

**IFSL**

A Marlborough group company



**BROOKS MACDONALD**   
Funds

# IFSL Brooks Macdonald OEIC

## Supplementary Information Document

To be used in conjunction with the Key Investor Information Documents for:

Balanced Fund;  
Cautious Growth Fund;  
Defensive Income Fund;  
Strategic Growth Fund; and  
Defensive Capital Fund  
(the "Sub-Funds")

**US persons:** We do not accept applications for the purchase or subscription of shares from any person or for the benefit of any person who is a US person. For the purposes of this paragraph, the meaning of US person shall include, but not be limited to, trusts, charitable trusts, partnerships and corporations organised under the laws of the United States or deemed to be so organised (where 'United States' means the United States of America, its territories and possessions, all areas subject to its jurisdiction or any political subdivision thereof, any state of the United States of America and the District of Columbia), greencard holders, persons substantially present in the US and residents of the United States.

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## What are the Key Investor Information Documents and the Supplementary Information Document?

The Key Investor Information Document (“KIID”) is a document which an Authorised Fund Manager or an Authorised Corporate Director (“ACD”) marketing funds in the European Union is required to provide to potential investors. The purpose of the KIID is to give potential investors a summary of certain information including the essential elements of a fund. KIIDs are produced in a standard format, to enable easy comparison of different funds.

The Supplementary Information Document (“SID”) contains additional information that may be important or useful for potential investors. Further information is also available from a fund’s Prospectus and its annual and interim reports.

All these documents are available for the Sub-Funds free of charge from Investment Fund Services Limited, the ACD.

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## How should I use the KIID and the SID?

You should make sure that you have read the KIID and the SID before you make an investment in a Sub-Fund of the IFSL Brooks Macdonald OEIC. Once you have done this, you should complete the application form and return it to the address indicated. This document also sets out details of various contacts should you require further information.

Before making any investment, you should check with the ACD whether you have the latest version of the KIID, the SID and the application forms. You should retain copies of each of these documents for future reference. All documentation is available from [www.ifslfunds.com](http://www.ifslfunds.com)

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## Investment information

The IFSL Brooks Macdonald Fund (the “**Company**”) is an open-ended investment company (“**OEIC**”) with variable capital, which has been incorporated under the Open-Ended Investment Companies Regulations 2001 (as amended) (the “**Regulations**”) in the United Kingdom and which is also governed by the Collective Investment Scheme Sourcebook (“**COLL**”). The Company was authorised by the FCA on 30 November 2004 and is of unlimited duration.

The Company is structured as an umbrella company with the following Sub-Funds:

- **Balanced Fund**
- **Cautious Growth Fund**
- **Defensive Income Fund**
- **Strategic Growth Fund**
- **Defensive Capital Fund**

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## How does an OEIC work?

You will receive shares in the OEIC (attributable to the Sub-Fund(s) you have selected) in exchange for the capital you invest. Each share represents an equal proportion of the assets of the Sub-Fund selected by you. Your capital is used to purchase new assets. Over time, assets are bought and sold in the OEIC, aiming to secure for you and other shareholders a return in the form of income and/or capital growth, depending on the investment objective and policy adopted by the Sub-Fund. By investing your capital in a range of assets in this way, you can participate in a wide spread of investments regardless of the size of your investment.

A Depositary holds all the investments of an OEIC on its behalf. The Depositary must act in the interests of the OEIC’s shareholders, and also has responsibility for supervising certain activities of the ACD, in accordance with applicable FCA rules. The shareholders of the OEIC will not be liable for the debts of the OEIC. A shareholder is not liable to make any further payments after the price on the purchase of shares in the OEIC has been paid.

## Is my investment regulated?

The FCA regulates the operation and promotion of investment funds authorised in the United Kingdom, including the Company. The FCA can be contacted in writing at 25 The North Colonnade, Canary Wharf, London E14 5HS. The FCA's website is [www.fca.org.uk/consumer](http://www.fca.org.uk/consumer) and the consumer helpline is 0800 111 6768.

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## Who is the Authorised Corporate Director?

The Authorised Corporate Director (or ACD) of the Company is Investment Fund Services Limited (IFSL). The ACD's operating and registered address is 59 Marlborough House, Chorley New Road, Bolton BL1 4QP. The ACD is authorised and regulated by the FCA. The ACD is registered on the Financial Services Register with the number 464193.

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## Who is the Investment Manager, Sponsor and Marketer?

Brooks Macdonald Funds Limited at 111-113 Park Street, London W1K 7JL is Investment Manager, Sponsor and Marketer and is authorised and regulated by the FCA and is registered on the Financial Services Register with the number 454833.

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## Who is the Depositary?

The Company's Depositary is the National Westminster Bank, plc (the "**Depositary**"). The Depositary is incorporated in England and Wales as a public limited company. Its registered and head office is at 135 Bishopsgate, London EC2M 3UR. The Depositary is authorised and regulated by the FCA and is registered on the Financial Services Register with the number 121878.

The ultimate holding company of the Depositary is The Royal Bank of Scotland Group plc, which is incorporated in Scotland.

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## Who is the Administrator, Registrar and Custodian?

The ACD has appointed BNP Paribas Securities Services, London Branch of Pearl House, 55-59 Moorgate London EC2R 6PA, to act as Administrator to the company. Investment Fund Services Limited is to act as registrar.

The Depositary has delegated the function of Custodian to BNP Paribas Securities Services, London Branch.

BNP Paribas Securities Services, London Branch is authorised and supervised in France by the Autorité de Contrôle Prudentiel and by the Autorité des Marchés Financiers and authorised by and subject to limited regulation by the Financial Conduct Authority for the conduct of its investment business in the UK. Investment Fund Services Limited is authorised and regulated by the Financial Conduct Authority.

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## Who is the Auditor?

Ernst & Young LLP is the Company's Auditor, whose operating address is 10 George Street, Edinburgh EH2 2DZ.

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## What shares are available for investment?

Under the Company's constitutional documents, the Company is permitted to issue **Class A Shares**, **Class B Shares** and **Class C Shares** in relation to each of the Sub-Funds. However, Class C Shares are currently only available in respect of the Defensive Capital Fund and are only available for purchase by an associate of the Investment Manager for its discretionary clients. The minimum investment requirements applied to Class A and Class B Shares are set out below. Further details are contained in the Prospectus. The following shares are available in respect of each Sub-Fund:

### **Balanced Fund**

- Class A Sterling Net Accumulation Shares (min £1,000)
- Class B Sterling Net Accumulation Shares (min £1,000)
- Class B USD (Hedged) Net Accumulation Shares (min \$1,000)
- Class B EURO (Hedged) Net Accumulation Shares (min €1,000)
- Class B SGD (Hedged) Net Accumulation Shares (min S\$1,000)

**Cautious Growth Fund**

- Class A Sterling Net Income Shares (min £1,000)
- Class A Sterling Net Accumulation Shares (min £1,000)
- Class B Sterling Net Income Shares (min £1,000)
- Class B Sterling Net Accumulation Shares (min £1,000)
- Class B USD (Hedged) Net Accumulation Shares (min \$1,000)
- Class B EURO (Hedged) Net Accumulation Shares (min €1,000)
- Class B SGD (Hedged) Net Accumulation Shares (min S\$1,000)

