



Matterley

Supplementary Information Document for IM Matterley Investment Funds incorporating the ISA Terms & Conditions

This document is valid as at 1st June 2012



Issued by IFDS Managers Limited (IFDSML)
IFDSML is authorised and regulated by the Financial Services Authority
IFDSML Registered Office: IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS

Introduction

Guide to this document

This document is designed to be read alongside a relevant 2-page Key Investor Information Document ("KIID"). Together they summarise information about your investment in the funds, and provide answers to some important questions.

You should read these documents carefully to help you understand what you are buying, and keep them safe for future reference.

Please note that we will not accept your investment instructions unless you have confirmed that you have read the appropriate KIID.

There are several KIIDs that relate to IM Matterley Investment Funds and you should ensure you refer to the KIID that deals with the classes of shares in which you are interested.

You should also read the Prospectus dated 29 February 2012 (the "Prospectus") before making an investment decision. Your rights and duties as well as your legal relationship with the Company are set out in the Prospectus. For a copy of the Prospectus, please write to IFDS Managers Ltd – Matterley, PO Box 10818, Chelmsford, CM99 2BL.

The KIID and the Prospectus are available in English. If you have any doubts about the contents of these documents, you should contact a professional adviser.

As we are not registered with the relevant authorities in the United States we cannot sell shares to people who are "US persons". For a definition of a US person, and for further information on this point, please see further details in the Prospectus or call us on 0844 931 0031.

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Your investment

About IM Matterley Investment Funds (the Company)

Our Company is an Open-Ended Investment Company (OEIC), offering funds into which you can invest. An OEIC is open ended, which means its funds grow, and more shares are created, as more people invest, and shrink as people take out their money. The value of a fund is directly related to the value of the assets in which it invests and the number of shares it issues.

The Company is authorised by the Financial Services Authority (FSA) and its shares can be sold to retail investors. The Company falls within the European Union's 'UCITS' framework, and it is therefore known as a UCITS scheme.

The Company is an umbrella company, which means we can set up separate funds from time to time with the approval of the FSA. Funds are a way of combining your money with that of other investors to buy a wider range of investments. This can help to reduce risk by spreading your money over a wider range of investments and provide access to the services of a professional fund manager. Each fund is divided into shares, with the number of shares you hold representing your share of the fund.

The Company currently has five funds as follows:

IM Matterley Equity Fund*

IM Matterley International Growth Portfolio

IM Matterley Regular High Income Fund

IM Matterley UK & International Growth Fund

IM Matterley UK Growth Portfolio (Not yet launched)

The IM Matterley Equity Fund makes reference to the FTSE 350 Index. "FTSE" is a trademark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited ("FTSE") under licence. All rights in and to the FTSE 350 Index vest in FTSE and/or its licensors. All information is provided for reference only. Neither FTSE nor its licensors shall be responsible for any error or omission in the FTSE 350 Index. The Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Plc (the "Exchange") or by the Financial Times Limited ("FT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 350 Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

Who are the funds aimed at?

The funds are designed to meet a wide range of investment needs and different appetites for risk. A summary of the investment objectives and policies of the funds can be found in the relevant KIID. Further details of the funds' investment objectives and policies can be found in the Prospectus.

What may the funds invest in?

Each fund has a different aim and may therefore hold a different mix of investments to achieve that aim. In addition, the funds have the (limited) ability to invest in other asset types and countries, subject to the fund's investment objective and policy. Any variation to a fund's investments may change over time due to investment opportunities and changes in market conditions.

The KIID sets out the investment focus of each fund. The Prospectus sets out the investment objectives and policies in full, and it is important that you take the time to read these.

- **The IM Matterley International Growth Portfolio invests principally in collective investment schemes.**

Investing

How do I buy/sell my investment?

When and how?

Our administration office deals with requests for purchase and sale of shares, and switching, between 9am and 5pm on dealing days.

You must fill in an application form and send it to us when you first buy shares. All subsequent requests can be made either by post or telephone.

Contact details can be found in the Directory on page 9.

How do I invest?

You can buy shares directly from us or through an intermediary. Intermediaries who recommend an investment in the Company to shareholders may be entitled to receive one-off and/or ongoing commission from us.

When we receive your completed application form and payment, we will invest in the fund(s) you have chosen. If we receive your application before 12:00 noon, we will invest in the funds on the same working day. If we receive your application after 12:00 noon, we will invest in the funds on the following working day.

We will send you or your financial adviser (or both) a confirmation following the investment. You will also be given an account number to use when you contact us.

What happens if I change my mind?

If you received advice from a financial adviser, and subsequently invested, you will receive a notice informing you of your right to change your mind and instructions on how to cancel. You will then have 14 days to cancel your investment. If you decide to proceed with your cancellation, we will return your investment money. Please note that if the value of your underlying investment has changed from the time your money was originally invested in the funds, you may not receive your full money back.

For regular savers, however, we will return the whole of the first month's payment.

How do I sell shares?

You can sell your shares by writing to us or calling 0844 931 0031. We will then send you a confirmation together with a renunciation form, which you will need to complete and return to us. We will sell your shares at the valuation point (see below) after we receive your instructions. Once we have received all the required documents to settle the deal, we will forward the proceeds of the sale to you, normally within four working days.

Investors are entitled to redeem their shares on any dealing day.

We also offer a regular withdrawal facility. For further details please contact us.

How do you calculate the value of the shares and where can I find out my shares' value?

The value of your shares is linked directly to the value of the investments held in your fund. We work this out at 12 noon on each working day, which is the valuation point.

Each fund only has one price at which shares can be bought and sold. Any charges we place on buying and selling will be in addition to this figure.

The previous day's dealing prices of shares in the funds are available at www.fundlistings.com or www.ifdsmanagers.com. The prices of shares can also be obtained by calling the us on 0844 931 0031 during our normal business hours.

