



**TERMS OF BUSINESS**  
for the clients of  
Tacit Investment Management

January 2020

## INTRODUCTION

Thank you for choosing Tacit Investment Management. The terms in this document set out the basis on which we will provide investment management services to you.

Your legal relationship with us (together, the “Agreement”) is governed by the following documents;

- Tacit Investment Management Terms of Business (Sections 1-7 of this document)
- AJ Bell Securities Ltd Terms of Business (Appendix 1 & 2 of this document)
- Your Investment Management Agreement
- Your AJ Bell client account application form
- Any document detailing your Schedule of Fee’s & Charges (including Interest rates)

Tacit Investment Management provides its services to you through AJ Bell Securities Limited (**AJ Bell**). AJ Bell has agreed to provide clearing and settlement services (“**Platform Provider**”), and safe custody and associated services (“**Custodian**”) for our clients. The AJ Bell Terms of Business are incorporated as Appendix 1 of this document. When you sign your **Tacit Investment Management Agreement** you will be confirming that you accept the Tacit Terms of Business and the J AJ Bell Terms of Business.

If you are an **existing** client of Tacit Investment Management, these terms replace all our previous terms of business and any communication that you may have received from us in connection with such terms.

For all existing clients, we will notify you of the effective date of these Terms, which will be no shorter than 30 days after such notification to change your previous terms of business.

For **new** clients, these terms will become effective immediately upon signing your Investment Management Agreement.

By signing this “**Agreement**” you agree to appoint TIML Limited trading as **Tacit Investment Management, 31 Southampton Row, London, WC1B 5HJ, (“Tacit”)** to manage investments based on the services you have selected on your Investment Management Agreement.

You should only sign this “**Agreement**” when you are happy that we have explained to your satisfaction the risks involved and have discussed with you your investment objectives. It is important that you understand the contents of these documents, and that you retain them for future reference.

If you are in any doubt about any term of this “**Agreement**” you should consult your solicitor, accountant or other professional adviser.

Any reference to the Regulator in these Terms refers to the Financial Conduct Authority or any successor body.

## KEY POINTS

TIML Limited, trading as Tacit Investment Management (“**Tacit/ we/ us**”) set out below some key points to consider before entering into the “**Agreement**”. This is not a substitute for reading the “**Agreement**” and you must familiarise yourself with all aspects of the “**Agreement**” that apply to the services you have chosen.

- We provide investment management services. Some of these services will only be available to certain types of clients and some are only available in certain jurisdictions.
- AJ Bell Securities Limited (“**A J Bell**”) will provide you with investment administration services (“**Platform Provider**”) and nominee and custody services (“**Custodian**”).
- You are entering into an agreement with Tacit and A J Bell to provide investment, administration and custody services to you. Sections 1 -7 of this document set out the terms of Business between you and Tacit. Appendix 1 and 2 sets out the Terms of Business between you and A J Bell. Clause 11.8 of the AJ Bell Customers Terms relates to the relationship between Tacit and AJ Bell, and details the extent to which AJ Bell indemnifies losses to for its Platform Provider and Custodian services to Tacit.
- We will provide you with confirmation on how your investments continue to meet your objectives and circumstances on at least an annual basis. We may ask you to review your objectives, restrictions and limits periodically and to advise us in writing of any material change in your circumstances and requirements.
- There are risks involved in any investment. Please take time to read **Section 6 Investment and Risk Warnings**, which contains information on some of the general risks of investing and the nature and risks of types of investments.
- It may take time to act on certain instructions and we may need to clarify instructions. As a result, you should always ensure you leave enough time to meet any deadlines.
- You must ensure you keep us updated with any changes in your personal status or financial circumstances. Some services may no longer be available if your status changes (for example, if you become resident in another country).
- We can change the provisions of the “**Agreement**” from time to time for various reasons we have set out. We can also stop providing services by giving you advance notice, or, in certain circumstances, without giving you notice.
- It is important you look after any passwords or other security details and tell us if you think someone else may have knowledge of them.
- In certain circumstances, we will have the right to “set off” amounts you owe us against any amounts we owe you, including against any amounts in your accounts, and may dispose of your investments to clear what you may owe us.
- You may have access to a financial ombudsman if things go wrong and may be protected by a deposit or investment protection scheme. Details are set out in the “**Agreement**”.
- This “**Agreement**” shall commence on the date of signature of your Investment Management Agreement and shall remain in force until terminated.

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## 1 ABOUT TACIT INVESTMENT MANAGEMENT

### 1.1 COMPANY DETAILS

TIML Limited trading as Tacit Investment Management (“**Tacit**”, “**we**”, “**us**”, “**our**”) is authorised and regulated by the Financial Conduct Authority. FCA Number: 670184.

Registered office: 31 Southampton Row, London, WC1B 5HJ.  
Registered in England and Wales number 09228395.

### 1.2 OUR BUSINESS

Tacit offers a range investment advice and management product and services to its clients.

### 1.3 OUR OFFICES & CONTACT DETAILS

#### London Office (Registered Office)

31 Southampton Row

London

WC1B 5HJ

Tel: +44 (0)20 3051 6450

Email: [info@tacitim.com](mailto:info@tacitim.com)

[www.tacitim.com](http://www.tacitim.com)

## 2 YOUR RELATIONSHIP WITH US

Whichever investment management services you choose, this section will apply to our relationship with you.

### 2.1 COMMENCEMENT

We will open your accounts with the “**Platform Provider**” and “**Custodian**” once we have received all of the relevant documentation and undertaken our identification checks in accordance with United Kingdom (‘UK’) anti-money laundering legislation; these Terms will commence from the date you sign the Investment Management Agreement.

Where we are managing your investments within an Individual Savings Account (ISAs), and Junior Individual Savings Account (JISAs), we will initiate applications, subscriptions and conduct administrative activities (including changes to the underlying ISA Manager) on your behalf.

We reserve the right to decline to open an account for you without giving a reason.

Any cash and investments that are delivered by you will be recorded in your account(s). Whilst we will make every effort to ensure that the transfer of any cash or investments to the “**Custodian**” is carried out promptly, most of this process depends on a third party delivering the assets who may insist upon the sale of any investments before transfer. Therefore, we cannot accept

responsibility for any loss that you may suffer as a result of being unable to deal during the re-registration process. Any advice that has been given to you regarding the assets will be dependent on the transfer process being completed. Similarly, we cannot accept any dealing instructions from you during the re-registration process. We will confirm when the re-registration process has been completed.

### 2.2 CONTACTING US

You can contact us through your usual contact or by post or telephone using the contact details we give you.

We may also agree that you can contact us electronically. We will tell you what methods of communication you can use to contact us and for what purpose. There is no guarantee that all means of communication will be secure, virus free or successfully delivered. We are not liable to you, and you accept responsibility if, due to circumstances beyond our reasonable control, communications are intercepted, delayed, corrupted, not received or received by someone else. If we think this has happened, we will try to contact you.