**Defensive Income Fund**

- Class A Sterling Net Income Shares (min £1,000)
- Class B Sterling Net Income Shares (min £1,000)
- Class B Sterling Net Accumulation Shares (min £1,000)
- Class B USD (Hedged) Net Accumulation Shares (min \$1,000)
- Class B EURO (Hedged) Net Accumulation Shares (min €1,000)
- Class B SGD (Hedged) Net Accumulation Shares (min S\$1,000)

**Strategic Growth Fund**

- Class A Sterling Net Accumulation Shares (min £1,000)
- Class B Sterling Net Accumulation Shares (min £1,000)
- Class B USD (Hedged) Net Accumulation Shares (min \$1,000)
- Class B EURO (Hedged) Net Accumulation Shares (min €1,000)
- Class B SGD (Hedged) Net Accumulation Shares (min S\$1,000)

**Defensive Capital Fund**

- Class A Sterling Net Accumulation Shares (min £1,000)
- Class B Sterling Net Accumulation Shares (min £1,000)
- Class B USD (Hedged) Net Accumulation Shares (min \$1,000)
- Class B EURO (Hedged) Net Accumulation Shares (min €1,000)
- Class B SGD (Hedged) Net Accumulation Shares (min S\$1,000)
- Class C Sterling Net Accumulation Shares (only available for purchase by the Investment Manager for its discretionary clients)

You may redeem your shares whenever you wish (see '*How do I sell my shares and how quickly will I receive the proceeds?*' on page 7), save in certain circumstances described in the Prospectus. However, as is the case with any investment in an authorised fund you should view your investment as long-term.

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## Who are the Sub-Funds designed for?

The Sub-Funds may be marketed to all classes of investor, however, Defensive Capital Fund Class C Shares are only available for investment by an associate of the Investment Manager for its discretionary clients. A typical investor in the Company will understand and appreciate the risks associated with investing in shares in the Sub-Funds or will have received advice from an appropriately qualified financial adviser.

If the investment is for a specific aim, it will be the responsibility of the investor to monitor whether the investment is sufficient to achieve their personal investment objectives.

## How do I invest?

You may invest in the Sub-Funds by purchasing shares at a single price, which is based on the value of the underlying assets. Shares may normally be bought or sold on any business day between 9.00am and 5.00pm, Monday to Friday, **excluding UK public and bank holidays**. Applications can be made either by completing an application form and delivering it to the ACD at IFSL (Brooks Macdonald), Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or through approved agents. The ACD may also, at its sole discretion, accept instructions by telephone on 08081 452 501 between 9.00am and 5.00pm on any Business Day on such terms as it may specify.

Application forms are available from the ACD. The Company deals on a forward basis, which means that orders received will be dealt with at the price calculated at the next valuation point. Share prices are calculated daily at the valuation point of 12.00 noon, and applications for shares should be received by this time to ensure inclusion in the following valuation point.

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## Can I hold shares in the OEIC in a NISA?

You may apply to hold your OEIC investment in a NISA.

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## Are there any minimum investment requirements?

Please see the table below to illustrate the minimum value which any one person may purchase initially in respect of each share class. However, the ACD may, by special arrangement and at its discretion, either agree on an individual basis a lower amount in relation to the minimum value requirements, or waive such requirements.

The ACD also offers a regular savings plan in respect of sterling share classes only whereby shares can be purchased monthly, the settlement for which is collected via Direct Debit. The minimum value of shares purchased in one single transaction is shown below.

Fund	Share Class	Initial Investment	Subsequent Purchase	Regular Savings
Balanced Fund	A	£1,000	£1,000	£100
	B	£/\$/€/S\$1,000	£/\$/€/S\$1,000	£100
Cautious Growth Fund	A	£1,000	£1,000	£100
	B	£/\$/€/S\$1,000	£/\$/€/S\$1,000	£100
Defensive Income Fund	A	£1,000	£1,000	£100
	B	£/\$/€/S\$1,000	£/\$/€/S\$1,000	£100
Strategic Growth Fund	A	£1,000	£1,000	£100
Defensive Capital Fund	A	£1,000	£1,000	£100
	B	£/\$/€/S\$1,000	£/\$/€/S\$1,000	£100

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## May I change my mind after I have invested?

A notice of an applicant's right to cancel the agreement to purchase shares will be forwarded where this is required by the FCA's applicable rules. However, should you cancel, you may not get back all of your money if the share price has fallen since your investment was made. The right to cancel gives you 14 days from the date you receive your cancellation notice in which to change your mind and notify us in writing. The cancellation notice will be enclosed with your contract note, where applicable.

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## How is my investment valued?

Each share class within the Sub-Funds are single priced in accordance with the relevant rules of the FCA. This means that there is a single price which applies regardless of whether you are buying or selling. However, there are costs such as an entry charge which you pay on investing in a Sub-Fund and (in certain circumstances) a dilution levy may be applied (see below). The price of a share is calculated by dividing the net asset value (which generally constitutes assets less liabilities) of the relevant Sub-Fund by the number of shares issued in relation to that Sub-Fund.

## Is there a dilution levy?

Where the Company buys or sells underlying investments it will generally incur a cost, made up of dealing costs and any spread between the buying and selling prices of the investments concerned, which will not be reflected in the amount paid by or to the shareholder. This effect is referred to as “dilution”. It is not possible to predict accurately whether dilution will occur at any point in time. If, in the ACD’s opinion, the existing shareholders would be adversely affected by sales or redemptions of shares then a dilution levy may be charged at the discretion of the ACD. With a view to reducing this cost (which, if material, disadvantages continuing shareholders and could adversely affect the future growth of the Sub-Funds) the ACD is entitled to require payment of a “dilution levy” under certain circumstances. This levy is paid directly into the Sub-Funds and it is intended to reduce the effect of dilution on the future growth of the Sub-Funds.

At its absolute discretion, the ACD may charge a dilution levy on the price of shares in the following circumstances:

- Where a Sub-Fund experiences a large level of net sales or redemptions on any Business Day, relative to its size (i.e. net sales or redemptions equivalent to greater than 2% of the net asset value of the relevant Sub-Fund);
- Where a Sub-Fund is in continuing decline, in terms of net asset value, as a result of poor market conditions or continual net redemptions;
- On “large deals”, which for this purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the net asset value of the relevant Sub-Fund.

The dilution levy is not retained by the ACD but is paid into the relevant Sub-Fund.

**How will the dilution levy affect investors?** – On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the relevant Sub-Fund. As dilution is directly related to the inflows and outflows of monies from a Sub-Fund it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution levy. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to above, will be negligible.

The ACD considers that where a large inflow or outflow of money into or out of the Sub-Fund triggers an investment or disinvestment within the Sub-Fund, it is likely to apply a dilution levy in order to mitigate any dilution effects. Where it is applied, the ACD believes that the amount will not normally exceed 1% of the net asset value of shares being bought or sold.

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## What is soft commission and does it affect my investment?

Soft commission is any economic benefit, for example free research analysis, that might be provided by a broker who buys and sells the underlying investments in a Sub-Fund’s portfolio. In exchange a fund manager would be expected to give the broker a certain amount of business.

The ACD has no soft commission or fee-sharing arrangements in place for the Company at this time.

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## How much will any advice cost?

Your Professional Adviser will give you details about the cost of any advice.

## Will income be distributed?

If you hold income shares and you have elected to take that income, income will be paid to you. Income, when distributed, will be sent direct to your bank account. If payment is to be made to a bank account other than that used to open this account, please provide us with a void cheque or paying-in slip to enable us to verify your bank details.