What limits apply to investing in the Funds?

The limits that apply to investment in all of the Funds are as follows:

Fund	Share Class and Type	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Minimum Redemption	Regular Savings Facility*	Regular Withdrawal Facility
IM Matterley Equity Fund	A Inc & Acc	£1,000	No	£1,000	No	Yes, minimum payment of £100 per month (minimum of £50 per Fund)	Yes – available on lump sum investments in accumulation shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 of 3% whichever is the greater. This facility is not available where money is being invested by direct debit in a regular savings plan.
IM Matterley International Growth Portfolio	A Acc	£1,000	No	£1,000	No	Yes, minimum payment of £100 per month (minimum of £50 per Fund)	No
IM Matterley Regular High Income Fund	A Inc & Acc	£1,000	No	£1,000	No	Yes, minimum payment of £100 per month (minimum of £50 per Fund)	Yes – available on lump sum investments in accumulation shares with a minimum qualifying investment of £10,000. The minimum withdrawal per fund per year is £300 of 3% whichever is the greater. This facility is not available where money is being invested by direct debit in a regular savings plan.
IM Matterley UK & International Growth Fund	A Acc	£1,000	No	£1,000	No	Yes, minimum payment of £100 per month (minimum of £50 per Fund)	No
IM Matterley UK Growth Portfolio (Not yet launched)	A Inc & Acc	£1,000	No	£1,000	No	Yes, minimum payment of £100 per month (minimum of £50 per Fund)	No

*Collection date for regular savings is the 10th of each month or the next working day if the 10th falls on a non working day.

Accumulation and Distribution Dates

Fund		Final Accounting Date	Interim Accounting Dates	Ex-dividend Dates	Income Distribution/ Accumulation Dates
IM Matterley Equity Fund		31 January	31 July	01 February 01 August	31 March 30 September
IM Matterley International Growth Portfolio		31 January	31 July	01 February 01 August	31 March 30 September
IM Matterley Regular High Income Fund		31 January	30 April 31 July 31 October	01 February 01 May 01 August 01 November	31 March 30 June 30 September 31 December
IM Matterley UK & International Growth Fund		31 January	31 July	01 February 01 August	31 March 30 September
IM Matterley UK Growth Portfolio (Not yet launched)		31 January	31 July	01 February 01 August	31 March 30 September

Charges and expenses

What are the charges involved in investing?

This section gives details of relevant charges and expenses and the effect they may have on your investment. We will inform you in advance if we make any changes to these charges. Full details of each of the charges, how they are calculated and when they are paid are set out in the Prospectus.

		Fund	Share Class	Charge
When I buy shares	Initial Charge * There is an initial charge when you invest in the funds, which is a percentage of the amount you invest. We deduct this initial charge from the amount you invest and use the remaining amount to buy shares in your chosen fund. <i>(Paid by the investor as part of the initial investment)</i>	IM Matterley Equity Fund	A Inc & Acc	5.00%**
		IM Matterley International Growth Portfolio	A Acc	5.00%**
		IM Matterley Regular High Income Fund	A Inc & Acc	5.00%**
		IM Matterley UK & International Growth Fund	A Acc	5.00%**
		IM Matterley UK Growth Portfolio (Not yet launched)	A Inc & Acc	5.00%**
		** (of the amount invested by an investor which equates to 5.2632% of the unit price).		
During my investment	Annual management charge (AMC) There is a charge for managing the funds, which is usually a percentage of the value of the fund. <i>(Paid out of the fund)</i>	IM Matterley Equity Fund	A Inc & Acc	1.25%
		IM Matterley International Growth Portfolio	A Acc	1.25%
		IM Matterley Regular High Income Fund	A Inc & Acc	1.00%
		IM Matterley UK & International Growth Fund	A Acc	1.00%
		IM Matterley UK Growth Portfolio (Not yet launched)	A Inc & Acc	1.25%
If I want to switch my shares	Switching charges We do not charge for switching your shares from one fund into another.			
If I want to sell my shares	Exit charge We do not charge when you sell your shares.			

* This may also be called the 'Entry Charge'

What expenses do the funds have?

The funds have the following expenses*:

1. The Depositary's fees and expenses.
2. The Administrator's fee
3. The Custodian's fees and expenses

How will charges and expenses affect my investment?

All fees and expenses for the IM Matterley Regular High Income will be charged to the capital of the Fund, whilst for the IM Matterley Equity, International Growth Portfolio and UK & International Growth Funds they will be charged to the income of the Funds. Where fees are charged to capital this can constrain capital growth.

Does a dilution adjustment apply?

The actual cost of dealing with assets/investments in the funds may stray from the midmarket value used in calculating its share price. This is due to various charges, taxes and differences between dealing charges, taxes, and any difference between the buying and selling prices of the assets/investments.

These costs could have an adverse effect on the value of the funds, known as "dilution" as a result of which the share value goes down. The regulations governing the funds allow us to adjust the sale and purchase price of shares in the funds to counteract dilution. This practise is known as making a "dilution adjustment".

The power to make a dilution adjustment may only be exercised to reduce dilution in the funds. It is our policy to reserve the right to impose a dilution adjustment on the purchase, sale and switching of shares of whatever size, and whenever made. If a dilution adjustment is made it will be applied to all transactions for a particular fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

Over the past 12 months the ACD has not applied a dilution adjustment to the Funds. It is envisaged (based on future projections) that a dilution adjustment will be applied from time to time. A typical dilution adjustment based on historical data may range from 0.0% to 0.8% when buying or selling shares.

Full details on this policy are available in the Prospectus.

Inducements

We will make disclosures to the Company in relation to inducements as required by the FSA Rules. Further details of any such inducements may be obtained on request from us.