### 2.3 ACCEPTING INSTRUCTIONS FROM YOU

You can normally give us instructions in the same ways as you can contact us. We will tell you about any limitations and we may, for example, require you to set up security procedures or take other steps before being able to give us instructions in certain ways.

We will treat an instruction as genuine if we believe in good faith that the instruction is from you or any authorised person acting on your behalf (for example, because it appears to have been signed by you or an authorised person or the security procedures have been completed) and there are no circumstances we are, or should reasonably be, aware of that cast doubt on the authenticity of the instruction. We will not be liable for acting in good faith upon any such instruction, confirmation or authority notwithstanding that it is subsequently shown that the instruction was not given or signed or sent by you.

Before we act on an instruction, we will take steps to check that the instruction is clear, is given by you, or on your behalf, and meets any specific requirements that apply to the particular product or service.

We may assume, unless we are aware of an obvious error, that the information you give us for an instruction, including any account number quoted in the instruction, is correct.

Unless we agree otherwise, instructions are effective when we receive them. We will not generally acknowledge receipt of instructions other than by acting on them.

We may set Cut-Off Times by which instructions must be received by us on a Working Day in order for us to process them on the same day. Details of our Cut-Off Times are available on request. If we receive an instruction, including a Payment Request, before the relevant Cut-Off Time on any Working Day, we will process it on that day unless you have asked us to process it on a future date specified in your instruction, in which case we will process it on that date. Instructions or payments received after the Cut-Off Time or on or for a non-Working Day will be processed on the next Working Day.

You may need us to act on an instruction before a deadline, for example, before a subscription period expires. Where that is the

case, you must ensure that you allow reasonable time for us to process your instruction and communicate it to relevant third parties, taking into account that we may require written instructions in some circumstances. We will not be liable for any failure to meet a deadline where clear instructions are not received from you within a reasonable time before the deadline.

## 2.4 STOPPING YOUR INSTRUCTIONS

We start processing instructions when we receive them and may not be able to stop or change them.

## 2.5 REFUSING INSTRUCTIONS FROM YOU

We can refuse to act on any instruction or accept a payment into an Account(s) if we reasonably believe that:

- The instruction is not clear, does not satisfy any requirements that apply to the service or product or was not given by you or an authorised person; or

We are concerned that the instruction may not have come from you or an authorised person

By carrying out the instruction we, or another Group Company, might break a law, regulation, code or other duty which applies to us or become exposed to action or censure from any government, regulator or law enforcement agency; or

It is for a payment to or from, or you are trying to make a payment in, a restricted country. We will tell you which countries are "restricted" on request or if you try to make a payment there; or

- For some other reason, such as suspected fraud, we want to check the instruction with you, we can ask you to confirm it in a manner reasonably acceptable to us and we will not act on it until you have confirmed it.

Unless Regulatory Requirements prevent us from doing so, we will try to tell you, if we refuse to act on any instruction, our reasons for refusing, and what you can do to correct any errors in the instruction. We will do this at the earliest opportunity.

## 2.6 AUTHORISED PERSONS

If you have selected authorised persons to act for you, then subject to any specific limitations that we agree when you appoint that person, the authorised persons may give any instructions for you and may otherwise enter into transactions with us for you, including:

- Entering into agreements with us for the provision of further products or services which they consider to be in your interests;
- Giving us instructions and setting up security procedures for giving instructions in connection with services and products; and
- Changing the authorised persons at any time by giving us written notice.

We may act on instructions given by authorised persons and may disclose any other details about your Account(s) to them.

You alone will be responsible for:

- Instructions given by a person you have told us is authorised to give instructions for you; and
- The manner in which an authorised person uses your Account(s).

We can continue to act on instructions from an authorised person until we receive written notice from you that they are no longer authorised. If one or more authorised person dies, loses their legal capacity or renounces the powers granted to them, we will assume the remaining authorised persons continue to be authorised unless you tell us otherwise in writing.

Unless otherwise agreed between us, individuals authorised to give instructions on accounts of unincorporated clubs, charities, societies and other forms of association are individually and jointly liable for money owed to us. This means that we have the right to demand repayment of the full amount owed to us, and not just a share of it, from all or any of the authorised signatories.

## 2.7 HOW WE CAN CONTACT YOU

We will contact you by post, telephone, fax or electronically using the details you have given us. We may also provide information on our website where we consider it appropriate to do so.

We may leave messages for you to contact us on an answering machine, or with the person answering the telephone, unless you tell us not to. We may record or monitor telephone calls and electronic communications for the purposes of training, checking instructions, verifying your identity and ensuring that we are meeting our service standards and regulatory obligations. These recordings may be used as evidence if there is a dispute.

Unless you tell us not to, we may send correspondence, such as statements of accounts and notices, electronically, in which case we will assume you received it on the next Working Day.

If we send correspondence by post, we will assume it has been received by you:

- No later than four Working Days after posting, if sent to an address in the country where we provide the service (and we will treat the UK as a single country for these purposes); or
- No later than ten Working Days after posting, if sent internationally.

## 2.8 ONLINE SERVICES

We will take reasonable care to ensure the security of, and prevent unauthorised access to, our online services.

While we will make reasonable efforts to provide the online services, we may suspend the operation of our online services, where we reasonably consider it necessary, including for technical problems, emergencies, maintenance, regulatory reasons, where we decide it is sensible for our protection, or to ensure the continued availability of the online services.

You must follow the procedures and instructions in any user guidance that we give you from time to time, and tell us as soon as you can if you become aware of any failure, delay, malfunction, virus or error in the sending or receiving of instructions or any suspected fraud.

We will not be liable for any Losses you may suffer due to any failure of the online services, transmission failure or delays or similar technical errors, or problems with the software or data feeds provided by third parties, to the extent that the failure is beyond our reasonable control.

You should ensure your computer, modem or any other device you use complies with the standards and requirements we tell you from time to time and carry out your own regular virus checks and security updates.

If you use our online services outside the jurisdiction in which we provide services to you you do so at your own risk, as it may be against the law in that country.

The records we maintain of any online messages, instructions, payments or other transactions will be final evidence of those messages, instructions, payments or other transactions and of the time they are given or carried out except where there is an obvious mistake.

You are responsible if, when you use our online services, you give us incorrect instructions or mistakenly instruct us to make the same payment more than once.

## 2.9 YOUR OBLIGATIONS

To help prevent fraud and protect your Accounts and Assets, you must:

- Keep your Security Information secret at all times and not disclose it to anyone;
- Take all reasonable care to prevent unauthorised or fraudulent use of your Security Information by others; and
- Contact us without undue delay using the contact details provided if you know or suspect that someone knows your Security Information or is impersonating you.

Please tell us whenever your contact details change, because we will use the most recent contact details on our records whenever we send you correspondence. If you do not tell us, the security of your information could be at risk, and you might not receive communications which could be important, including notices about changes to the Agreement.