If the income distribution is rejected by your bank, we will issue a cheque for that payment along with a request for alternative account details.

Where you hold accumulation shares, income will be accumulated within the relevant Sub-Fund and you will not receive any income.

In respect of the Balanced Fund, Cautious Growth Fund and Strategic Growth Fund, allocations and, if relevant, distributions of income will be made on or before 31 January and 31 July each year. In respect of the Defensive Income Fund distributions of income will be made on or before 31 January, 30 April, 31 July and 31 October each year. The Defensive Capital Fund only allocates income on or before 31 July.

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## May I re-invest any income distributions?

As stated above, income, when distributed, will be sent direct to your bank account.

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## May I take regular withdrawals?

The ACD offers a regular withdrawal facility in respect of sterling share classes only. If you elect to take regular withdrawals, shares will be sold to raise the required payment subject to a minimum of £50 per Sub-Fund. Payment will be made to your nominated bank account in accordance with your instructions. Please note that in order for us to send your proceeds by BACS we require you to send us a void cheque or paying-in slip to enable us to verify your bank account details. Shares will be sold four business days prior to the payment date. The payment dates are as follows (or if this is not a Business Day, the next available Business Day):

Frequency of withdrawal	Date of payment
Monthly	28th of each month
Quarterly	28 November, 28 February 28 May, 28 August
Half-yearly	28 November, 28 May
Annually	28 May

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## What confirmation will I receive?

Certificates for shares are not issued to shareholders, but a contract note will be sent out no later than the end of the Business Day following the valuation point by reference to which your purchase has been undertaken (following receipt of your duly completed application). Ownership of shares will be evidenced by an entry on the Company's register of shareholders.

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## How do I find out about the price for buying or selling shares?

The most recent share prices are published on the following websites:

- [www.fundlistings.com](http://www.fundlistings.com)
- [www.ifslfunds.com](http://www.ifslfunds.com)

Prices are also available by telephoning the ACD on 0845 123 1084. The price you will actually pay if you buy or sell shares will be the price determined at the next valuation point following the time you place your deal. The Sub-Funds are valued at 12.00 noon (UK time) on each day, Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open for the normal full duration of its trading hours and any other day at the ACD's discretion as agreed with the Depositary. The ACD is not responsible for any errors in publication or non-publication.



### How do I sell my shares and how quickly will I receive the proceeds?

Shares in the Sub-Funds may normally be sold on any Business Day between 9.00am and 5.00pm. Redemption instructions may be given by delivery to the ACD (by letter) at IFSL (Brooks Macdonald), Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or fax to 01204 533045. Redemption instructions given by fax must be followed up with the original signed instructions prior to redemption proceeds being remitted. The ACD may also, at its sole discretion, accept instructions by telephone on 08081 452 501 between 9.00am and 5.00pm on any Business Day on such terms as it may specify. Redemption instructions are irrevocable.

Payment will be made on the fourth day following receipt of your instructions provided all appropriate documentation is in place. A redemption contract note will be sent on or before the next business day following the relevant dealing day.

Please note that if you would like your proceeds to be sent by BACS you are required to send us a void cheque or paying-in slip to enable us to verify your bank account details.

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### How do I monitor my investment?

We will send you a statement every six months to tell you the value of your investment. In addition, we will send you annual and interim short reports on or around 30 September and 31 January each year. The Company's Prospectus, long report (including the accounts) and short reports may be obtained free of charge, by request, from the ACD at the office address previously provided.

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### How do I make a complaint?

If you have a complaint you may write to the Compliance Officer, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. If you are not satisfied with IFSL's response you may also write 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.

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### How would I be compensated in certain situations?

The ACD is covered by the Financial Services Compensation Scheme (the "FSCS") and you may be entitled to compensation if the ACD cannot meet its liabilities. Further information on compensation arrangements is available from the ACD or from the FSCS at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU

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### How do I notify you of a change in my personal details?

Notifications of changes in personal details can only be accepted by appropriate signatures and documentation and must be sent to: IFSL (Brooks Macdonald), Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

If you notify us of a change in your address we will write to your new and old address to acknowledge this change within five Business Days. Current procedures state that if you request a withdrawal from your account within six months of your change of address notification we reserve the right to request additional verification of your instruction.

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### Further information & advice

You may obtain further information about the Company by phoning the ACD on 0845 123 1084, by visiting the IFSL website at [www.ifslfunds.com](http://www.ifslfunds.com). No advice on investments has been or will be given by the ACD or Brooks Macdonald Funds Limited. If you have any doubt as to whether an investment in the Company is suitable for you please seek advice from an appropriately qualified financial adviser.

## How do the UK's anti-money laundering regulations affect me?

The UK's anti-money laundering regulations require financial services companies to make checks on the source of all new business. All applications will be processed on receipt, however, we reserve the right not to issue shares to you nor make payments in respect of your investment until satisfactory proof of your identity is provided. Professional Advisers are required to provide proof of identify and verification of the source of funds for all new applicants.

Applicants for direct investments are required to disclose circumstances where an individual or organisation other than the investor(s) named on the application form ultimately owns or controls the investment being made. You are therefore, required to make the relevant disclosure on the application form and where necessary provide the full name of any additional parties who have beneficial ownership of this investment. There are additional requirements for bodies corporate, partnerships, trusts, fund administrators/distributors and estates of deceased persons. Please contact your Professional Adviser if you are in any doubt about your status.

Any subscriptions must come from your own bank or building society account. Please provide a void cheque or paying-in slip to enable us to verify your bank details.

**Please note that until you submit the necessary documentation to enable us to verify your identity we will need to freeze your account. This will mean that:**

- we will not be able to accept any further funds for your account. Therefore, until your identity has been verified, any further subscriptions will be returned to you and not invested;
- if you have submitted a Direct Debit mandate, until your identity has been verified we will not be able to make any collections;
- we will not be able to release the proceeds of any sales to you until your identity has been verified.

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## Important information

This document has been provided to you in the English language and we will continue to communicate with you in the English language. Your dealings with the ACD before and after you have made an investment with us shall be governed in accordance with English law.

Please note that nothing in this document constitutes financial advice.

This document is dated as at 20 March 2015. Before relying on any information contained in this document you should check with the ACD that this is the most recently published version.

## Terms of Business for Intermediaries

These Terms of Business for intermediaries ("**Terms of Business**") are one of several documents which govern your relationship with us, Investment Fund Services Limited ("**IFSL**") (company number: 6110770) whose registered office is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. These Terms of Business are a framework document which sets out the way we wish to do business with you.

The table below describes the other documents which govern your relationship with us.

Document	Description
<b>Product literature</b>	Each of the Products offered by IFSL has its own product terms. Our product literature is available upon request or via the Website.
<b>Remuneration terms</b>	From time to time we will issue documents which set out the terms of the remuneration options available to you, for example commission terms (subject to Applicable Regulations).
<b>Correspondence between us</b>	During the course of our relationship, we may write to you in order to inform you of certain changes to these Terms of Business (in which case we will do this in accordance with these Terms of Business).
<b>Other terms which we agree</b>	We may agree additional terms and conditions for arrangements which arise for any reason including, but not limited to a change in our regulatory status.

These Terms of Business will apply to you, your employees, representatives and agents. You are responsible for ensuring that your employees, representatives and agents are aware of these Terms of Business and comply with them.