* Any further fees and expenses related to the management and administration of the Fund for which we are entitled to be reimbursed will be detailed in the Prospectus.

Taxation

Tax affects both your personal position and that of the funds. The tax position may change in the future. If you are unsure about your tax position, you should obtain advice from a professional adviser.

Do the funds pay tax?

The funds do not pay capital gains tax but do pay corporation tax on interest and some other income at a rate that is equal to the basic rate of income tax.

What is my tax position if I invest in the funds through an ISA?

When you invest through an ISA, there is no personal income tax or capital gains tax to be paid on income or gains in your ISA investment.

The value of any tax advantages will depend on your individual circumstances.

What is my tax position if I invest into the funds directly?

You may have to pay UK capital gains tax if you sell shares or switch between funds.

All income paid to investors from their investments is treated by HMRC as income (whether we pay the money into your bank account or you choose to allow it to accumulate in a fund). As a direct investor, you will therefore have to pay income tax on any investment income you receive. We pay or accumulate the net amount of your investment income with a tax credit, which will satisfy the liability of a basic rate tax payer. If you are a higher or additional rate tax payer, you may have to pay more income tax on the income you receive.

The information below is a general guide based on current UK law and HMRC practice, which are subject to change. It summarises the tax position of the funds and of investors who are resident in the UK and hold shares as investments. Prospective investors who are in any doubt as to their tax position, or who may be subject to tax in a jurisdiction other than the UK, are advised to take professional advice.

What is your policy on SDRT?

SDRT arises on the redemption of shares in a fund, or the switching of shares between funds. The SDRT that falls due is calculated at the rate of 0.5% of the market value of the shares surrendered. This charge is subject to reduction if:

- (i) the number of shares surrendered to the fund during the two-week period in which the redemption occurs is

greater than the number of shares issued by that same fund during that two-week period; and

- (ii) the fund invested in certain exempt investments in the two week period.

The current policy is that all SDRT costs will be paid out of the relevant fund's assets and charged to capital. SDRT will not be recovered from you. However, we reserve the right to require you to pay SDRT whenever we consider that circumstances have arisen which make such imposition fair to all investors or potential investors. We may impose a larger SDRT provision on a large deal although less (or none) is payable on a smaller deal. A "large deal" is a transaction (or a series of transactions in one dealing period) by any person to buy, sell or exchange shares at a total value of £15,000 or more. If there is a change in this policy we will give advance notification of such change to you prior to it taking effect.

Although it cannot be guaranteed, it is our opinion that SDRT will rarely be recovered from you on the sale of shares in any fund. This statement is based on our current policy for SDRT as detailed above. If imposed on a particular deal the maximum rate of SDRT shall always be equivalent to the rate set by HMRC

Other information

What other information can I access?

We usually despatch the annual report within two months of each annual accounting period. However, we have the right to despatch the annual report at a later time within four months of the relevant accounting period. The half yearly report will be despatched within two months of each interim accounting period.

The short and long reports of the Company are available upon request.

Best Execution

Our best execution policy sets out the basis upon which we will effect transactions and place orders in relation to the Company whilst complying with our regulatory obligations to obtain the best possible result for the Company. Details of the best execution policy are available from us upon request.

Voting Strategy

Each Fund's property may be associated with voting rights. We have a strategy which determines when and how to vote for the benefit of each Fund. A summary of this strategy is available from us on request by telephoning 0844 931 0031 or from www.ifdsmanagers.com. You can also obtain details of the actions taken while following the strategy for each Fund.

Manager's reports and funds' Prospectus

Copies of the Prospectus and the latest annual and half-yearly reports may be obtained free of charge, either before or after you invest with us, at the administration address quoted in the Directory on page 9. The latest annual and half-yearly reports can also be downloaded from our website at www.ifdsmanagers.com.

Distance Marketing Directive

If you have not had a face to face discussion with a representative of the company through which you are making this investment, which could, for example, be us or a company providing financial advice, then you will be entering into this transaction 'at a distance'.

In this situation you do not have a right to cancel this investment unless we decide to extend such a right to you. If you have bought shares at a distance you can continue sell those shares, in the same way you were able to at any time. However, you cannot recover any initial charges incurred in the purchase of the shares.

This supplemental information document contains all of the information required for an investment made directly through us. Where shares are purchased through an agent, you should ask that agent for details of their identity, geographical address and the capacity in which they are acting.

The main service we provide to investors is the management and administration of the Company. Details of all fees and expenses associated with the provision of this service are provided in this document. There are no additional costs levied by us for investing at a distance, but there may be other taxes or third party costs that may apply to investors depending on their personal circumstances.

The investment contract between you and us is governed by English Law and, by purchasing shares, you agree that the Courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with this investment will be in English.

Any information in this document is valid only at the date of publication which is stated on the front cover. All such information can change at any time and it will not necessarily be possible for us to notify you of any such changes in advance. Please contact us for updates on any of the enclosed information.

UK Money Laundering Regulations

In order to comply with the identification requirements of the UK Money Laundering Regulations, we may need to ask you to provide proof of your identity and address when buying or selling shares or to perform independent electronic searches of third-party databases

How do I complain?

To obtain a copy of the Complaints Procedure or to make a complaint concerning the operation or marketing of the Company, please write to the Complaints Officer at IFDS Managers Ltd – Matterley, PO Box 10818, Chelmsford, CM99 2BL.

The Complaints Procedure can also be found on the Contacts page of our website at www.ifdsmanagers.com. If a complaint is not resolved to your satisfaction and you subsequently wish to take the matter further you may refer it direct to Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Am I covered by a compensation scheme?

You are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from this

scheme if we cannot meet our obligations. This depends on the type of business and circumstances of the claim. Most types of investment business are covered up to £50,000.