You must also tell us without delay if your residency or citizenship status changes or if there is any other material change to the information you have given us as this may affect the services we provide. You must give us any information we reasonably require about your identity or affairs.

You must ensure that your information can be accessed or used only by people who have your permission to do so.

You must check any confirmation of transactions or statement that we send you when you receive it and contact us without undue delay if you think it is inconsistent with your instructions or there is any inaccuracy.

## 2.10 OUR LIABILITY TO YOU

We are not liable to you for any losses unless directly caused by our negligence, wilful default or fraud.

We are never liable to you for any losses arising from any cause beyond our reasonable control and the effect of which is beyond

our reasonable control to avoid, or we could not reasonably have anticipated when you gave us an instruction.

We are not liable to you if we fail to take any action which in our opinion would breach any Regulatory Requirement or market practice. To the extent there is any conflict between the **"Agreement"** and our duties under any Regulatory Requirement or market practice, we will act in a way we reasonably consider necessary to comply with such Regulatory Requirement or market practice. We will not be treated as having breached the **"Agreement"** as a result.

## 2.11 OUR REMUNERATION AND CHARGES

This section provides details of what fees we will charge for our investment management services as well as other charges likely to be applied.

We will charge fees and commissions, pay credit interest and charge debit interest in accordance with any published document detailing your Schedule of Fee's & Charges (including Interest rates, or as otherwise agreed in writing). We will not charge you until we have discussed your payment options and agreed with you how we are to be paid.

You are liable for any costs we properly incur under the **"Agreement"**, including reasonable commissions, transfer and registration fees, stamp duties, PTM Levy or any other taxes and other fiscal liabilities and any Losses we suffer if you fail to carry out your obligations under the **"Agreement"**.

We will charge you VAT or comparable sales taxes where Regulatory Requirements require us to do so.

We may pass on brokerage charges for transactions we execute for you. These charges will be indicated on the confirmation and periodic statement or otherwise in accordance with Regulatory Requirements.

We may levy a dealing charge on transactions effected for you. Where we do so:

- these will be as set out in any published document detailing your Schedule of Fee's & Charges;
- or as we otherwise agree with you;
- we may pay a portion of the charge to a third party which is not part of Tacit Investment Management;

We may pay interest or charge interest, fees and other charges under the Agreement by crediting the relevant account or by debiting any account you hold with us in accordance with the "Security and set off" clauses.

If you do not pay us amounts when due, we may charge default interest as set out in our published tariffs.

Our fees and charges can be paid either by cheque, or you can authorise the platform provider and custodian (where your investments are held), to deduct our fees from your portfolio, where they allow this. We do not accept payments by cash.

- **Payment by cheque:** If you pay for our services by cheque you agree to settle our fees on presentation of our quarterly fee invoice. Invoices are payable within 30 days. We reserve the right to charge interest on invoices outstanding beyond the agreed payment period at a rate of base rate plus 2% pa.

- **Payment via platform:** If your investments are held on a platform (this is an online investment administration service) you may choose to pay for our services out of the funds held within the platform cash account (where the Platform Provider and Custodian offers this facility). We will review the amount in the cash account on an ongoing basis. If there is insufficient cash available to pay our fees, the Platform Provider and Custodian will realise investments to settle our fees. This will generally be from the last investment made.

If a third party imposes any additional charge or cost as a result of your default in complying with your obligations under this agreement or with any reasonable request by us pursuant to this agreement, then any such charge or costs shall be borne by you.

## 2.12 ENDING YOUR RELATIONSHIP WITH US

Unless we have told you that restrictions apply to a particular service or product provided by us, you or we can end your relationship with us or any service or product and our authority to act on your behalf, at any time without penalty.

Notice of this termination must be given in writing and will take effect from the date of receipt.

Termination is without prejudice to any transactions already initiated which will be completed according to this agreement unless otherwise agreed in writing.

You will be liable to pay for any services provided prior to termination and any fees outstanding, if applicable. Cancellation will not affect accrued rights, existing commitments or any contractual provision intended to survive termination of the agreement.

You agree on termination to pay:

- Our fees pro rata to the date of cancellation/termination; and
- Any additional expenses necessarily incurred by us in cancelling the agreement and any losses necessarily realised in settling or concluding outstanding obligations and transferring your assets to a new custodian.

On termination we may retain and/or realise any of your assets as may be required to settle the transactions already initiated, and to pay any outstanding liabilities of yours.

On termination of an investment service, you must tell us whether you want your investments transferred to another broker, registered in your own name or sold. If stock is registered in your own name, it may take several weeks for you to receive the share certificates. If we terminate an investment service and you do not tell us what you want to do then following our reasonable attempts to contact you we may take reasonable steps as are necessary to return your assets to you, or (where we terminate to close or transfer a business) we may sell your assets and send the proceeds of sale to you.

Where investments cannot be transferred to another broker or registered in your own name, we will sell them for you when you instruct us. We will pay all proceeds of sale into an account in your name by a payment method we decide. The Agreement will continue to apply until we have transferred the investments or paid you the proceeds.

Where we are unable to transfer your investment and you cannot sell or redeem it, we may continue to hold the investment in custody for you. We will charge you for this but will not do anything other than hold the assets for you.

When an Account(s) is closed, you must cancel any direct payments to or from your Account. Where someone attempts to make a payment into an Account which has been closed, we will take reasonable steps to return the payment to the sender.

## 2.13 YOUR RIGHT TO CANCEL

You have the right to cancel this agreement within 14 days of it coming into effect.

If you wish to cancel, you must send written notice by post to your usual contact. You will have no further obligations in relation to the service or product you cancel, and you will not be charged any fee for cancelling.

The cancellation period will start on the date on which we agree to provide the further service or product, or, if later, the date you receive the relevant terms.

On cancellation we will promptly complete transactions already initiated. There may, however, be a shortfall if we have carried out transactions on your behalf during the cancellation period, and you will bear that market risk.

Cancellation will not affect accrued rights, existing commitments or any contractual provision intended to survive termination of the agreement. You agree on cancellation to pay:

- our fees pro rata to the date of cancellation and
- any additional expenses necessarily incurred by us in cancelling the agreement and any losses necessarily realised in settling or concluding outstanding obligations and transferring your assets to a new custodian.

On cancellation we may retain and/or realise any of your assets as may be required to settle the transactions already initiated, and to pay any outstanding liabilities of yours.

If you do not exercise the right to cancel within the cancellation period, the agreement will remain in full force and effect. You are of course able to cancel the agreement in line with the termination clause 2.12 above.

## 2.14 IN THE EVENT OF DEATH

For account(s) with only one account holder the account(s) will be suspended from the date we receive notification of the account holder's death. We may close any open position which carries a future contingent liability, and we may complete any transactions already initiated. We also reserve the right to net off any positions on accounts which come under the umbrella of a master header account. The account will continue to incur charges until it is closed.