If you are the principal of a network of Appointed Representatives, these terms shall apply to you and each of your Appointed Representatives together with your employees, agents and each of your Appointed Representatives' employees and agents. You are responsible for ensuring that all of your employees, agents and your Appointed Representatives and each of your Appointed Representatives' employees and agents are aware of and comply with these Terms of Business.

As an Appointed Representative of a network you are unable to sign these Terms of Business on your own behalf and your principal will need to be the authorising signature.

A reference to a rule or statutory provision includes a reference to the rule or statutory provision as from time to time modified or re-enacted or both (whether before or after the date of these Terms of Business) and to any subordinate rule or legislation made under the statutory provision or rule (whether before or after the date of these Terms of Business) .

Headings to clauses are for convenience only and do not affect the interpretation of these Terms of Business.

Definitions of terms used in these Terms of Business can be found in Appendix 1.

## 1. COMMENCEMENT

- 1.1. These Terms of Business set out the terms and conditions on which we, the Provider, accept Business from you, the intermediary. These Terms of Business replace and supersede any previous terms and conditions which we may have issued to you provided that nothing in these Terms of Business shall override the terms of the Products which shall prevail in the case of any conflict.
- 1.2. No terms and conditions supplied by you or referred to in correspondence or elsewhere or implied by industry, custom, practice or any course of dealings shall amend or override these Terms of Business which may only be varied in accordance with clause 15.
- 1.3. Any placement of Business by you shall constitute your acceptance and agreement to these Terms of Business. These Terms of Business shall come into effect upon receipt of Business from you.
- 1.4. We shall not accept Business from an intermediary who ceases to be Authorised or ceases to be permitted by the FCA or a Designated Professional Body to carry out the relevant category of Business. We reserve the right in our sole discretion not to accept Business from you or to cease to accept Business from you at any time.

## 2. INTERMEDIARY AND CLIENT

- 2.1. In your dealings with us you may act as principal provided you have the relevant Authorisation to do so pursuant to the Act and when so acting you notify us in writing at the time an order is placed. You shall not act for or in our name or sign documents for or on our behalf.
- 2.2. Save for the circumstances provided for in clause 2.1 above and save in relation to your personal responsibilities hereunder, you shall act as the agent of the Client in relation to all aspects of the Business conducted between us and you on behalf of that Client and the provisions of clause 11.3 shall always apply (whether or not you receive payment from the Client).

## 3. CLIENT CLASSIFICATION

- 3.1. To the extent that we deal with you as agent for a Client, in accordance with the Agent as Client Rule, we are providing services to you under these Terms of Business as our client. For the purposes of the FCA Client Classification Rules we have classified you as a Professional Client. You have a right to request a different client classification but we are under no obligation to accept this request.
- 3.2. As regards Business which we carry out directly with Clients, we will treat all Clients as Retail Clients unless we are aware that a Client could be classified as a Professional Client under the FCA Client Classification Rules, in which case we may treat that Client as a Professional Client although we are not obliged to do so.
- 3.3. We will normally send any communications, literature and documents intended for Clients to the Client with copies to you as intermediary. We reserve the right to send any communications, literature or documents to and to communicate directly with a Client where:
  - 3.3.1. we are required to do so under applicable laws and/or regulation;
  - 3.3.2. we are required to do so at the request of the Client.

## 4. AUTHORISATION

- 4.1. You shall supply to us (in whatever reasonable form we require) relevant confirmation that you are Authorised.
- 4.2. You shall at all times in the course of your dealings with Clients, potential clients and in the course of your dealings with us act in good faith and exercise all due skill, care and diligence as one would reasonably expect of a professional intermediary of financial services. In particular you undertake to us that you shall at all times act in accordance with:
  - 4.2.1. all Applicable Regulations;
  - 4.2.2. these Terms of Business and all documents and/or other communications referred to in it;

4.2.3. all applicable Fund Documents; and

4.2.4. all other applicable laws and regulations.

- 4.3. Notwithstanding clause 4.2 above, you shall at all times act in accordance with the FCA's principles, rules and guidance in relation to treating customers fairly and managing actual and potential conflicts of interest.

## 5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS OF THE INTERMEDIARY AND THE PROVIDER

- 5.1. You hereby confirm as at the date of these Terms of Business and each time you and any Authorised Person communicates an instruction or places Business with us that:
  - 5.1.1. your details and the details of each Authorised Person as set out in the registration form are correct. You will give us prior written notice of any change in that information and in any event will as soon as reasonably practicable inform us in writing of such a change. You will provide us with such further information as we may reasonably require from time to time in relation to you and your Authorised Persons;
  - 5.1.2. you have all authorisations, licences, consents and permissions required by Applicable Regulations in order to perform your obligations under this Agreement or you are otherwise an exempt person (under the Act) for that purpose and you will remain so while this Agreement remains in force;
  - 5.1.3. If you are otherwise an exempt person (under the Act) you will notify us as soon as reasonably practicable if this ceases to be the case and that you will not knowingly carry on any activities in consequence of the activities of a third party operating in breach of either sections 19 or 21 of the Act or carrying on regulated activities without authorisation or equivalent legislation in another member state of the European Union;
  - 5.1.4. you have full capacity and authority and have obtained all necessary consents to enter into and perform these Terms of Business and these Terms of Business have been executed by a duly authorised representative;
  - 5.1.5. entering into these Terms of Business will not cause you to be in breach of any obligation owed by you to any third party;
  - 5.1.6. you have obtained all necessary consents, permissions and authorisations from Clients to place Instructions and Business in accordance with the terms of such Instructions and Business and insofar as you may place Instructions with us you have been appointed as agent of your Client and are so authorised to act as such;
  - 5.1.7. you have and hereby accept full responsibility for the activities of each of the Authorised Persons in respect of their dealings with us and will ensure that each of the Authorised Persons:
    - 5.1.7.1. are aware of your duties and obligations under these Terms of Business and does not by any act or omission cause any breach of these Terms of Business by you ;
    - 5.1.7.2. have appropriate skills, expertise and training to deal with us and use the facilities made available by us;
- 5.2. We confirm as at the date of these Terms of Business and each time you and any Authorised Person who communicates an instruction or places Business with us that:
  - 5.2.1. we have full capacity and authority and have obtained all necessary consents to enter into and perform these Terms of Business and that entering into these Terms of Business will not cause us to be in breach of any obligation owed to any third party;
  - 5.2.2. we have obtained all necessary consents, permissions and authorisations in relation to any obligations responsibilities or acts required pursuant to these Terms of Business.
- 5.3. Except to the extent that these Terms of Business provide that we will furnish information direct to your Clients, the requirement for

you to provide information, both written and oral, and services to your Clients under the Applicable Regulations in connection with advice given or transactions executed on behalf of Clients will at all times remain your responsibility.

- 5.4. You undertake to furnish us as soon as reasonably practicable with Client details in an accurate form and will notify us of any changes to those Client details as soon as practicable.

## 6. REMUNERATION

- 6.1. All matters relating to entitlement to Commission or Trail Commission from us shall be governed by the Applicable Regulations and FCA Commission Rules to the extent that such rules are applicable. If there is a conflict between (i) these Terms of Business and (ii) the Applicable Regulations, the Applicable Regulations shall prevail. In order to ensure compliance with the provisions of the fees under these Terms of Business will only be payable on dealings up to 31 December 2012 unless the FCA Handbook is further amended so as to introduce the prohibition of such fees at an earlier date in which case such date shall apply in place of 31 December 2012.