Further information is available from the Financial Services Compensation Scheme, www.fscs.org.

Personal Data

We may make your name and address available to companies within the IFDS group to enable information about other investment services and products to be sent to you. If you do not want to receive this information please tick the relevant box on the application form. Please note that if the box is not ticked and you decide at a later date that you don't want to receive any such information just let us know by calling us on 0844 931 0031 or by writing to us at IFDS Managers Ltd – Matterley, PO Box 10818, Chelmsford, CM99 2BL..

We may process, transfer and disclose the personal information which is provided to us, and which is generated during the course of our relationship with you, for the purposes of administering products and services that we provide to you, including monitoring and/or recording our telephone calls, detecting and preventing fraud and money laundering, compliance with laws and public duties, marketing and for market and product analysis.

Your personal information may be passed to and used by companies within our group of companies and our agents and sub-contractors who administer or process the information on our behalf.

We may need to disclose your personal data to any intermediary, independent financial adviser or other introducer who represents you. We will never sell, rent or trade an investor's personal information to a company outside those described above without your permission. We may however transfer information about you to anyone or any entity to whom or to which we transfer our rights, obligations or otherwise dispose of all or part of our business.

It may be necessary to transfer your personal data outside of the European Economic Area (EEA) where there may not be data protection laws providing the same level of protection as those in the EEA. In these circumstances there will always be a contract in place to ensure that your personal data is appropriately protected and processed in accordance with the applicable legislation and under suitable obligations of confidentiality.

In some instances we may be required to disclose your personal information to a regulatory or law enforcement authority in the UK or in any other country in which your personal information may be processed anywhere in the world.

You have the right to access the personal data that is held about you. To obtain a copy of the personal information we hold you should write to our Compliance Officer. We will

respond to you within 40 days of receipt of the request and we will charge the statutory rate for this service, which at present is £10. If there are any inaccuracies in the information we hold about you please notify us of this in order that we may correct the information that we hold. By providing us with your personal information and using our services, you consent to the use, disclosure, processing and transfer of your personal information in the way described in this statement.

Directory

The Company and Head Office

IM Matterley Investment Funds, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Authorised and regulated by the Financial Services Authority.

Administration Office: IFDS Managers Ltd – Matterley, PO Box 10818, Chelmsford, CM99 2BL.

Telephone: 0844 931 0031.

Sponsor

Charles Stanley & Co Limited, Granville House, 25 Luke Street, London, EC2A 4AR.

Authorised and regulated by the Financial Services Authority.

Authorised Corporate Director (“ACD”)

IFDS Managers Limited, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Authorised and regulated by the Financial Services Authority.

Investment Manager

Charles Stanley & Co Limited, Granville House, 25 Luke Street, London, EC2A 4AR.

Authorised and regulated by the Financial Services Authority.

Marketing and Distribution for the Funds will be carried out by:

Charles Stanley & Co Limited, Granville House, 25 Luke Street, London, EC2A 4AR.

Authorised and regulated by the Financial Services Authority.

Depositary

State Street Trustees Limited, 20 Churchill Place, London, E14 5HJ.

Authorised and regulated by the Financial Services Authority.

Administrator

International Financial Data Services (UK) Limited, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Authorised and regulated by the Financial Services Authority.

Registrar

International Financial Data Services Limited, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Administration Office (for the Administrator and Registrar):

IFDS Managers Ltd – Matterley, PO Box 10818, Chelmsford, CM99 2BL.

Telephone:0844 931 0031.

Legal Advisers to the Company

Eversheds LLP, One Wood Street, London EC2V 7WS.

Auditors

Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB.

Competent Authority

The Company is authorised and regulated by the Financial Services Authority. They can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS or by calling 0845 606 1234 (local call rates). Website www.fsa.gov.uk

ISA Terms & Conditions

These Terms and Conditions are effective from 1 July 2012 and substitute in full any previous terms and conditions relating to your ISA investment.

1. Definitions

'Account' means an IM Matterley Investment Funds ISA.

'ACD' means the Authorised Corporate Director of the OEIC, which is IFDS Managers Limited.

'Administrator' means the administrator of the ISA, which is International Financial Data Services (UK) Limited.

'Distribution Payment Dates' will be as detailed in the Prospectus for the OEIC.

'FSA' means the UK Financial Services Authority of 25 The Colonnade, Canary Wharf, London E14 5HS.

'Fund/Fund(s)' means a sub-fund or sub-funds of the OEICs.

'Investments' means the Shares and/or cash held in the ISA.

'Investor' means a Qualifying Individual, who invests in an ISA.

'ISA' means a stocks and Shares Individual Savings Account established under the Regulations governed by these Terms and Conditions and subscribed to by the Investor.

'KIID' means the current Key Investor Information Document for the relevant Fund(s)/share class(es) of the OEIC. Before we can accept your application for the ISA and before you make any subsequent investments or changes to your investments you must confirm that you have read a copy of the appropriate KIID.

'Manager' means the manager of the IM Matterley Investment Funds ISA, which is IFDS Managers Limited.

'OEIC' means the IM Matterley Investment Funds, an investment company with variable capital incorporated in England and Wales on 2nd June 2005 registered with the FSA under number IC000398.

'Qualifying Individual' means an individual aged 18 years or over who is deemed to be resident or ordinarily resident in the UK for tax purposes. This includes a non-resident who performs duties which by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 are treated as being performed in the UK (Crown employees serving overseas) or

is married to, or is in a civil partnership with a person who performs such duties.

'Regulations' means the Individual Savings Account Regulations 1998 (as amended from time to time).

'Rules' means the rules of the FSA (as amended from time to time).

'SID' means the current Supplementary Information Document for the Fund.

'Terms and Conditions' means these terms and conditions and the statements and declarations made by the Investor on his or her application form.