For joint tenancy account(s), the account(s) may be suspended upon the death of one of the account holders, until we receive either the original or a certified copy of the death certificate.

The "Agreement" will continue to bind your estate until terminated by your validly appointed personal representative, or by us giving notice to your validly appointed personal representative. Your estate must provide us with such information as we may

reasonably require to confirm your death and the appointment of the personal representative.

Where we provide you with our discretionary investment management service and you die, we will, where Regulatory Requirements allow, operate a "care and maintenance" service through which we will continue to provide custody in respect of your assets but will cease to actively manage them in accordance with the investment mandate. The relevant execution-only schedule of fees will apply to these services. Copies of the published tariffs are available on request.

No instructions will be accepted in relation to the account(s) until title to the account has been established to our satisfaction and/or that of the Custodian as appropriate, at which point Your personal representatives may instruct us to sell, transfer or otherwise dispose of your assets.

Once we have received the grant of representation for your estate (or such other formal appointment, as applicable in your jurisdiction), we will act in accordance with your personal representative's instructions where Regulatory Requirements allow.

Regardless of anything in the Agreement, if the Agreement is not terminated within two years of the date of your death, we may, where Regulatory Requirements allow, take such action as we reasonably consider appropriate to close your Account. Your estate or your personal representative will be liable for all reasonable costs associated with us taking this action, or considering taking action, except to the extent that costs arise because of our negligence, wilful default or fraud.

## 2.15 DORMANT ACCOUNTS

Where you have not traded on an account for a period exceeding twelve months and we are not holding assets on your behalf, we reserve the right to suspend or close your account without prior notification.

## 2.16 SINGLE FINANCIAL RELATIONSHIP

You can ask us to treat you as if you have a single financial relationship with other clients (for example, other members of your family). Where we do this:

- We will provide you with advice in relation to your combined accounts(s) and portfolio and you may jointly set objectives and a risk profile for the combined relationship;
- You authorise us to share with each of you information about the others' account(s), including account balances and the performance of your investments; and
- You agree that any of you may give instructions in relation to the others' accounts or investments and we do not need to seek confirmation from the holder of the account or investment before carrying out those instructions.

If, now or in the future, you have Accounts or services that are not included in the single financial relationship, the advice we provide in relation to your single financial relationship will ignore the existence of those Accounts or services and the advice we give you on those Accounts or services will ignore the existence of the single financial relationship. This may mean that you receive different advice than you would if we took all your Accounts or services into account.

Unless you tell us otherwise, we will assume that any products or services you take in the future will be part of the single financial relationship and information about them will be given to all of you.

## 2.17 JOINT ACCOUNTS

Where more than one of you has entered into this Agreement, we will treat you as joint tenants, which means that the assets are held without division by two or more parties. In exceptional circumstances, at your written request to us, at our discretion, we may agree to treat the parties to a joint account as tenants in common.

Each of you is individually and jointly liable for money owed to us, unless we have agreed otherwise in writing, and we have the right to demand repayment from all or any of the account holders for all or part of such money;

We will accept instructions, from any party to a joint account, and any action that we take as a result of any instructions (including any instructions to sell, withdraw assets, payment instructions, close any account or the provision of accounting information to one or more of them) will be binding on all parties to the account, except that, if we know or suspect that there may be a dispute or conflict of interest between you, we may seek instructions from each of you.

You must inform us promptly when a party to a joint account dies. In this event, the Agreement will continue and the ownership of the assets in a joint tenancy account will automatically pass to the surviving Account Holder(s), who shall have full authority over the account, but we may act on the instructions of any personal representative (or, as applicable, liquidator) appointed over your estate if we receive proof of their authority;

We may contact and otherwise deal only with the Account holder named first in our records, subject to any legal requirements or unless you request otherwise; and you may ask us to remove a person (or persons) from a joint Account, including by converting it to a sole Account. We may require authority from all Account holders before doing so. Any person removed from the Account will continue to be liable for all obligations and liabilities under the Agreement relating to the period before they were removed from the Account.

Where you own investments individually, these investments may be placed into a joint Account. If they are, they will be owned jointly.

## 2.18 SECURITY AND SET OFF

We, may, where Regulatory Requirements allow, retain, transfer or sell any of your Assets so far as is reasonably necessary:

- To settle any transactions entered into on your behalf; or
- To pay any of your outstanding liabilities arising in relation to transactions, arising under the Agreement or any other arrangement you have with us or them.

We or they may also take such steps if we or they reasonably believe that you will be unable to settle your transactions or pay your outstanding liabilities when they become due.

In respect of purchases in investments undertaken by you with us or by us on your behalf, you agree to pay the cash amount

required to settle the transaction on the settlement date in advance of actual delivery of securities to your account.

## 2.19 LANGUAGE AND JURISDICTION

The Agreement is supplied in English, and all communication between you and us will be in English. If we provide you with a translation of the Agreement or any communication, the English language version will be the only legally binding version and will prevail if there is any inconsistency.

This agreement is governed by and should be interpreted in accordance with English law and you agree to submit to the non-exclusive jurisdiction of the English Courts.

## 2.20 LEGAL AND ACCOUNTING ADVICE

Neither our firm nor our employees are qualified to render legal or accounting advice or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

## 2.21 IMPORTANT NOTE ABOUT YOUR TAX POSITION

We may ask questions about your personal tax position and may explain our understanding of the generic legal or tax position relating to our products or services. This is to provide you with information on those products or services and to assist us in selecting which products or services may be appropriate for you. We are not legal or tax advisers and we do not provide legal or tax advice. We recommend that you obtain your own independent advice, tailored to your particular circumstances. You cannot rely on our information as a substitute for taking your own independent advice.

You have sole responsibility for the management of your legal obligations and tax affairs, including making any applicable filings and payments, and complying with any applicable laws and regulations.

You confirm that you have been and are compliant with all tax declaration and reporting obligations relating to the Assets held in your Account(s) and any income or gains they produce.

You will inform us of any changes in your circumstances that are relevant to the Tax Obligations, including any change in your address, domicile or nationality.

In some jurisdictions, we may be required to pass information about you to tax authorities, or deduct withholding taxes from any interest or income we pay or pass on to you.

## 2.22 VARIATIONS & CHANGES TO TERMS

### 2.22.1 TERMS THAT APPLY TO ALL CHANGES

We may change any of the provisions of the “**Agreement**” for any reason not listed below in circumstances where;

- You are able to end the “**Agreement**” without charge; or
- We agree to waive any charge that would otherwise apply.

We may also change any of the other terms of the “**Agreement**” for any of the following reasons, where we reasonably consider that the change;

- Would make the terms easier to understand or fairer to you; or
- Is to your advantage and there is no increased cost to you.
- Would not be to your disadvantage;
- Is a result of a Regulatory Requirement (or where we reasonably expect that there will be a change in a Regulatory Requirement)
- Replaces an existing service or facility with a new one; or
- Withdrawal of a service or facility which has become obsolete, or has ceased to be widely used, or has not been used by you at any time in the previous year;

### 2.22.2 CHANGES TO THIRD PARTY PROVIDERS

In this “**Agreement**” a Platform Provider and Custodian are appointed by us under our discretion as a third-party provider of services on your behalf. Details of these third-party providers are provided in Appendix 1 of this agreement.