- 6.2. We shall credit or pay Commission or Trail Commission to you for Business in accordance with the scales notified to you from time to time by us in writing but without prejudice to the payment of Commission or Trail Commission already accrued due and payable. We reserve the right to alter the rate of Commission or Trail Commission payable in respect of future Transactions forthwith upon giving 28 Business Days notice of such alteration in writing to you except in circumstances where changes in the rules of the relevant regulatory authority are required to take effect earlier than 28 Business Days notice would allow.

- 6.3. No Commission or Trail Commission shall be due until the investment sum or monthly subscription (as the case may be) has been received and cleared by us. If a Client exercises a statutory right of cancellation, any Commission or Trail Commission paid in respect of the Transaction shall forthwith be repaid by you to us. Any sum due to be repaid by you to us (for whatever reason) shall forthwith be repaid by you to us or, at our discretion, may be deducted by us from or set off against any amount of Commission, Trail Commission or any other sum due from us to you.

- 6.4. We reserve the right to cease paying Commission or Trail Commission to you in the following circumstances (except to the extent of any Commission or Trail Commission earned and unpaid at the relevant time):

- 6.4.1. if you cease to be Authorised or are subject to an investigation under the Act or under the rules of any competent regulatory authority (including, without limitation, the FCA) or your authorisation is suspended;

- 6.4.2. if you are an individual if you shall die, become bankrupt, compound with or assign your estate or effects for the benefit of creditors or have your goods seized in execution or, if you are a company, if you go into liquidation or if a receiver or administration receiver is appointed over the whole or any substantial part of your assets, an administrator is appointed by the court, a meeting of your shareholders is called to consider a resolution for winding up, an application is made to dissolve the company or strike it off the register of companies, a petition is presented to the court to wind up or a composition or arrangement is proposed or made with any one or more of your creditors, you are unable to pay your debts within the meaning of section 123 of the insolvency Act 1986;

- 6.4.3. if you fail to comply with any of your obligations under these Terms of Business;

- 6.4.4. if you give notice to terminate these Terms of Business;

- 6.4.5. if you inform us in writing that you no longer wish to receive Commission or Trail Commission (in which case we shall be discharged from all future obligations to you unless you subsequently notify us that you wish to receive Commission or Trail Commission and we agree to the same (subject to Applicable Regulations));

- 6.4.6. if you or the Client notifies us that you are no longer the Client's agent; or that in connection with any Transaction that you have ceased to act for the Client in respect of this type of Transactions or a particular investment or investments; or where in the sole discretion of us, any Applicable Regulations could result in such payment being unlawful.

- 6.5. The Statement of Account produced by us shall, in the absence of manifest error, be the prime record of Commission or Trail Commission due or paid to you, or of the refund owed by you to us;

- 6.6. We shall inform you of the frequency and basis on which Commission is paid for a particular investment product;

- 6.7. Trail Commission, where applicable, is paid quarterly in arrears in accordance with terms notified by us from time to time and shall generally be paid within 7 Business Days of the period end.

- 6.8. You shall not recommend any Transaction (whether directly or indirectly) unless you have disclosed to the Client that you will receive remuneration in respect of the Transaction and that we will be providing the Client with information about the remuneration. You shall disclose the actual remuneration payable if so requested by the Client.

## 7. DEALING

- 7.1. Subject to the relevant Product terms and conditions requests made in writing should be addressed in accordance with the details as set out in the relevant Fund Documents.

- 7.2. When placing or arranging a Transaction you shall provide to us:

- 7.2.1. the full name and address of the Client(s) in respect of whom you are acting;

- 7.2.2. notification of whether the Cancellation Rules apply to the Transaction and, if not, the reasons why this is not the case;

- 7.2.3. notification required pursuant to clause 20.3;

- 7.2.4. whether or not advice has been given; and

- 7.2.5. such other information as reasonably requested by us.

- 7.3. If these details are not provided by you (and/or such details are incorrect in any material respect) we may in our absolute discretion refuse to effect the Transaction and shall notify you as soon as reasonably practicable. You undertake to indemnify and to keep us indemnified for any and all Losses that may be imposed on, incurred by or suffered by us as a consequence of our refusing to effect a Transaction pursuant to this clause 7.3

- 7.4. Cheques relating to the repurchase of Units shall be drawn in favour of the named registered holders of such Units as evidenced in the register and shall be crossed "Account Payee Only Not Negotiable" provided that we may however, in our absolute discretion, accept and carry out alternative written payment instructions in respect of Units where such instructions are issued and signed by all the registered holders of Units. Payment shall not be made for the credit of a client money account operated by you.

## 8. DOCUMENTATION

- 8.1. Upon a request by you, we shall provide Fund Documents and the reports and accounts of the relevant Authorised Fund to you by such method as is required or permitted under Applicable Regulations.

- 8.2. You shall pass to the Client immediately and without any amendment any Fund Documents supplied by us for the information of or completion by the Client and shall pass to us immediately any documents provided by the Client for that purpose.

- 8.3. In particular, you shall be responsible for ensuring that the Client is provided with a KIID and SID in accordance with Applicable Regulations so that the Client is reasonably able to understand the nature and risks of the investment product that is being offered to them and, therefore, to take investment decisions on an informed basis.

- 8.4. Any item of property belonging to us and in your possession must at all times be available to us for inspection and must be delivered to us by you on demand unless we otherwise instruct.

## 9. INTELLECTUAL PROPERTY RIGHTS

- 9.1. You will have no Intellectual Property Rights in the Materials other than as set out in these Terms of Business (or as otherwise agreed in writing by us) and we expressly reserve the right to grant licences to use the Materials to other parties and/or to use the Materials itself, without restriction.
- 9.2. No rights are granted to you to copy, reproduce, duplicate, modify, adopt, lend, sell or otherwise transfer in whole or in part any of the Materials except:
- 9.2.1. for the purposes of providing any Client with a hard copy of any of the information relevant to the Client or complying with your regulatory obligations to retain Client information provided always that you shall be responsible for affixing such information as may be necessary to comply with your obligations as an intermediary authorised by the FCA to advise on investment and/or arrange deals in investments for the purposes of the Act.
- 9.3. You shall not publish any Promotional Literature without our prior written consent. In the event that you issue or publish any Promotional Literature without such consent we reserve the right to take any action they deem appropriate in the circumstances (but for the avoidance of doubt failure to take any action does not constitute a waiver of that right). Where we consent to the issue or publication of Promotional Literature you shall observe all instructions from us relating to Promotional Literature including, but not limited to, those relating to IFSL Names and Marks and Materials Once we have consented to the publication of any Promotional Literature you may make copies of such literature without obtaining further consent from us provided that such copies are identical reproductions of the Promotional literature for which we have provided consent.
- 9.4. You shall ensure that any Promotional Literature you use in the course of dealing with Clients is the latest version issued or approved by us at the time of use. This includes, without limitation, hard copy Promotional Literature and Promotional Literature in any other form or medium which (subject to any terms and conditions in place from time to time) can be obtained, stored and supplied electronically including via hyper-links to any Provider website or any other website which supplies Promotional Literature, the Intellectual Property Rights in which are owned by us.
- 9.5. The Materials and the IFSL Names and Marks shall be and shall remain our property at all times and by using certain items pursuant to these Terms of Business you shall not acquire any rights in either the Materials or the IFSL Names and Marks. All goodwill arising out of your use of the Materials and the IFSL Names and Marks shall accrue to us and shall belong to us absolutely.

## 10. COMMUNICATIONS

- 10.1. We will only supply information to you in respect of Clients where you are their nominated intermediary.

