing. The charge is deducted after the Funds are sold and before the new Funds are purchased.
- 22.3.1.2 You can stop or vary the commission charge at any time by notifying us in writing. You can choose any amount from 0% to 3% in multiples of 0.10% or 0.25%.
- 22.3.1.3 The Switch commission charge will not apply where you have selected portfolio rebalancing, phased investments or where a Fund is closed or removed from our Funds List.
- 22.3.1.4 We reserve the right to impose a Switch administration charge and notice will be provided to you in accordance with Term 33.3.
- 22.3.1.5 If you change the servicing Financial Adviser on your Account, any existing Switch commission arrangements will stop. Any charges in respect of this facility will stop until we receive instructions from you that you have entered into a similar arrangement with a new Financial Adviser.

## 22.4 Other Charges

- 22.4.1 Nominated monthly trail commission
- 22.4.1.1 If you choose nominated trail commission on your Application, we will pay it to your Financial Adviser. This commission applies to the Investment Holding and Cash Deposit on the Application on which it is selected. It is a fixed percentage of the value of the Funds within the Investment Holding and Cash Deposit, up to a maximum of 1.5% each year. We pay nominated trail commission monthly so the annual percentage rate is divided by 12 to calculate the monthly amount. The commission payment is met from the rebates we receive from the Fund Managers of the Funds in your Investment Holding. These rebates are referred to in 22.2.2.6. If the amount payable to your Financial Adviser is higher at the end of a particular month than the rebates generated by your Funds, we will levy a charge on your Account to meet the difference. We will meet this cost by selling Units from whichever Fund(s) generated the rebates that did not meet the required percentage.
- 22.4.1.2 **CIA only** – If, at the end of a particular month, this commission is lower than the rebates generated by your selected Funds, then we will enhance the number of Units in your Funds. Any such enhancement to the number of Units held will be made into the same Funds and proportions as the original investment and will be subject to normal Fund charges.
- 22.4.1.3 You may ask us to cancel the nominated trail commission arrangement at any time by notifying us in writing.
- 22.4.1.4 If you cancel the nominated trail commission arrangement then all enhancements or deductions under Term 22.4.1.1 and 22.4.1.2 will cease then regular Fund based trail commission payments (as set out in our Funds List) will be paid to your Financial Adviser unless you make alternative arrangements with your Financial Adviser.
- 22.4.1.5 If you change the servicing Financial Adviser on your Account and there is an existing nominated trail commission arrangement in place you will need to agree alternative arrangements with the new Financial Adviser. Any charges in respect of this facility, or enhancements to Units under Term 22.4.1.2 will stop until we receive instructions from you that you have entered into a similar arrangement with the new Financial Adviser.
- 22.4.1.6 Any amount of £5 or less payable on closure of your Account for any reason, including outstanding dividends received from previous Fund Managers will not be paid by us and will be treated as an additional miscellaneous charge. However we reserve the right to increase this minimum and notice will be provided to you in accordance with Term 33.3.

- 22.4.1.7 You may be subject to additional taxes or costs, which are not accounted for within the Account. Please refer to details of your ISA, ISA (formerly PEP), and Collective Investment Account or Financial Adviser for details.

## 23. (CIA only) Joint Investors

- 23.1 Where there is more than one Investor, any notice made by us will be sent to the first-named Investor on the Application.
- 23.2 The Account is held under a joint tenancy basis. This means that where there is more than one Investor, on the death of one of them, the surviving Investor(s) will be the only person(s) we will recognise as having title to the Account.
- 23.3 Any request or instruction required under these Terms must be signed by all of the joint Investors.
- 23.4 We will not make any payment to anyone except an Investor. If we receive a request signed by all the Investors to make payment to only one Investor then, should we agree to such payment, we will have discharged our obligations under these Terms.

## 24. Deaths

### Terms 24.1 to 24.4 apply to ISA and ISA (formerly PEP) only

- 24.1 Your Account and its tax exemptions will end from the date of your death. Therefore dividends due and interest credited after the date of death will not qualify for tax reclaims or relief under the Regulations.
- 24.2 When we receive written notification of death, or the original death certificate, we will advise your personal representatives of our requirements to make payment to them.
- 24.3 Where we have paid any tax reclaims after the date of your death, we will deduct the amount of such tax reclaims from the proceeds.
- 24.4 We will be entitled to our normal charges until we receive all our reasonable requirements to make the payment. Any interest payable on uninvested cash held in the Account after the date of death will be subject to income tax.
- 24.5 **CIA only** – When we receive written notification of death or the original death certificate, unless there is a surviving Investor, we will advise your legal personal representatives of our requirements. Once such requirements have been met, we will take instructions from your legal personal representatives.
- 24.6 These Terms will be binding on your personal representatives.