We may make such amendments to this agreement as necessary to reflect the appointment of a new third-party platform provider or custodian, without notice to you, and shall notify you in advance of any such changes under this clause where Regulatory Requirements allow. For the avoidance of doubt, a change of Custodian shall not constitute a variation of this agreement.

Where we give you advance notice, if you do not want to be treated as accepting a change, you must, before it comes into effect, tell us that you want to terminate the Agreement with us.

### 2.22.3 CHANGES TO OUR CHARGES

If we provide a new service or facility in connection with an account(s) or service we may introduce a new charge for providing you with that service or facility.

We may change our charges or introduce a new charge if there is a change in (or we reasonably expect that there will be a change in):

- The costs we incur in carrying out the activity for which the charge is or will be made; or
- Regulatory Requirements.

Any change or new charge will be a fair proportion, as reasonably estimated by us, of the impact of the underlying change on the costs we incur in our investment management business.

### 2.22.4 NOTIFYING YOU OF CHANGES & VARIATIONS

If we make a change to an investment product or service or account(s), we will give you advance notice of any change made under this clause where Regulatory Requirements allow. Where we do so:

- We will tell you the date the change comes into effect;
- If notice is given to you at the most recent address we have for you, you will be treated as accepting to be bound by that change from that date unless you terminate the Agreement under the following clauses;
- We will give you at least 30 calendar days’ notice of any changes to any investment product or service;

Where we give you advance notice, if you do not want to be treated as accepting a change, you must, before it comes into effect, tell us that you want to terminate the Agreement with us.

## 2.23 YOUR REGULATORY CATEGORISATION

Where we provide you with investment services, for the purposes of Regulatory Requirements, we will treat you as a **"Retail Client"** unless we agree with you otherwise. Categorisation as a retail client affords you the highest degree of consumer protection. However, this does not necessarily mean that you will automatically be eligible to bring a claim under either any investor compensation schemes or ombudsman service available in the relevant jurisdiction.

As a retail client, you may have the right to elect to be re-categorised as a professional client. Professional clients typically have greater knowledge and experience of investing in financial markets and a higher appetite for risk and are given a lesser degree of consumer protection under Regulatory Requirements.

Some retail clients elect to be re-categorised as professional clients, in spite of the lesser degree of protection, because they find it administratively convenient and it can help them access products which require more knowledge and experience. You have the right to request this either generally or in respect of a particular service, type of transaction or product. You must make any such request in writing to your usual contact.

We will only accept such a request if we are permitted to do so in accordance with the criteria in Regulatory Requirements (which require us to review your financial situation and your ability to bear the risk of a lesser degree of consumer protection).

We will consider any requests received on a case-by-case basis against the criteria set out in Regulatory Requirements. We will inform you of any limitations that such a re-categorisation will entail, together with the scope of that re-categorisation. If, following such a request, you are categorised as a professional client, you must keep us informed of any change in your financial circumstances which may affect your categorisation as a professional client. We will provide you with further details about the kind of information which may be relevant to your categorisation and which you will need to provide to us.

If we notify you that we will treat you as a professional client, you may request to be treated as a retail client either generally or in relation to one or more particular services, or in relation to one or more types of transaction or product.

If you are categorised as a professional client, we are entitled to assume that you are able to financially bear any investment risks consistent with your investment objectives.

If you fulfil certain criteria, we may agree to treat you as an eligible counterparty for the purpose of Regulatory Requirements. Please contact us for further details.

## 2.24 TRUSTEES

If you agree to receive a service as the trustee of a trust, we may discuss with you the policy that you want to adopt in the management of the trust assets. The record of our discussions will be the policy statement that you may be required to make by applicable trust law or you might choose to provide us with a separate policy statement. We will follow the policy statement. You must tell us of any changes to the policy statement.

The trustees must provide all material provided by us that is relevant to the management of the trust assets to a newly joined co-trustee.

## 2.25 SEVERABILITY

If any provision of the Agreement is or becomes invalid or unenforceable, the provision will be treated as if it were not in the Agreement, and the remaining provisions of the Agreement will still be valid and enforceable.

## 2.26 THIRD PARTY RIGHTS

Unless a term of the Agreement provides otherwise (and subject to Regulatory Requirements), a person who is not a party to the Agreement will have no rights to enforce any of its terms.

## 2.27 CLIENT MONEY

We are not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of a service for which we have sent you an invoice) or handle cash.

## 2.28 DEPOSITS AND INVESTMENT PROTECTION

Tacit Investment Management is authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Our permitted business includes advising on and managing investments. You can check this on the Financial Services Register by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

Unless we notify you in writing to the contrary, we will be treating you as a **Retail Client**. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

## 2.29 FINANCIAL SERVICES COMPENSATION SCHEME

Tacit Investment Management is also covered by the Financial Services Compensation Scheme ('FSCS'). 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.

Compensation is available for both deposits (bank accounts) and certain investments. Compensation is limited as follows:

- Deposits – limited to 100% of the first £85,000.
- Investments – limited to 100% of the first £50,000.

This protection may only be available to certain types of clients (for example, it may not be available for corporate clients) and may be subject to certain limits, which will be reviewed from time to time. The amounts listed below are currently in force at the date of this publication. For the most up-to-date amounts, or for further details of the relevant schemes, please contact us or the relevant scheme.

## 2.30 COMPLAINTS

During your relationship with us, you may wish to make a complaint. For this reason, we have a complaints procedure for handling your complaints fairly and promptly, which is available on request

If you have a complaint, you may inform your usual contact in person, in writing, by email or by telephone; or you may wish to register a complaint, please contact us:

<b>In writing:</b>	The Compliance Officer Tacit Investment Management, 31 Southampton Row London WC1B 5HJ
<b>By phone:</b>	+44 (0)207 051 6450 (ask to speak to the Compliance Officer)
<b>By e-mail:</b>	compliance@tacitim.com

We will try to resolve your complaint as quickly as possible and to your complete satisfaction.

If we are unable to assist you further, you may be able to refer your complaint to the Financial Ombudsman Service ('FOS') for independent assessment. A financial ombudsman is a free and independent organisation that specialises in settling disputes between clients and financial firms.

We may also, on occasion, advise on other financial products which are not regulated by the Financial Conduct Authority (FCA). The Financial Services Compensation Scheme does not apply to any of these products. Further information about compensation scheme arrangements is available from the FSCS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 3 OUR INVESTMENT MANAGEMENT SERVICES

### 3.1 INTRODUCTION

We provide investment management services where we undertake transactions on your behalf (this includes buying, selling or holding investments) through our **"Platform Provider"** and **"Custodian"** where we;

- Exercise a discretion to buying and sell investments on your behalf through our Discretionary Investment Management service;
- Undertake to buy and sell investments on your behalf on your instruction where we have not advised you on that transaction, through our "Execution Only Service",

Before providing you with a Discretionary Investment Management service, we will carry out an assessment of your personal and financial circumstances and agree with you and

record an Investment Strategy and an Investment Objective for each relevant service or for your Assets generally.