## 11. PAYMENTS

- 11.1. Payment in respect of any Transaction effected by or through you must be received by us on or before the Settlement Day. We shall be entitled, without giving prior notice to you, to cancel, in whole or in part, any Transaction in respect of which the amount due remains unpaid after the Settlement Day. This provision shall not be affected by any requirement to serve a notice pursuant to the Cancellation Rules in respect of the Transaction in question.
- 11.2. Instructions in respect of any Transaction involving a debit card which is effected with your assistance must comply with debit card regulations (which require payment instructions to be given by cardholders personally). Telephone applications may only be made directly by the Client. Written applications must be made by completing the relevant application form accompanied by a cheque or completion of the debit card instruction on the application form. Applications shall be executed at the appropriate prices on the relevant Dealing Day.
- 11.3. We may at our discretion charge you interest on any sums due to us which remain unpaid after the Settlement Day or any other sums properly payable to us after 30 days' notice, at a rate equivalent to 2% above the Sterling base lending rate published for the time being by The Royal Bank of Scotland plc, provided that this provision shall not apply to the late payment for Transactions to the extent that the delay results solely from the late settlement of the repurchase of Units sold for the purpose of a switch between one Authorised Fund and another Authorised Fund where such delay does not result from any failure on your part or the Client's part to

comply with our normal dealing procedures including the provision in due time of a duly completed form of renunciation (in a form provided by and/or approved by us) and, if applicable, certificate for the repurchased Units.

## 12. LIABILITY & INDEMNITY

- 12.1. You shall indemnify us and keep us indemnified from and against all Losses incurred or suffered by us arising from:
- 12.1.1. any failure by you to comply with the Applicable Regulations and/or the rules of any relevant Designated Professional Body, or the statutes, rules, regulations or requirements of any territory which may apply to you or to us; or
- 12.1.2. you causing us to fail to comply with the Applicable Regulations and/or the rules of any relevant Designated Professional Body, or the statutes, rules, regulations or requirements of any territory which may apply to us; or
- 12.1.3. you providing to us incorrect or incomplete information or application forms (but for the avoidance of doubt, this indemnity does not extend to incorrect or incomplete information provided by any Client to you); or
- 12.1.4. our reliance upon any term contained in the client agreement between you and your Client.
- 12.2. We shall only be liable for Losses incurred by you in connection with these Terms of Business to the extent that such Losses result directly from our fraud, wilful default or negligence of the fraud, wilful default or negligence of any of our directors, officers or employees.
- 12.3. Save as otherwise provided in these Terms of Business neither party will be liable to, or indemnify the others for any loss of business, loss of income, interest or revenue, loss of profits or contracts, loss of opportunity, damage to reputation or any indirect or consequential losses arising from any breach of these Terms or any duty or obligation owed in connection with these Terms whether or not reasonably foreseeable, or actually contemplated by the parties at the time of execution of these Terms of Business.

## 13. INSURANCE

- 13.1. You shall have in place such level of professional indemnity insurance cover as shall be necessary to comply with the requirements of the FCA in accordance with all applicable laws and regulations.

## 14. DISCLAIMERS

- 14.1. We make no express or implied warranties or representations, whether statutory or otherwise, regarding any part of the Website including, but not limited to, whether all (or any part) of the Website can be accessed at all times. Where the Website is temporarily unavailable or restricted we do not accept any responsibility and will not be liable for any loss or damage arising out of or in connection with the loss of use of the Website.
- 14.2. You acknowledge that uninterrupted access to the Website may be prevented by factors outside our reasonable control including, without limitation, the availability, in-operation or interruption of internet services. Non performance by us of our obligations under these Terms of Business shall not be a breach of these Terms of Business where such non performance results directly or indirectly from such an event and we shall not be liable for any Loss arising out of or in connection with any such event.
- 14.3. We shall not be liable for errors, omissions or inaccuracies in the Materials which arise out of or in connection with data transmission or which take place due to machine or software error or malfunction.
- 14.4. Notwithstanding anything to the contrary in these Terms of Business, nothing herein will exclude or limit the liability (if any) of any party to these Terms of Business for (a) personal injury or death resulting from the negligence of that party; (b) its fraud; (c) any liability it may have under the Act, any of its subordinate legislation or the FCA Handbook; (d) any matter in respect of which it would be illegal for a party to limit or exclude, or attempt to limit or attempt to exclude its liability.

## 15. VARIATION

- 15.1. We reserve the right, subject as otherwise specified herein, to vary or cancel these Terms of Business by providing you with not less than 28 Business Days notice provided that:
  - 15.1.1. no variation or cancellation shall affect Transactions made prior to the time of variation or cancellation; and
  - 15.1.2. notice of variation arising from the Act or changes in the rules of the FCA or a Designated Professional Body shall be given as soon as reasonably practicable.
- 15.2. You shall not be entitled to sub contract or transfer any of your rights and obligations hereunder without our prior written consent.
- 15.3. For the purposes of determining the notice period required under clause 15.1, such notice period shall commence (or shall be deemed to have commenced) from the date on which such notice is received in accordance with clause 21.1 or, otherwise, from the date specified in such notice if such date is later than the date of receipt.

## 16. CONFIDENTIALITY

- 16.1. Unless otherwise provided in these Terms of Business during the term of these Terms of Business and after termination or expiration of these Terms of Business for any reason whatsoever, each party undertakes to the other party that it shall:
  - 16.1.1. keep any Confidential Information confidential and secure;
  - 16.1.2. not disclose any Confidential Information to any other person other than its professional advisers without the prior written consent of the other party or in accordance with Clauses 16.2 and 16.3; and
  - 16.1.3. not use any Confidential Information for any purpose other than the performance of its obligations under these Terms of Business.
- 16.2. During the term of these Terms of Business, each party may disclose the Confidential Information to its employees, associated companies, agents and subcontractors (each a "**Recipient**") to the extent that disclosure is reasonably necessary for the purposes of these Terms of Business.
- 16.3. The party disclosing any information undertakes to procure that each Recipient is made aware of and agrees to comply with all that party's obligations of confidentiality under these Terms of Business as if the recipient was a party to these Terms of Business.
- 16.4. The obligations contained in Clauses 16.1, 16.2 and 16.3, shall not apply to any Confidential Information which:
  - 16.4.1. is at the date these Terms of Business come in to effect, or at any time after such date, becomes publicly known other than as a result of the receiving party's breach of these Terms of Business;
  - 16.4.2. was known to the receiving party prior to its being disclosed;
  - 16.4.3. is lawfully in the possession of the receiving party having been acquired from a third party not under any obligation of confidence to the receiving party; or
  - 16.4.4. is required to be disclosed by a court of a competent jurisdiction or any governmental official or regulatory body.
- 16.5. To the extent that Confidential Information is required to be disclosed by law or pursuant to any requirement of any governmental, official or regulatory body, the obligation not to disclose such information shall cease to have effect, provided that, where lawful, the relevant party shall immediately provide notice of such fact to the other party and shall if lawful and reasonably practicable, consult with the other party prior to such disclosure in respect of the manner of the disclosure.
- 16.6. Any Confidential Information shared by you and us shall remain the property of the disclosing party (and all Intellectual Property Rights in such information shall belong solely to the disclosing party).