## 25. Title and Nominee ownership

- 25.1 You are the beneficial owner of the Funds in your Account but they may not be used by you as security for a loan.
- 25.2 Funds will be registered in the name of the Nominee or other agent appointed by us.
- 25.3 The Nominee is not authorised under the Financial Services and Markets Act 2000. However, we are authorised by HMRC and regulated by the FSA, and accept full responsibility for the Nominee's acts or omissions.
- 25.4 You have agreed that the Funds in your Account will be registered in the same name as those of other clients. As such, as part of normal Settlement procedures where Funds are pooled, the Funds in your Account may be used with those of other customers to settle various transactions. The Funds in your Account will not necessarily be immediately identifiable by separate certificates and, if we were to become insolvent, you might encounter delays in recovering your assets, and possibly an increased risk of loss if there is a shortfall.
- 25.5 All certificates where applicable and other documents of title relating to the Investments will be held by us and to our order in safe custody. You or your appointed agent may, with reasonable notice being given to us, inspect vouchers and entries in our books (whether manual or electronic) relating solely to your Account. As we treat your records as confidential, we reserve the right to provide copies of the records to you if to do otherwise would allow access to records about other Investors. We reserve the right to make a charge to cover the administration costs incurred by us in complying with this Term.
- 25.6 Purchases and sales of Units within your Account may be pooled with those of other Investors and transactions processed for the aggregated amount. In some situations this may work to an Investor's disadvantage when we buy or sell Units in accordance with this provision.

## 26. Voting rights and reports

- 26.1 On receipt of your written request at our Head Office, we will arrange for you to attend meetings and exercise voting rights attaching to Funds in your Account provided that, in our opinion, there is sufficient time to make such arrangements.
- 26.2 In the absence of any such written request from you:
- 26.2.1 we reserve the right to exercise any of the voting rights attaching to Funds in your Account if and how we think fit at our sole discretion, in the interests of our Investors generally; and
- 26.2.2 we shall have no obligation to notify you of any voting rights attaching to your Account.
- 26.3 We will, at your written request, arrange for you to receive a copy of the interim and annual report and accounts of any Funds in your Account, and any other material information made available to holders of such Investments. This is subject to any changes in regulations legislation, HMRC practice or the rules of regulatory authorities. In the absence of any such written request from you, we will not make any such arrangements.
- 26.4 Copies of scheme particulars or other information for any of the Funds will be supplied on request. In the absence of any such request from you, no scheme particulars or other information will be supplied, other than those contained in details of your ISA and Collective Investment Account and our Funds List.
- 26.5 We reserve the right to make a charge to cover the administration costs we incur in complying with any provision of this Term.

## 27. CIA only – designated Accounts

- 27.1 Your CIA Account may be designated in favour of one or more other persons.
- 27.2 Unless you instruct us otherwise at the time of the designation, such a designation will be irrevocable, and will create a bare trust with you as trustee. This will not affect any of these Terms. We will make all payments from your Account to you. We will send all communications to you and we will only accept instructions from you. You can instruct us to make payments to beneficiaries (the persons the Account has been designated to) and we will make payment direct to them up to a maximum of £50,000 in a 12-month period. Payment requests to beneficiaries in excess of £50,000 must be made to the trustees and will not be paid to the beneficiaries. You may appoint additional trustees to the Account at any time. All instructions on the Account must come from all trustees jointly.
- 27.3 Our acceptance of notification of a designated Account is not intended to confer third party rights under the Contracts (Rights of Third Parties) Act 1999.

## 28. Acknowledgement and statements

- 28.1 Subject to Term 19 we will provide you, or where instructed your Financial Adviser, with two statements each year, dated 5 April and 5 October (or the preceding Working Day if either of these dates are not Working Days). These statements will be issued within 25 Working Days of their respective dates and will show the Bid Value of the Funds, including any cash holdings, and any transactions within your Account since the last statement. These statements will include transactions involving income received and payments out. For ISA and CIA this will include transactions involving Regular Investments. The statements will not include any measurement of the Fund performance of your Account.
- 28.2 CIA only – Each year we will provide you with a consolidated tax voucher for the year ending 5 April.
- 28.3 We will send you a written acknowledgement of receipt and execution of the following instructions which result in changes to your Account:
- 28.3.1 each instruction to your Account (other than Regular Investments for ISA and CIA)
- 28.3.2 any Switch or partial encashment (but not of any Income payment option, phased investment, Regular Investments, automatic withdrawal, dividend reinvestments, cancellation of Units to meet charges or portfolio rebalancing) or closure of your Account including transfer to another manager.
- 28.4 We will keep records relating to a contract or transaction for at least seven years from the date of the closure of the Account.