Any discretionary investment management proposals (or recommendations where appropriate) that we make will only be made after we have assessed your needs and considered your financial objectives, your capacity for financial loss and attitude to any risks that may be involved.

The information you provide will enable us to check that your investments and the Investment Strategy remain suitable for you.

We will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

We will contact you from time to time and ask for up to date information on your personal and financial circumstances.

If we are unable to check this because you do not provide us with the information, we may have to stop providing services to you

### 3.2 INVOLVEMENT OF YOUR THIRD-PARTY FINANCIAL ADVISER

If you have subscribed to any of our investment management services through a third-party financial adviser, your financial adviser shall ensure they have conducted sufficient research and due diligence on Tacit to recommend our investment management services to you. We will comply with all reasonable due diligence requests made by, or on behalf of, your financial adviser.

We believe that client suitability and evidence of arriving at suitable solutions for clients is a key issue. In working alongside financial advisers, we believe it is important for both the adviser and Tacit to fully understand their individual advice and suitability obligations and agree processes and client engagement that ensures both parties can satisfy these requirements.

Whilst their opinions may be based on sound reasoning, we will not rely on the opinions of the financial adviser in discharging our responsibilities in the delivery of our investment management services to you. We acknowledge our responsibility to ensure that the choice of investment strategy and the underlying mix of assets that constitute your portfolio remain suitable both at the outset and on an ongoing basis.

We may rely upon information provided by your financial adviser to perform an assessment of your financial circumstances, investment objectives, knowledge and experience to ensure that an appropriate investment management service and investment strategy is provided to you.

Where we require further information that enables us to assess suitability and confirm your attitude to investment risk before implementing an investment strategy, we will seek that information either from your financial adviser or from you direct. We will also retain an ongoing responsibility to ensure that your portfolio remains suitable for you through regular ongoing suitability assessments.

We acknowledge that this might appear like a duplication of effort, but in the current regulatory environment and the focus on individual client suitability, we stand by our best practice to ensure we can be confident that our advice is suitable for you.

Your financial adviser may provide Tacit with a certified copy of the information obtained by them to ensure compliance with applicable anti-money laundering laws or an introduction certificate (as further defined in the Joint Money Laundering Steering Group Guidance Notes as amended from time to time) Your financial adviser will monitor your account(s) to ensure the on-going suitability of our investment management service, given your overall financial planning and investment objectives.

With your written agreement, we may act as paying agent in respect of any fees payable by you to your financial adviser in connection with their services to you. If we are facilitating payments to your adviser, we will make clear the difference between any Adviser Payments and charges for our investment management services.

Your financial adviser is responsible for agreeing the Adviser Payments with you and will provide us with, or assist us to obtain, validation of your agreement to the Adviser Payment in such form as is satisfactory to us.

You must inform us immediately if you change or stop having a third-party financial adviser and must give us written details of any new financial adviser.

### 3.3 MANAGEMENT OF YOUR ACCOUNT(S)

We will manage your account(s) to an appropriate Investment Strategy, subject to your Investment Management Agreement.

Details in the Investment Management Agreement are based on the information discussed and recorded as part of your becoming a client. This sets out our understanding of your specific investment objectives, and any restrictions or particular instructions you may have given to us in respect of the ongoing management of your portfolio.

The Investment Management Agreement will make particular reference to our understanding of the investment risks that you are prepared to take in order to achieve your objectives.

Your stated objectives and requirements will be reiterated in a report or similar document which will be issued to you with our initial proposal and on any subsequent proposals.

We will ask you to review your Investment Management Agreement at regular intervals and to advise us in writing of any material change in your circumstances and requirements.

We will apply the Investment Strategy that has been agreed with you to all of the investment accounts detailed in the Investment Management Agreement. If you wish some of your accounts to be managed to a different investment strategy, then you will need to complete a separate Investment Management Agreement for each portfolio.

Whilst your investments are held in individual account(s), we are able to manage some or all of your account(s) on a consolidated basis and apply the Investment Strategy indicated in your Investment Management Agreement across all the account(s) that form your consolidated portfolio.

Should you wish to have your account(s) managed on a consolidated basis, you should understand that managing them on this basis has additional implications and risks which you will be asked to acknowledge in your Investment Management Agreement as follow;

- You understand that the investment strategy is applied at a consolidated level and not to the individual account(s)
- You understand that individual investment accounts may hold concentrated positions in asset classes and individual securities and may therefore be less diversified compared to your chosen investment strategy
- You understand that individual accounts that form part of your consolidated portfolio may have differing total return and risk to capital profiles to each other and to your chosen investment strategy and risk profile.

Your Investment Management Agreement will also allow you to confirm any restrictions which you can ask us to apply when managing your portfolio in terms of the types of investments or markets we can consider as well as on amounts held.

Where your investments are held overseas, there may be different settlement, legal and regulatory requirements from those applying in the United Kingdom, together with different practices for the separate identification of clients and investments.

We will not borrow on your behalf, nor will we commit you to a contract that may need borrowing in order to achieve performance. We will not commit your monies to an obligation as an underwriter of any issue or offer for sale of securities.

Our responsibilities to you in respect of your investments will be limited to the management of your portfolio as covered by this "Agreement".

We will not offer any broader financial planning and/or tax planning services e.g. capital gains tax and inheritance tax considerations and accept no responsibility for your broader financial / tax planning arrangements or requirements. It is recommended that you speak to your normal financial advisor in relation to these areas.

### 3.4 CORPORATE ACTIONS

Unless we agree otherwise with you, where we hold assets which give you rights in relation to a company, including if we become aware of any proposed class action or group litigation, where such assets are held by us in connection with our Discretionary Investment Management Service, we may deal with these matters at our sole discretion (including taking no action).

Where such Assets are held by us under any other service:

- We will not be responsible for taking any action in relation to these matters;
- We will not be obliged to notify you or obtain your instructions in relation to these matters;
- If we do seek but do not receive your instructions by any deadline stated by us, we will take such action as we consider appropriate (including taking no action); and
- If we seek and receive your instructions by any deadline stated by us, we will take such action as we reasonably consider appropriate, including action that does not accord with your instructions where following such instructions is not reasonably practicable.

### 3.5 INCOME AND ENTITLEMENTS

The Custodian will collect any income arising from the assets on your behalf. Dividend payments and interest will be paid in cash, following deduction of any applicable tax and will only be available to you following market settlement of such payment.