## 17. DATA PROTECTION

- 17.1. For the purposes of these Terms of Business each party warrants that:
  - 17.1.1. it holds, and will during the term of these Terms of Business maintain, all registrations and notifications required or appropriate in terms of the DPA for the performance of its obligations under these Terms of Business;
  - 17.1.2. in the performance of its obligations under these Terms of Business it will comply with the DPA and in particular the data protection principles set out in the DPA and with the guidelines and guidance notes issued from time to time by the Data Protection Commissioner; and
  - 17.1.3. it will act on the instruction of the other party in relation to Client Data (if any) processed on behalf of such other party.
- 17.2. We as Data Controllers may from time to time process data relating to individual intermediaries like you for the purposes of research and analysis and may appoint Data Processors in connection with such processing.
- 17.3. We may store and use information about Clients in accordance with our relevant product terms and conditions with them. Each time you enter a Client's details onto a website or otherwise communicate personal information about a Client to us on behalf of the Client, you warrant that you are acting as the agent of the Client and that the Client consents to such storage and use of the information. It is your responsibility to obtain authorisation from the Client for you to act as the Client's agent in this way.
- 17.4. We may transfer any data held by us to any third party in connection with the provision of the products and services contemplated hereunder.

## 18. TELEPHONE RECORDING

- 18.1. Telephone conversations with us may be recorded.

## 19. DELEGATION

- 19.1. We may delegate any of our powers and duties under these Terms of Business to a third party provided that:
  - 19.1.1. our liability to you for all matters so delegated shall not be affected by the delegation;
  - 19.1.2. we may only provide information concerning you and your Clients which is necessary for the performance of the functions being delegated to any third party and subject to confidentially obligations the same or substantially similar to those contained in clause 16.1 of these Terms of Business and where necessary; and
  - 19.1.3. the third party is duly authorised under the Act (to the extent required).
- 19.2. We may employ suitable and properly qualified agents and professional advisers to perform any administrative or ancillary services required to enable us to perform its activities under these Terms of Business. We will act in good faith and with due diligence in the selection, use and monitoring of such agents and professional advisers.

## 20. ANTI - MONEY LAUNDERING

- 20.1. You hereby acknowledge and confirm that any Transaction in a Product will be covered by statutory and other requirements relating to money laundering including the Terrorism Act 2000 as amended by the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002, the Financial Services and Markets Act 2000, the Money Laundering Regulations 2007 and the Guidance Notes for the Financial Sector issued by the Joint Money Laundering Steering Group, as amended from time to time (hereinafter "**the Money Laundering Requirements**").
- 20.2. You undertake full responsibility for the identification procedures under the Money Laundering Requirements in respect of any Transaction with us where a Client agreement, terms of business letter or similar arrangement exists that constitutes a business relationship between you and your Client.

20.3. Under applicable law we are required to take steps to verify the identity of our clients to prevent money laundering and to reduce the possibility of fraud. We will conduct searches of databases and other publicly available data in order to do this. We may need to ask you to provide proof of your client's identity including copies of official documents before we can accept your client's application.

20.4. We agree to give all such assistance as you may reasonably require from time to time to endeavour to ensure you can comply with your own internal procedures for money laundering in relation to these Terms of Business and the rules and any regulations in respect of the Money Laundering Requirements.

## 21. NOTICES

21.1. Any notice given under these Terms of Business shall be given or sent to you by sending the same by registered post or by facsimile transmission or by delivering the same by hand; such notice or document to be addressed, despatched or delivered (as the case may be) to the registered office or principal place of business for the time being of the party to whom it is addressed. Any notice or document sent by post as provided in this clause shall be deemed to have been given or sent forty eight hours after despatch and any notice or document sent by facsimile transmission as provided in this clause shall be deemed to have been given or sent upon receipt. Failure to receive any confirmation of receipt of any notice duly given, document duly sent or facsimile transmission shall not invalidate such notice. Evidence that the notice or document was sent by registered post shall be conclusive evidence of posting.

## 22. TERMINATION

22.1 Save as otherwise provided in these Terms of Business either party may terminate these Terms of Business by giving notice to the other at any time, provided that we shall not terminate these Terms of Business without reasonable cause.

## 23. INVALIDITY AND SEVERABILITY

23.1. If any provision of these Terms of Business is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable the invalidity or unenforceability of such provision shall not affect the other provisions of these terms which shall remain in full force and effect.

## 24. ASSIGNMENT AND NOVATION

24.1. Nothing in these Terms of Business shall prevent either you or us from assigning the benefit or delegating the burden of these Terms of Business to any of our respective Affiliates or to any third party if such assignment or delegation is part of a sale of all or part of our shares or assets. Further the parties agree that if a reorganisation or restructuring of the business of the intermediary and/or Provider and/or the wider IFSL Group is proposed or occurs which affects these Terms of Business, either of the intermediary or the Provider may by way of 28 Business Days prior written notice to the other novate its obligations under these Terms of Business. The continued use of such products and services provided hereunder shall constitute acceptance and agreement to such novation.

## 25. GOVERNING LAW

25.1. These Terms of Business and any non contractual obligations arising out of or in connection with these Terms and Conditions are governed by, and shall be construed in accordance with, English law.

## 26. COMPLAINTS AND COMPENSATION

26.1. All complaints should be referred to the registered office of IFSL in the first instance. If you are an Eligible Complainant (as defined by the DISP sourcebook of the FCA Rules), you may also be entitled to make a complaint about us directly to the Financial Ombudsman Service. Further information is available from IFSL on request or from the Financial Ombudsman Service itself at South Quay Plaza, 183 Marsh Wall, London E14 9SR ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)).

26.2. IFSL are covered by the Financial Services Compensation Scheme. If you are an Eligible Claimant (as defined by the COMP sourcebook of the FCA Rules) you may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation arrangements is available from the Financial Services Compensation Scheme ([www.fscs.org.uk](http://www.fscs.org.uk)).

## 27. CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

27.1. Save as expressly provided under clauses 19 and 24, a person who is not a party to these Terms of Business has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of these Terms of Business except as expressly provided in these Terms of Business



## APPENDIX 1 DEFINITION OF DEFINED TERMS

In these Terms of Business when we refer to:

**ACT:** we mean the Financial Services and Markets Act 2000 and any regulations made under that Act as shall be in force from time to time;

**AFFILIATE:** we mean in relation to a party, any person which is controlled by that party and for the purposes of this definition "Control" shall mean the ownership of at least 50% of the issued share capital of the person in question or the legal power to direct or cause the direction of (whether directly or indirectly) the general management and policies of the person in question;

**AGENT AS CLIENT RULE:** we mean section 2, Rule 2.4.3 of the Conduct of Business Sourcebook contained in the FCA Handbook;

**APPOINTED REPRESENTATIVE:** we mean appointed representative within the meaning of section 39 of the Act;

**APPLICABLE REGULATION:** we mean all UK laws, rules, regulations, statutes, instruments, guidance or codes of conduct (whether or not having force of law) which are relevant to the discharge by you and us or our respective obligations under these Terms of Business including, without limitation:

- a) the rules and guidance made by the FCA under Part X of the Act, or any other code of practice or guidance from any regulator or ombudsman with which any financial institution in the United Kingdom is accustomed to comply;
- b) the Act;
- c) the Retail Distribution Review;
- d) the Bribery Act 2010;
- e) the Data Protection Act 1998 and all other laws in respect of the processing of personal data;
- f) the Money Laundering Regulations 2007, Proceeds of Crime Act 2002, Anti-Terrorism Crime and Security Act 2001, Counter-Terrorism Act 2008 and the applicable parts of the guidance for the financial sector issued by the Joint Money Laundering Steering Group;
- g) the rules and guidance of HM Revenue & Customs;
- h) (where applicable) such laws, rules, regulations, statutes, instruments, guidance or codes of conduct (whether or not having the force of law) in any jurisdiction other than the UK; and
- i) the FCA Commission Rules.