## 29. Changes in Funds

- 29.1 Where a Fund has been replaced for any reason (for example, by way of merger, reconstruction, closure or conversion) then:
- 29.1.1 If the replacement Fund is in our Funds List, your Units in the original Fund(s) will be automatically Switched into the replacement Fund. You may however give us instructions to Switch to another Fund. For ISA and CIA only, future Regular Investments for the original Funds will automatically be Switched. You may however give us instructions to redirect any future Regular Investments to another Fund.
- 29.1.2 If the replacement is not in our Funds List (including closure), or we have for whatever reason removed a Fund from that list, then your Units will be Switched to Cash Deposit unless you have given us instructions to Switch to another Fund. For ISA and CIA only, if applicable, we will redirect any future Regular Investment to cash, unless instructed otherwise by you.
- 29.1.3 If the Fund closes to new business or is suspended you will remain invested in the Fund and for ISA and CIA only if applicable, we will redirect any future Regular Investment for that Fund into cash. Any future distributions from a suspended Fund will be directed into cash.
- 29.2 We will notify you as soon as reasonably practicable where a Fund closes or is removed from our Funds List prior to the change taking effect.
- 29.3 We will notify you in writing as soon as is practicably possible of any material change to a Fund, for example where there is an increase in the annual management charge of the Fund.
- 29.4 Increasingly Fund Managers are converting their Funds from Unit Trusts to Investment Companies with Variable Capital (ICVC) otherwise referred to as Open-Ended Investment Companies (OEICs). An ICVC/OEIC is a company rather than a trust and each company can have a number of Funds, also known as sub-Funds, within it. ICVC/OEIC Funds are single-priced which is deemed to be more transparent than Unit Trust dual-pricing and they have shares rather than units. Conversions tend to take place on a one share for one Unit basis so the number of shares an Investor holds in the ICVC/OEIC will be the same as the number of Units he or she held in the Unit Trust. We will only write to Investors if the conversion is not on a one-for-one basis or if the Fund undergoes a substantial change, for example an increase in the Fund Manager annual management charge.
- 29.5 Where it becomes no longer viable to offer a Fund, for example due to a small Fund size or operational reasons, we reserve the right to withdraw the Fund from the range. We will notify you in writing in accordance with Term 33.3. Your Units will be Switched into Cash Deposit unless you have provided us with instructions to Switch into another Fund. If applicable we will redirect any future Regular Investments to Cash Deposit unless instructed otherwise by you.

## general conditions

### 30. Liabilities

- 30.1 We will exercise due care and diligence in the management of your Account. We will not be liable to you for:
- 30.1.1 any costs, claims, demands, losses or expenses suffered by or arising from any depreciation in the value of your Account; or
  - 30.1.2 our acts or omissions or those of any third party, except if they arise as a result of our negligence or wilful default.
- 30.2 This limitation of liability is subject to us complying with these Terms and the FSA rules and does not apply to any liability which the FSA Regulatory regime requires to be unlimited in accordance with Section 150 of the Financial Services and Markets Act 2000 (Actions for Damages).

### 31. Notices from us

- 31.1 Any notice, instruction or other communication to be given by us will be made in writing, and will be valid if posted to you at the address as shown in your Application or the last address you notified to us. Any such communication will be treated as though you had received it when it would normally be expected to have been received in the ordinary course of post. Where there is more than one Investor, any notice made by us will be sent to the first-named Investor on the Application.
- 31.2 If we both agree to use electronic facilities in relation to your Account, any notice, instruction or other communication we give as part of the use of the electronic facilities will be valid, and treated as though you had received it at the time we sent it.