'We/us/our' means the Manager.

'Year' means a year beginning on 6 April in any year and ending on 5 April in the following year.

'You/your' means the Investor.

2. General

2.1 You should note that in accordance with the Rules, we categorise Investors as "Retail Clients". You will not receive unsolicited calls from us.

2.2 You should be aware of the nature and risks of investing in an ISA. Please see the appropriate KIID and SID for more information on the Funds.

2.3 The Account will come into force subject to the Regulations and the provision of these Terms and Conditions on the date the Manager accepts your application.

2.4 These Terms and Conditions shall apply to all transactions between the Investor and the Manager and form the basis upon which the ISA will operate.

2.5 The Manager reserves the right to amend these Terms and Conditions, provided that such variation will not prejudice compliance with the Rules or the Regulations. Any such significant amendment will be notified to the Investor and will automatically take effect 30 calendar days later. We may vary these Terms and Conditions to reflect changes in the Rules or Regulations, without giving you prior notice.

2.6 The Manager will manage the ISA in accordance with the Regulations and will notify the Investor if the ISA has or will become void due to any failure to satisfy them. Should any provision of these Terms and Conditions be or become illegal, invalid or

unenforceable under any applicable law, neither the validity nor enforceability of the remaining provision in these Terms and Conditions will in any way be affected or impaired.

- 2.7 This ISA is not a stakeholder product (the minimum voluntary benchmark prescribed by HM Treasury).
- 2.8 You should note that your tax treatment in relation to any investments made under these Terms and Conditions will depend on your individual circumstances and may be subject to change in the future.
- 2.9 The Manager is authorised and regulated in the conduct of investment business by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London E14 5HS, UK), FSA registration number 469278. You can check this by visiting the Register on the FSA's website (www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234. We are approved by HM Revenue & Customs as an ISA Account Manager under the Regulations.
- 2.10 The Manager's registered address is at IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS and its website is www.ifdsmanagers.com.

3. Your Application

- 3.1 You can apply to subscribe to an ISA in either of the following ways:
- (a) By completing our application form and returning it to us by post.
- (b) By investing a lump sum by calling our dealers on 0844 931 0031. This service is only available to clients who can confirm that they have read the appropriate KIID.
- (c) If you apply by telephone, we will send you confirmation of the details you have provided and a copy of the declaration you have made under the Regulations once we have accepted your application. Once you have received this confirmation, you have 30 calendar days to tell us if any details are incorrect.
- 3.2 If you complete our written application form, we will simply send you confirmation of your subscription once we have accepted it.
- 3.3 If you do not give us the complete information required under the Regulations at the time we receive your application form, then we cannot

proceed with your ISA subscription and we will return your application to you for completion.

- 3.4 Prior to our acceptance of your application you need to confirm to us that you have read the appropriate KIID. You can obtain further copies of the KIID (and also the Prospectus and the SID) free of charge by visiting our website www.ifdsmanagers.com, by calling us on 0844 931 0031 or by writing to us at the address in Clause 17

4. Acceptance

- 4.1 For new ISAs, the Manager can accept a correctly completed and signed application form only if accompanied by a valid cheque payable to IFDS Managers Limited or, for those saving on a monthly basis, a valid and correctly completed direct debit mandate made payable to IFDS Managers Limited. The Manager does not have to accept every application it receives. The application form includes a declaration that you must sign to confirm that you have read a copy of the appropriate KIID. Please note that if you do not sign this declaration then we will not accept your application and will return your application form to you to complete.

For ISA transfers to the Manager:

- 4.2 A transfer will only take effect when the Manager has accepted the Investor's application which must include a completed declaration stating that you have read the appropriate KIID. The Manager will not accept an application unless and until it has received a correctly completed transfer application form; and a cheque made payable to IFDS Managers Limited from the investor's previous ISA manager.
- 4.3 When an Investor transfers from another ISA manager and the Investor has already subscribed in the current tax year, the Investor cannot subscribe further money into the Account with the Manager until after the transfer has been effected and provided the maximum contribution has not already been made.

5. Investment

- 5.1 The minimum investment permitted to open the ISA is £1,000. The maximum that may be invested in an

ISA in the current tax year is £11,280. The minimum sum that may be invested through the Regular Savings Plan is £100 per month. Collection date for regular savings is the 10th of the month or the next working day if the 10th falls on a non working day.

- 5.2 New subscriptions or transfer proceeds will be invested in the relevant Fund at the next buying price applicable at the time of acceptance of the application.
- 5.3 An Account will be opened for the current tax year and, in the case of an Account subscribed by Regular Savings Plan, for each successive year until the agreement is terminated.
- 5.4 If you invest in the ISA through a Regular Savings Plan you can change the amount you invest by calling us on 0844 931 0031 or by writing to us at the address in Clause 17. Please note that we will not accept your instructions unless you have confirmed that you have read the appropriate KIID. KIIDs can be obtained in accordance with Clause 3.4.
- 5.5 If you wish to switch your Shares in one Fund of the OEIC to another Fund, where this is available and meets the switching criteria in the prospectus, you may do so by calling us on 0844 931 0031 or by writing to us at the address in Clause 17. Please note that we will not accept your instructions to switch your Shares unless you have confirmed that you have read the appropriate KIID. KIIDs can be obtained in accordance with Clause 3.4.

6. Management of the ISA Investments

- 6.1 We will manage your Account as directed by you in your application or other instruction, and in accordance with the Regulations and these Terms and Conditions.
- 6.2 Best execution
 - 6.2.1 We are required to seek to achieve the best possible result for you when dealing with any order to buy or sell financial instruments and to set out arrangements for this purpose in a “best execution policy”.
 - 6.2.2 We are required to consider various factors when deciding how best to deal with orders from customers. These include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. As we have classified you as a Retail Client we will usually consider price to be the most important factor for you.