**AUTHORISED:** we mean authorised for the purposes of the Act and/or if so required under any statute, rule or regulation of any territory in which you are present and/or carrying on Business in so far as such statute, rules or regulations may apply to you and "Authorisation" shall have the corresponding meaning;

**AUTHORISED FUNDS:** we mean open-ended investment companies and/or unit trusts authorised by the FCA for the purposes of the Act and in respect of which IFSL may act as the authorised fund manager;

**AUTHORISED PERSON:** means those members of your staff or your other representatives whom you have represented in writing to us as having permission to give instructions to us on behalf of the Clients;

**IFSL GROUP:** we mean IFSL, and its Affiliates;

**IFSL NAMES AND MARKS:** we mean the corporate names of IFSL, and any other member of the IFSL Group, the names of the Authorised Funds and the IFSL Trademarks;

**IFSL TRADEMARKS:** we mean the registered trademarks and applications owned by either IFSL, or any member of the IFSL Group or such alternative marks or symbols of, and/or used by, IFSL, or any other member of the IFSL Group (whether or not capable of registration) at any time;

**BUSINESS:** we mean the business of engaging in one or more of the activities specified in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 in relation to a Product;

**BUSINESS DAY:** we mean a day of the week excluding Saturday, Sunday and any public holiday in England and Wales;

**CANCELLATION RULES:** we mean those rules set out in section 15 of the Conduct of Business Sourcebook contained in the FCA Handbook;

**CLIENT:** we mean your client and the term "Clients" shall be construed accordingly;

**CLIENT DATA:** we mean all data, including information, text, drawings, accounts, books, correspondence, diagrams, papers, electronic images or sounds embodied in any written, oral, electronic or tangible medium and which are supplied to, or in respect of which access is granted by you, to us concerning Clients or which we are required to generate, collect, process, store and/or transmit in the provision of services in relation to a prospective, existing or former Client;

**CLIENT INFORMATION:** we mean information about Clients (including Client Data) and Transactions held on the IFSL database;

**COMMISSION:** we mean all commission payable to you (where such payments are permitted under Applicable Regulations including but not limited to the FCA Commission Rules pursuant to the Retail Distribution Review) at the rates and on the basis agreed between you and us from time to time;

**CONFIDENTIAL INFORMATION:** we mean, these Terms of Business and all commercial and proprietary information of a confidential nature disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by the disclosing party to the receiving party which includes (without limitation) information relating to the disclosing party's or its Affiliates' know-how, trade secrets and business affairs;

**DEALING DAY:** we mean in respect of a Transaction in Units the Business Day on which a completed order is received by the relevant Provider prior to the relevant valuation point or the Business Day after such day if the order is not received prior to the relevant valuation point;

**DESIGNATED PROFESSIONAL BODY:** we mean as defined in the Glossary to the FCA Handbook;

**DPA:** we mean the Data Protection Act 1998 as amended or replaced from time to time;

**FCA:** we mean the Financial Conduct Authority or any successor or replacement organisation;

**FCA CLIENT CLASSIFICATION RULES:** we mean those rules which relate to the classification of clients as set out in the Conduct of Business Sourcebook contained in the FCA Handbook;

**FCA COMMISSION RULES:** we mean those rules relating to the payment of commission as set out in Sections 2.3 and Section 6 of the Conduct of Business Sourcebook contained in the FCA Handbook;

**FCA HANDBOOK:** we mean the FCA's Handbook of Rules and Guidance;

**FUND DOCUMENTS:** we mean the documents which set out the essential characteristics and other details about the Authorised Funds, including but not limited to the Prospectus, Key Investor Information Document or "KIID", Supplementary Information Document or "SID" of an Authorised Fund;

**INSTRUCTION:** we mean any instruction reasonably believed by us to be given by an Authorised Person including, without limitation, instructions to buy, sell, convert, switch or transfer Units on behalf of Clients;

**INTELLECTUAL PROPERTY RIGHTS:** we mean all patents, copyrights, rights in designs (and in the case of IFSL, IFSL Trademarks) together with all trade secrets, rights in know-how and all rights and forms of protection having a relevant or similar effect to any of the foregoing which may subsist anywhere in the world;

**KEY INVESTOR INFORMATION DOCUMENT or “KIID”:** we mean as defined in the Glossary to the FCA Handbook as such document relates to Authorised Funds;

**LOSS:** we mean any loss, damage, payment, liability to pay tax, cost (including without limitation, reasonable legal costs and expenses) expense, award, penalty, fine, interest payable or liability (as the case may be);

**MATERIALS:** we mean information which can be accessed remotely via the Website including, without limitation, Promotional Literature, Provider product details, application forms and corporate information;

**PRODUCTS:** we mean a financial services product including but not restricted to Authorised Funds;

**PROFESSIONAL CLIENT:** we mean as defined in the Glossary to the FCA Handbook;

**PROMOTIONAL LITERATURE:** we mean any information, advertisement, circular or other publicity material referring to us and/or the IFSL Names and Marks including without limitation Fund Documents;

**PROSPECTUS:** we mean as defined in the Glossary to the FCA Handbook as such document relates to Authorised Funds;

**PROVIDER:** we mean IFSL;

**RETAIL CLIENT:** we mean as defined in the Glossary to the FCA Handbook;

**RETAIL DISTRIBUTION REVIEW:** we mean the Retail Distribution Review (Adviser Charging) Instrument 2010;

**SETTLEMENT DAY:** we mean in respect of a Transaction, the fourth Business Day following the day on which the contract was made;

**STATEMENT OF ACCOUNT:** we mean a definitive statement or record of all commission transactions and monies paid to you in respect of all activity carried out under these Terms of Business;

**SUPPLEMENTARY INFORMATION DOCUMENT or “SID”:** we mean a document which is supplementary to and should be read together with the KIID and the Prospectus and which sets out certain details about the Authorised Funds;

**TRAIL COMMISSION:** we mean remuneration made to you (where such payments are permitted under Applicable Regulations including but not limited to the FCA Commission Rules) based on a percentage of your Clients' holdings in Authorised Funds (whether held directly or indirectly through a Product) which shall be paid at a frequency and on the basis notified by us to you from time to time;

**TRANSACTION:** we mean (as the context requires) dealing in investments which are a Designated Investment as defined in the Glossary to the FCA Handbook;

**UNIT:** we mean a share and/or unit in an Authorised Fund whether invested directly or indirectly through a Product and the term “Units” shall be construed accordingly;

**VAT:** we mean value added tax at the rate prevailing at the time of the relevant supply charged in accordance with the Value Added Tax Act 1994;

**WE OR US:** we mean IFSL;

**WEBSITE:** we mean the website provided by IFSL which may be accessed by intermediaries and their Authorised Persons for the purposes of obtaining prices for units in the Authorised Funds and for obtaining and downloading certain literature in relation to the Authorised Funds including, without limitation, Fund Documents and application forms. The Website may serve other purposes as may be stipulated by IFSL from time to time; and

**YOU:** we mean the person or firm that hereby agrees to be bound by these Terms of Business and the term **YOURS** shall be construed accordingly.

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