### 32. Notices from you

- 32.1 Any instructions, requests or notices required from you under these Terms must generally be made in writing bearing your original signature or from your Financial Adviser, acting as your agent. In some circumstances to protect your benefits we may request additional proof of identity prior to executing your instructions and this may delay the instruction being carried out.
- 32.2 To protect your interests, instructions by e-mail, facsimile transmission ('fax'), telex or telephone cannot be accepted, except in accordance with a separate agreement made with you for this purpose. Any telephone calls may be monitored and recorded.
- 32.3 We will accept instructions from your Financial Adviser, acting as your agent where we have agreed to submission by means other than paper (for example, where your Financial Adviser has an agreed extranet connection with us) in accordance with Term 2.5.
- 32.4 We will only accept instructions or requests from you or your Financial Adviser if they are in such form and are accompanied by such documents as we may reasonably require. We will not be bound to act on the instructions unless they are, in our reasonable opinion, clear and unambiguous.
- 32.5 Instructions and requests from you or your Financial Adviser will not be treated as received until actually received by us at our Head Office or as stipulated in any agreement we have made under Term 32.3.
- 32.6 We may agree to the use of electronic means for communications subject to such security and other requirements as we consider reasonable at the time any agreement is entered into.
- 32.7 Conditions relating to the appointment of your Nominated Financial Adviser
- 32.7.1 The authority delegated by the Owner to their Nominated Financial Adviser is subject to this Term 32.7 and is in addition to any other powers or restrictions that we may agree with the Owner from time to time.
    - 32.7.1.1 We are authorised to treat all Switch and Redirection instructions received from the Owner's Nominated Financial Adviser as if they were received directly from the Owner, however transmitted and whether or not in writing.
    - 32.7.1.2 Where the Owner is a trustee(s) the Owner confirms that all instructions received from the Owner's Nominated Financial Adviser are made in accordance with the express terms of the trust deed or the relevant legislation.

- 32.7.1.3 The Owner agrees to authorise and confirm any actions carried out in good faith by their Nominated Financial Adviser when exercising the powers granted to them by this Term 32.7. The Owner will not hold us liable for any losses or costs incurred as a result of us accepting in good faith any instruction from their Nominated Financial Adviser in accordance with the powers granted by this Term 32.7.
- 32.7.2 We accept no liability for any delays, errors or omissions in instructions submitted by the Nominated Financial Adviser however transmitted and whether or not in writing.
- 32.7.3 The Owner confirms that the authority delegated to their Nominated Financial Adviser under Term 32.7.1 above shall continue in full force and effect until such time as the Owner's written notification of cancellation is received by us in writing at our Head Office.
- 32.7.4 We will treat the Nominated Financial Adviser that submitted an account on behalf of the Owner as their current Nominated Financial Adviser in respect of that account. If the Owner appoints a new Nominated Financial Adviser at any time in respect of any account they must notify us immediately by writing to our Head Office address.
- 32.7.5 If the Owner appoints a new Nominated Financial Adviser, or the legal status of their Nominated Financial Adviser changes, this authority will transfer in full to the new Nominated Financial Adviser from the date we receive notification of the change in a form acceptable to us, provided that the new Nominated Financial Adviser has Terms of Business with us.

### 33. Variation

- 33.1 Your Account may continue for a number of years and is affected by Regulations (ISA and ISA (formerly PEP) only), legislation, HMRC practice and the rules of regulatory authorities. In view of the potential for a changed approach by any of the above and the need for flexibility in the Terms for an Investment of this nature, it is important that we have provision to vary these Terms in the future.
- 33.2 We may vary the Terms without notice and we will provide you with the details of any material changes to the Terms with your next statement issued after the date of the change:
- 33.2.1 If it means we can administer your Account more effectively or to introduce additional facilities and provisions to increase the scope of your Account.
  - 33.2.2 To comply with any change in legislation, or in the practice of HMRC or of any regulatory authorities or other relevant UK or European legislation, significant changes in regulatory regime or reporting requirements, changes in how the London Stock Exchange or other markets may work which may impact operation of your Account.
- 33.3 We may vary the terms by giving you 30 days' notice of a proposed change:
- 33.3.1 where we consider it appropriate to increase any existing minimums, introduce a minimum amount, cease to offer, restrict or extend a Fund, an option or facility; or
  - 33.3.2 where we alter any charges or impose a charge to meet our administrative obligations. Any such charge will be reasonable in amount and reasonably incurred and, where appropriate, take into account changes in:
    - the rate of inflation
    - investment dealing or administration which may impact operation of your Account
    - how the internet operates
    - our administration expenses; or
    - the responsibilities imposed on us by the regulations.
- 33.4 If we exercise our right to vary these Terms in accordance with Term 33.3, you may decide to accept the change or to close your Account. If you choose to close your Account, no additional charges will be made to your Account, but any deferred charges will be recovered.

## 34. Disclosure

You authorise us to disclose any information required by law and regulation in relation to your Account and to provide HMRC with all applicable details of your Account and the Funds and to make the necessary claims conduct appeals and agree on your behalf any liabilities for, and reliefs from, tax in respect of your ISA or Collective Investment Account.