Where your assets are pooled with those of third parties:

- The Custodian will allocate any income or entitlements pro rata, rounding down to the nearest whole unit or share; and
- The accumulated amount of any undistributed entitlements arising from this process will be sold and the proceeds allocated pro rata, provided that the Custodian will not need to distribute any small amounts below a level we tell you and may pay them to a charity of our choice.

Pooling may mean that where an allocation or share issue has rights weighted towards smaller investors, your allocation may be less than it otherwise would have been.

### 3.6 ENCASHING YOUR ASSETS

If you ask us to transfer cash to you or a third party, we will first check whether:

- There are sufficient funds available in the relevant currency in your assets or account(s); and
- These funds available are not needed to settle any transaction under the **"Agreement"**.

If these conditions are not met, we will take reasonable steps to:

- Convert cash held in an account(s) to the relevant currency; or
- Liquidate or, as applicable, convert your Assets (in a manner we reasonably decide), to realise the amount required in time to make the transfer in full. You acknowledge that this might result in you obtaining a worse price for your assets than might otherwise be the case if they were disposed of at a different time.

We will then transfer the funds to you:

- Once sufficient funds become available in the relevant currency; or
- On any later date you specify in your instructions (or, where that later date is not a Working Day, on the next following Working Day).

In deciding whether you have funds available to make a payment, we:

- Add together the amount in your account(s); and
- Deduct the total amount of the payments (including instructions relating to the purchase of investments) that you have asked us to make from the account(s) which have not yet been paid.

We do not have to take account of regular credits or any amounts received after we have decided not to make a payment.

### 3.7 CLIENT REPORTING

#### 3.7.1 DISCRETIONARY INVESTMENT MANAGEMENT

Where you receive our discretionary investment management service, we will, unless agreed otherwise, provide a valuation report showing all transactions during the relevant period and all of your assets and liabilities at the end of the relevant period:

- On at least a quarterly basis;
- Notify you by the close of business the following day, if your account experiences a fall of 10% in value since your last quarterly valuation report; and
- On a monthly basis, if your portfolio includes leveraged investments or contingent liability Transactions.

You may choose to receive valuation statements on a more frequent basis and/or elect to receive contract notes on a transaction-by-transaction basis.

#### 3.7.2 CONTRACT NOTES

For all other services, each time we execute a transaction on your behalf, we will provide a contract note setting out (among other things) the amount you will receive or pay on settlement, and send it to you by:

- The first Working Day after execution; or
- The first Working Day after we receive confirmation from a third party who has executed the order

You should tell us as soon as possible if the information on any contract note we send you is incorrect. If the original contract note is incorrect, you agree to return it to us if we ask for it and repay any overpayments immediately. We may purchase replacement investments at your cost. We will charge you interest on any overpayment where we consider it reasonable to do so.

You must notify us immediately:

- If you do not receive a contract note by post informing you that we have carried out your dealing instructions within three Working Days of you placing them; or
- If you receive a contract note of a deal which you did not place.

We will provide information about the status of any pending order, on your request.

If you purchase units or shares in a Collective Investment Scheme and your orders are periodically executed as a series of orders, you will receive a contract note at least once every six months detailing each order executed during that period.

#### 3.7.3 CUSTODY STATEMENTS

If your Assets are held on your behalf with a chosen **"Platform Provider"** and **"Custodian"**, you will receive a statement at least once a year (subject to Regulatory Requirements) detailing:

- All investments and any money held by the **"Platform Provider"** and **"Custodian"** in your Account at the end of that period;

- The extent to which your investments or money have been the subject of securities financing transactions (such as stock lending transactions); and
- Any benefit you have accrued from your participation in any securities financing transaction, and the basis upon which the benefit has accrued.

This information may be included within the valuation report that we routinely send to you.

#### 3.7.4 VALUATIONS AND BENCHMARKS

Valuations of your Assets in a periodic statement (or generally) will be based on:

- Any market information we reasonably consider appropriate; and
- Information from sources we reasonably believe are reliable.

We will send valuations of your portfolio every quarter. Unless otherwise agreed, we will not provide information about executed transactions on a transaction-by-transaction basis.

Your statements may show transactions that have not been settled, but we are not required to include unsettled transactions in your statements.

In order for you to be able to assess the performance of your portfolio, benchmarks are used against which your portfolio performance can be compared. The benchmarks against which your portfolio can be assessed are confirmed in your Investment Management Agreement.

The base currency of your portfolio will be Sterling (GPB) unless agreed otherwise with you in writing.

We are not responsible for any inaccuracies in the information we rely on. As prices fluctuate, the value of your Assets may have changed by the time you receive the statement.

#### 3.7.5 CORRECTIONS

If we or a counterparty make an error executing your order, we may choose to correct the error either through or outside your Account. If we correct the error through your Account you will see the steps taken to correct the error. We will try to make the correction outside your Account if we believe there could be a change in your Tax Obligations if the correction is undertaken through your Account.

### 3.8 BEST EXECUTION

In placing or transmitting applications on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

We will take all reasonable steps to obtain the best possible result for the execution of client orders. We will endeavour to act in the clients' best interests at all times when placing orders with other entities for execution.

We transmit or place orders with other third parties for execution and do not execute trades ourselves. Our best execution policy will not duplicate the other third parties' own internal policy, assuming they are also authorised by the FCA.

We will nonetheless review the best execution arrangements of the third parties we wish to use to determine whether they will allow us to comply with the FCA best execution requirements.

Where relevant, this may include asking those third parties to which orders are transmitted / placed for a copy of their best execution policy.

We may combine your instructions with those of other clients. At times this may work to your advantage and others to your disadvantage.

#### 3.8.1 OVERVIEW

It is in the interests of our clients and our firm that we obtain the best possible result when placing orders with other firms e.g. third party brokers and fund managers for the execution of client orders or when transmitting orders on behalf of clients. We are required to take all reasonable steps to provide best execution when carrying out such transactions and, on your request, to provide you with a copy of the policy that we have adopted to achieve that objective.

This best execution policy applies to orders in financial instruments such as funds and other securities. You should read this policy in conjunction with your discretionary management agreement.

#### 3.8.2 EXECUTION FACTORS

When placing orders with other firms for the execution of orders or when transmitting orders, we will make every effort to ensure the best possible result for our clients taking into account the following factors:

- Price
- Cost
- Speed
- Likelihood of execution and settlement
- Size
- Nature of the order
- Any other relevant consideration

For retail clients, the price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result. We will therefore assume this is the most important outcome for your transaction unless you tell us otherwise.

#### 3.8.3 EXECUTING YOUR ORDER

In arranging for the execution of your order:

- We may use a third-party broker or platform to execute your order
- We may trade as an agent (where our scope of regulatory permissions allows us to do so)

#### 3.8.4 COMBINING ORDERS (AGGREGATION)

You acknowledge and agree that:

- When we deal for you, we may combine your order with our own orders and orders of other clients if we believe that aggregation can generally be expected to work to the advantage of all parties concerned;
- On some occasions, aggregation may disadvantage you (for example, in terms of price);

- When we combine orders or when an order cannot be executed as a single transaction, we may execute it in a series of deals and confirm to you the aggregate of these at an average price; and
- We may allow brokers who deal on your behalf to combine deals with their own and their clients' deals, subject to Regulatory Requirements.