6.2.3 However, for orders relating to Shares in the Funds, the only method available for dealing with most of these in practice is to transmit them to the ACD for execution: the ACD will be deemed to be the “execution venue” for these purposes. Where there is only one execution venue that we can use in practice to deal with your orders, we will have to use that venue regardless of the impact of the execution factors listed above.

6.2.4 Sometimes one of the Funds may be available via another trading platform provided by a third party. Strictly speaking, this could be an alternative execution venue. However, we do not use such platforms for the Funds, as we do not believe that we would obtain a better price by doing so. The use of a particular platform may also not be permissible under the Regulations; for example, if it means that investments acquired through the platform must be held in the name of a nominee of the platform provider.

6.2.5 The arrangements explained above may involve execution outside of a regulated market or multilateral trading facility (within the meaning of the Rules).

6.2.6 We will monitor the effectiveness of the arrangements mentioned above and implement any necessary changes to our best execution policy from time to time. This will involve reviewing whether using other means to route orders would be feasible and would generate a better result for you. We will notify you of any material changes to our best execution policy and arrangements made from time to time, where they are relevant to you.

6.2.7 Please note, any specific instructions from our customers as to how their orders are dealt with may prevent us from taking the steps that we have designed to obtain the best possible result in the circumstances.

By agreeing to these Terms and Conditions, you will be giving: your prior express consent to the execution of orders outside a “regulated market” or a “multilateral trading facility” (as those terms are defined in the Rules) where this is appropriate; and your consent to our best execution policy as summarised above.

6.3 Appropriateness

We are not required to assess the suitability of the investment or service provided or offered to you and, as a result, you will not benefit from the protection of the Rules on assessing suitability. Therefore, we will not assess whether: the investment or service meets your investment objectives; you are able financially to bear the risk

of any loss that the investment or service may cause; or you have the necessary knowledge and experience to understand the risks involved.

6.4 Legal title to the Investments will be vested in the name of the Manager but beneficial ownership will be, and will remain with the Investor. Your investment will not be lent to third parties or used as security for a loan.

6.5 Certificates will not be issued in respect of Share holdings in the Fund(s) but any documents evidencing title to an ISA Investment will be held by the Manager or as the Manager may direct.

6.6 If you hold any cash in your Account, we will deposit it in a client money account in our name, with an appropriately regulated bank or institution of our choice in the United Kingdom in accordance with our obligations under the Rules. The bank will hold the cash on our behalf in a trust account separate to any account used to hold money belonging to us in our own right. We will not be responsible for any acts or omissions of the bank. In the event that the bank becomes insolvent we will have a claim on behalf of our customers against the bank. If, however, the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between them. No interest will be paid on such cash in accordance with the Regulations and the Rules. If we are holding cash, whether client money or not, we may withdraw it and apply it towards paying fees, charges and other sums due to us.

6.7 The Manager may employ agents in connection with the services it is to provide and may delegate all or any of its powers or duties to any delegate or delegates of its choice. The Manager will satisfy itself that any person to whom it may delegate any of its functions or responsibilities under these Terms and Conditions is competent to carry out these functions or responsibilities.

6.8 The Manager has appointed International Financial Data Services (UK) Limited as the Administrator to the Accounts.

6.9 Money will not be borrowed on the Investor's behalf. The Investor will not be committed to underwrite any issue or offer for sale of securities.

7. Charges and Expenses

7.1 No charges will be levied for the management or administration of the ISA. However, the investment of new subscriptions and transfer payments will attract the normal charges applicable to investors in

the Fund. (For further detail please refer to the appropriate KIID and SID).

7.2 There is currently an initial charge based on the Net Asset Value for purchases of Shares in the Fund(s) and a percentage periodic charge per annum of the Net Asset Value of each Fund. These charges are detailed in the appropriate KIID, SID and Prospectus. These charges may only be increased in accordance with the Rules and you will be notified accordingly.

7.3 In the case of transfers, we reserve the right to pass on to you any expenses or costs incurred when transferring Accounts between account managers or transferring your Investments, including any VAT due on these charges. We may review our charges when we consider it appropriate and will notify you 60 calendar days in advance of any increase in our charges.

7.4 If you do not have enough cash in your Account to pay our charges, or any payment of taxes, as they become due, we may sell Shares in your Account to raise the required amount. We may apply or waive any of our charges at our absolute discretion.

7.5 If you open an Account through an independent financial adviser, we may pay initial and renewal commission to the adviser at our discretion. These commissions are paid by us out of our charges and do not constitute additional charges to your Account.

7.6 Please note that other costs, including taxes, may arise that are not paid by the Manager or imposed by it.

8. Withdrawals from your Account

8.1 An Investor may, by giving written notice to the Manager, make cash withdrawals of all or part of their Account at any time. On receipt of the Investor's written instructions to make a withdrawal and within such time as stipulated by the Investor in those withdrawal instructions (subject to any reasonable business period not exceeding 30 days, which we require for the practical implementation of the instructions) part of the Account shall be paid to the Investor. If an Investor withdraws all of his Investment his Account will be automatically terminated. This notice of withdrawal should be sent to the Administrator at the operating address given in the Prospectus.

8.2 Normally, Shares in the Fund(s) will be sold at the next selling price prevailing at the time of receipt of

the written notice by the ACD's Administrator, and the proceeds thereof will be dispatched within four working days following receipt of satisfactory renunciation.