## 35. Complaints

35.1 We are regulated by, and bound by the rules of, the FSA. We are permitted to deal and arrange Investment deals in, and safeguard and administer, client assets. We do not provide investment advice therefore the Financial Ombudsman and the Financial Services Compensation Scheme will not be available in respect of any complaints against Skandia MultiFUNDS Limited if they concern the suitability of any Investment.

35.1.1 We are subject to regulations which require us to categorise each customer we deal with into one of three categories, ie Retail, Professional or Eligible Counterparty. This categorisation determines the level of regulatory protection the customer is afforded under the rules. Retail Clients (usually individuals) receive the greatest level of regulatory protection. Under the regulations, firms are able to treat all customers as 'Retail', and so give all their customers the highest level of protection available in terms of the way firms conduct business with their customers. We have opted to treat all customers as Retail Clients in this way. Despite this categorisation, some customers which are firms, and would otherwise be treated as a 'Professional' client, may not be able to refer complaints to the Financial Ombudsman Service depending on their size.

35.2 If you have a complaint about your Account and its operation, you should send it to us at our Head Office marked for the attention of the Compliance Officer. If you are not satisfied with the way the complaint is dealt with you can refer it to:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR.

Making a complaint will not prejudice your right to take legal proceedings. Our telephone number is 023 8033 4411. Any telephone calls may be recorded.

## 36. Financial Services Compensation Scheme

36.1 You are considered to be a Retail Client when purchasing this product. This categorisation carries the highest level of any regulatory protections for compensation and complaints purposes.

36.2 Your Financial Adviser will recommend investment products suitable for you. If you later feel that the investment was not suitable for your needs at the time you made it, you should refer to your Financial Adviser.

36.3 The Financial Services Compensation Scheme (FSCS) acts as a safety net for customers of financial services providers. If Skandia MultiFUNDS Limited cannot meet its liabilities, the FSCS may provide compensation. For investments (such as the Individual Savings Account and Collective Investment Account), the level of compensation you can receive from the scheme is as follows:

Until 31 December 2009:

- the first £30,000 is protected in full
- for the next £20,000, 90% is protected.

From 1 January 2010:

- the first £50,000 is protected in full.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme website [www.fscs.org.uk](http://www.fscs.org.uk).

## 37. Language

These contract Terms and any subsequent communications will be in English.

## personal data statement

By accepting these Terms, you understand and agree to the following:

We may use your personal data including any sensitive personal data ('your Data') to process your Application and to service your Account.

We may provide your Data, by electronic or other means to:

- other companies within the Skandia and Old Mutual groups of companies if we regard this as necessary to service your Account
- your Financial Adviser
- a third party to verify your identity in line with money laundering or other requirements. This may involve carrying out checks with credit reference databases
- third parties who perform tasks for us to help us service your Account. These third parties may be based in countries outside the EEA. You understand that these countries may not have laws to protect your Data equivalent to those of the UK. However, you understand that we will ensure that any such third parties agree to treat your Data with the same level of protection as if we were dealing with it.

To prevent and detect fraud we may:

- share your Data with other organisations, including the police
- check and/or file your Data with fraud prevention agencies and databases, and if you give us false or inaccurate information and we suspect fraud, we will record this.

We and other companies within the Skandia and Old Mutual groups of companies may use your Data for assessment and statistical analysis purposes.

Your Data may be made available to third parties where required by law, court order or regulation.

On payment of a small fee, you are entitled to receive a copy of your Data which is subject to the Data Protection Act 1998.

You also have the right to require us to correct any inaccuracies in your Data. In such circumstances you can contact us at:

Skandia House  
Portland Terrace  
Southampton SO14 7AY

[www.skandia.co.uk](http://www.skandia.co.uk)

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Skandia provides you with access to its investment platform, known as Skandia Investment Solutions. Within this platform you can open an ISA and Collective Investment Account provided by Skandia MultiFUNDS Limited, a Collective Retirement Account and Collective Investment Bond provided by Skandia MultiFUNDS Assurance Limited and an Offshore Collective Investment Bond, distributed by Skandia MultiFUNDS Limited but provided by Old Mutual International (Guernsey) Limited.

Skandia MultiFUNDS Limited and Skandia MultiFUNDS Assurance Limited are registered in England & Wales under numbers 1680071 and 4163431 respectively. Registered Office at Skandia House, Portland Terrace, Southampton SO14 7EJ, United Kingdom. Both companies are authorised and regulated by the Financial Services Authority. FSA register numbers 165359 and 207977 respectively.

VAT number 386 1301 59.

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