9. Income from your Account

- 9.1 If you ask us to pay out your Fund income to you, we will buy income Shares, if they are available, in the Fund(s) of your choice. If you ask us to reinvest your Fund income we will buy accumulation Shares. Please refer to the KIID and SID to confirm the availability of income Shares and accumulation Shares in your chosen Fund.
- 9.2 If you change your income instructions we will automatically convert or switch your Fund investments to the appropriate type of Share if they are available (that is, income or accumulation Shares) free of any sales charge. Please note that we will not be able to change your income instructions unless you have confirmed that you have read a copy of the appropriate KIID.
- 9.3 We will reinvest any further income your Account receives in the form of distributions, or other rights or proceeds from any Shares held, in the same underlying Shares, where you still hold these Shares, unless you instruct us to pay this out to you. Where you have switched the underlying Shares into Shares in other Funds the reinvestment will be made into these other Shares. Where you no longer hold the underlying Shares within your Account, the income will be paid out to you.

10. Transfers and Termination

- 10.1 On your written request we will, within such time as stipulated by you in those instructions (subject to any reasonable business period not exceeding 30 days, which we require for the practical implementation of the instructions) arrange for the transfer of the ISA (or part thereof) to another approved manager and where possible within such time stipulated by you and subject to the Regulations. However, we cannot guarantee that the transfer will take place on the date requested.
- 10.2 The Manager may, following 30 days' prior written notice, transfer its responsibilities as manager of the ISA to any entity (including an associate of the Manager) which is approved under the Regulations

as a plan manager, if that other entity writes to the Investor and undertakes to carry out all the Manager's duties and obligations in respect of an Account. Following such communication, the Manager will be released from all those duties and obligations that the new manager has undertaken to carry out. Before such a transfer is carried out, the Manager shall satisfy itself that any new manager is competent to carry out those functions and duties to be delegated or transferred.

- 10.3 The Manager will consider requests in writing to accept the transfer of an ISA held with another approved manager but will require the transfer to be effected in cash.
- 10.4 The Investor may terminate the ISA immediately by giving the Manager prior written notice. Such termination shall not prejudice the completion of any transaction commenced prior thereto. The Terms and Conditions shall continue to apply until all outstanding transactions and liabilities have been performed and discharged.
- 10.5 The Investor may in the termination notice (referred to in clause 10.3) elect to transfer all or part of the Investments to the main Share register and such Shares shall henceforth be registered in the sole name of the Investor. On written notice to terminate the Account, and within such time as stipulated by the Investor in those termination instructions (subject to any reasonable business period not exceeding 30 days, which we require for the practical implementation of the instructions), Account interest and dividend rights or other proceeds or any cash shall be transferred to you. We will send you any proceeds due, less any applicable charges. Where all or part of the Investments are not transferred, they will be sold at the prevailing forward selling price at the time of receipt of the notice and the Manager shall account to the Investor for the proceeds.
- 10.6 Proceeds may be paid by cheque or, at your request, electronically; if the latter method is chosen we reserve the right to retain redemption proceeds until all anti-money laundering documentation has been received. Such redemption proceeds will be held on a client money account: no interest will be payable.
- 10.7 The Account may be terminated by the Manager, at its sole discretion and without giving any reason, by giving the Investor 90 days' written notice. In such circumstances you will have the right to transfer the Account to another plan manager or to receive the investments or their cash value at the relevant time. There is a potential loss of income and growth

following a rise in the markets whilst the ISA transfer remains pending.

- 10.8 The Manager may deduct from the amount of any payment or transfer of Investments an amount to satisfy any sums due to him under these Terms and Conditions and tax liabilities of the Investor (or his personal representatives) for which the Manager is accountable.

11. Death

- 11.1 Investments cease to be tax-exempt with effect from the date of death of the Investor and the ISA will therefore be terminated immediately upon receipt of a copy of the death certificate.
- 11.2 The Investments will be transferred, outside the ISA, to the order of the Investor's personal representatives pending receipt of grant of probate and their further instructions. Notwithstanding the termination of the ISA status, the Manager's rights and powers under these Terms and Conditions shall continue and shall bind the Investor's personal representatives.

12. Reports and Shareholders' Meetings

- 12.1 The Manager shall send the Investor regular bi-annual statements showing the number of Shares held, a valuation of those Shares and details of all transactions for the period. The OEIC's Short Report will also be sent as and when applicable. Full Long Form Report and Financial Statements may be requested free of charge from the ACD.
- 12.2 Voting rights attached to Investments will not be exercised by the Manager but arrangements will be made by the Manager for the Investor, if he or she so wishes, to attend Shareholders' meetings, to vote and to receive any other relevant information issued to Shareholders in addition to the annual or interim reports in respect of the Funds.

13. Cancellation Rights

- 13.1 When your application has been accepted the Manager shall send to you a cancellation notice, as required by the Rules. In order to exercise the right of cancellation, the notice must be returned to the Manager within 14 days of its receipt. In such an event, the Investor will receive back his or her

subscription, unless the value of the investment has fallen at the date of the Manager's receipt of the notice. In this case a deduction will be made of the amount by which the value of the investment has fallen.

14. Complaints

- 14.1 The Manager operates a written complaints procedure in accordance with the Rules. Any complaint should in the first instance be addressed to the Complaints Manager at IFDS Managers Ltd – Matterley, PO Box 10818, Chelmsford, CM99 2BL. If the matter is not resolved to the Investor's satisfaction, the Investor subsequently has the right to complain to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

15. Compensation

- 15.1 In the event that the Manager is not able to meet its financial liabilities to the Investor, the Investor may be entitled to compensation under the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Most types of investment business are covered for 100% of the first £50,000. This level of compensation is set out by the UK Government and can change. This is the maximum compensation available.

16. Liability and Rights of the Manager

- 16.1 We will not be liable to you for any costs, claims, demands, losses, expenses or any other liabilities whatsoever (including any demands or claims by HM Revenue & Customs) as a result of any loss of opportunity to increase the value of any of your Investments, or any depreciation in the value of any of your Investments other than as a result of our negligence, fraud, wilful default or breach of the Rules.
- 16.2 We will not be liable for acts or omissions by us or any third party, whether or not that third party is acting as our agent, unless it arises as a result of our negligence, fraud, wilful default or breach of the Rules. We currently have insurance cover for loss of Account investments including loss resulting from

misappropriation, negligence, fraud or dishonesty by our employees.

- 16.3 We will not be liable for any loss or damage suffered as a result of circumstances beyond our reasonable control, provided where relevant that we have complied with the Rules on business continuity. We will not be liable for any negligence, fraud or default by any bank or custodians who hold cash or assets in or on behalf of your Account or any other person, firm or company through or with whom transactions are effected on your behalf.
- 16.4 The Manager may, without prior notice to the Investor, apply any cash or realise any Investments in payment of any taxes, fees, commissions and/or expenses owed by the Investor to the Manager. In the event that such liabilities remain unsatisfied after such action, the Investor shall on demand promptly pay the Manager any shortfall.
- 16.5 The Investor shall indemnify the Manager in full in respect of any liabilities, taxes, costs, charges and expenses incurred in connection with the ISA.
- 16.6 To the extent permitted by the Regulations, the Manager may make claims, conduct appeals and agree on the Investor's behalf liabilities for, and any relief from, tax in respect of the ISA.
- 16.7 Nothing in these Terms and Conditions shall restrict the Manager's right to provide investment services to others.

17. Notices and Instructions

- 17.1 Notices and instructions to the Manager should be in writing and signed by the Investor. Such notices and instructions should be sent to the following address – IFDS Managers Ltd - Matterley, PO Box 10818, Chelmsford, CM99 2BL.
- 17.2 Notices and other documents to be given to the Investor will be posted to the Investor's last address held by the Manager and will be considered to have been received by the Investor two days after posting.
- 17.3 You must supply us with all information that we reasonably ask for, in relation to your Account. In particular, you must tell us promptly if you cease to be a Qualifying Individual, change your address, your personal status, your Financial Adviser, or other information you have given us in your Application or any other significant change in your circumstances which might affect your Account. You need to inform us of a change of address by signed, written instructions. You need to inform us

of a change of name by signed, written instructions – including the original or certified copy of any legal documentation. If you are an ISA investor, you must write to tell us if you cease to be a Qualifying Individual.

18. Confidentiality

- 18.1 The Manager will not disclose confidential information obtained by it relating to the Investor, to any third party, except in the following circumstances:
- (a) the information is disclosed to any agent of the Manager who will be bound by the same duty of confidentiality;
 - (b) when any transaction in the ISA is carried out through a Financial Adviser, the Manager will treat that adviser as the Investor's agent and may disclose full details of the ISA to each such agent and accept instructions from any such agent in respect of the ISA;
 - (c) with the prior written consent of the Investor; and
 - (d) where the Manager is under any legal or regulatory obligation to do so.

19. Conflict of Interest

- 19.1 When the Manager or Administrator provides services to you, the Manager or the Administrator (or associates of either) may have an interest or conflict of interest in relation to the transaction. In such circumstances, neither parties (nor their associates) will be liable to account to you for any benefit, profit or commission or other remuneration made or received by reason of the transaction or any connected transaction. The circumstances in which conflicts of interest might arise include where we deal on your behalf with another company in the IFDS group, where we act for other investors with an interest in such investments or where the transactions are in Shares of a Fund for which the company in the IFDS group is the adviser of the ACD.
- 19.2 Where a potential conflict arises, we are committed to managing these to prevent abuse and protect our employees, clients and other counterparties and to ensure that transactions and services are effected on terms which are not materially less favourable to the client had the potential conflict not existed. Further detail on our conflicts of interest policy is available on request.

19.3 We are required to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between us and our clients and between one client and another and to have a written policy in place.

20. Personal Data

We may make your name and address available to companies within the IFDS group to enable information about other investment services and products to be sent to you. If you do not want to receive this information please tick the box on the application form. Please note that if the box is not ticked and you decide at a later date that you don't want to receive any such information just let us know by telephoning us on 0844 931 0031 or by writing to us.

We may process, transfer and disclose the personal information which is provided to us, and which is generated during the course of our relationship with you, for the purposes of administering products and services that we provide to you, including monitoring and/or recording our telephone calls, detecting and preventing fraud and money laundering, compliance with laws and public duties, marketing and for market and product analysis.

our personal information may be passed to and used by companies within our group of companies and our agents and sub-contractors who administer or process the information on our behalf. We may need to disclose your personal data to any intermediary, independent financial adviser or other introducer who represents you. We will never sell, rent or trade an investor's personal information to a company outside those described above without your permission. We may however transfer information about you to anyone or any entity to whom or to which we transfer our rights, obligations or otherwise dispose of all or part of our business.

It may be necessary to transfer your personal data outside of the European Economic Area (EEA) where there may not be data protection laws providing the same level of protection as those in the EEA.

In these circumstances there will always be a contract in place to ensure that your personal data is appropriately protected and processed in accordance with the applicable legislation and under suitable obligations of confidentiality.

In some instances we may be required to disclose your personal information to a regulatory or law enforcement authority in the UK or in any other

country in which your personal information may be processed anywhere in the world.

You have the right to access the personal data that is held about you. To obtain a copy of the personal information we hold you should write to our Compliance Officer. We will respond to you within 40 days of receipt of the request and we will charge the statutory rate for this service, which at present is £10.

If there are any inaccuracies in the information we hold about you please notify us of this in order that we may correct the information that we hold.

By providing us with your personal information and using our services, you consent to the use, disclosure, processing and transfer of your personal information in the way described in this statement.

21. English Law

21.1 We will always communicate with you in the English language. Your dealings with IFDS Managers Limited before and after you have made an investment with us shall be governed in accordance with English Law.