When a combined order cannot be filled, we will allocate the order to all participants on a pro rata basis, unless:

- It is not in your interest to receive a reduced allocation (for example, if we are of the view that the deal is not economic when considered against dealing costs); or
- We are prevented from doing so under Regulatory Requirements.

### 3.8.5 SPLIT ORDERS

You acknowledge and agree that when we deal for you, we may split your order into more than one trade if we reasonably believe this to be in your best interests. On some occasions, a split of your order may result in you obtaining a less favourable price.

### 3.8.6 EXECUTION VENUES

All orders placed by us are executed through AJ Bell Securities Limited who have responsibilities in relation to best execution and client order handling and will provide details upon request.

We will also undertake periodic monitoring to ensure that they are meeting the relevant requirements.

### 3.8.7 CLIENT SPECIFIC INSTRUCTIONS

If you have given instructions that price is not the most important factor in executing your instructions, we will make every effort to comply with your instructions but cannot guarantee this. This may be due to either the nature of the order, or the type of financial instrument you wish to trade in.

We will make all decisions as to where the orders are placed in relation to the execution venue. We will therefore not accept specific instructions from clients regarding the venue where your order is executed.

### 3.8.8 COLLECTIVE INVESTMENT SCHEMES

For orders in collective investment schemes e.g. Unit Trusts, OEICs and Investment Trusts, we will place the order directly with the fund manager/platform provider/custodian and/or the operator of the collective investment scheme.

### 3.8.9 CHARGES

It is our policy that commission and charging structures will not influence either the selection of execution venues, or the order flow that follows as a result of the execution process. We will therefore not discriminate between the execution venues we use to arrange execution of your orders.

### 3.8.10 MONITORING AND REVIEW OF OUR EXECUTION POLICY

We will regularly monitor the effectiveness of our best execution policy to identify and, where appropriate, correct any

deficiencies. In particular, this will cover the execution quality of any third parties referred to in the policy.

This review should be carried out regularly (on at least an annual basis) or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients. Staff Understanding

All relevant staff are made aware of this policy to highlight and emphasise the importance of best execution.

## 3.9 CONFLICT OF INTERESTS

We will endeavour always to act in the best interests of you, our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interests, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

The purpose of our conflicts of interest policy is to:

- Identify the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to our clients
- Specify the procedures to be followed and measures to be adopted in order to manage such conflicts

In preparing the policy we have taken into account a number of factors including:

- Whether circumstances might arise where we make a financial gain or avoid a financial loss at the expense of you as a client
- Whether we have an interest in the outcome of a service provided to you distinct from your interests
- Whether we have a financial or other incentive to favour the interest of another client or group of clients over your interests

Examples of the potential conflicts of interest we have identified include:

- Where we have confidential information regarding an existing or former client which would be of value to another part of our firm or to other clients of our firm
- If a transaction carried out on your behalf relates to an investment in respect of which we or an associate may benefit from a commission, fee, mark up or mark down payable otherwise than by you as a client, and we or an associate may also receive fees from the counterparty to such a transaction
- If we act as agent for you as a client in relation to transactions in which we are also acting as agent for other clients and associates.

Against this background our conflicts policy can be summarised as follows:

- Where a conflict arises, your interests as a client will always be put before our interests and those of our employees
- Where our firm has a material interest in a transaction to be entered into for you, all reasonable steps will be taken to ensure fair treatment for you

- We have established procedures to ensure fair treatment between clients. For example, when executing an aggregated order for a client which is not filled, securities which are obtained are allocated fairly between clients
- We will not enter into dealing arrangements that could compromise our ability to comply with our best execution obligations
- We have a policy designed to minimise the risk of conflicts arising in situations where staff receive or provide gifts/inducements from clients or third parties
- We have a personal account dealing procedure to reduce potential conflicts in situations where staff deal for their own account
- We have internal organisational arrangements which act as information barriers controlling the disclosure of information within the firm and preventing the unauthorised release of restricted information to other areas of the firm
- We have an independence policy that requires staff to act disregarding any material interest or conflict of interest when advising a client or dealing for a client in the exercise of discretion

### 3.10 OTHER BENEFITS WE MAY RECEIVE

From time to time we may attend training events funded and /or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients. Further details are available on request.

### 3.11 RESTRICTIONS FOR US RESIDENTS AND CITIZENS

If you are a resident of the US, we cannot provide investment services to you.

## 4 DISCRETIONARY INVESTMENT MANAGEMENT

When we provide a “**Discretionary Investment Management Service**”, we will:

- Enter into an investment or other transactions (this includes buying, selling or holding investments); and
- Exercise any rights you have in relation to your investments.
- Arrange for valuation and safe custody facilities associated to the services outlined above
- Undertake other services as we may agree with you in writing from time to time
- In providing the agreed services we may undertake transactions in relation to a wide range of investments as listed in **Section 6 Investment and Risk Warnings**

### 4.1 MANAGING YOUR PORTFOLIO

We will manage your assets in a Portfolio of account(s) on a discretionary basis with a view to achieving your investment objective, subject to any restrictions in your Investment Management Agreement or which otherwise apply to the provision of our services under the Agreement. We will use reasonable endeavors to achieve the Investment Objective but will not be responsible if it is not achieved.

Subject to your Investment Management Agreement and the terms of this “**Agreement**”, you grant us full authority, at our sole discretion, without prior reference to you, to buy, sell, retain,

exchange or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers for sale of any investments and otherwise act as we judge appropriate in relation to the management and investment of your portfolio. We may make investment decisions in common for a number of client account(s) including your account(s).

You have advised us of your investment and risk profile which shapes the investment objectives. These apply to the management of your account(s) from the commencement of this “**Agreement**” and these are set out in the Investment Management Agreement completed by you. The risk category you select will apply to the overall composition of the portfolio rather than individual holdings and therefore, some lower or higher risk investments may be included in your portfolio when appropriate.

Our obligation is to ensure that any transactions are suitable for you in the context of the overall suitability of the portfolio. As the manager of your portfolio we will use all reasonable endeavors to discharge our duties to you with due skill and care. We have individual discretion over both asset allocation and individual security selection within your portfolio. The effect of this is that your portfolio and its performance will be specific to you even when compared to a portfolio with a broadly similar investment mandate.

We will agree with you in advance of the provision of our services to compare your portfolio’s performance against a range of appropriate indices or a specific benchmark. Please note that we do not guarantee to produce any particular level of performance, or any out performance of a given index or other benchmark.

Where we wish to submit an application in respect of any new issue of shares, we shall be entitled to assume that no other application will be made either by you or on your behalf unless we are notified to the contrary.

If we decide to invest in a Collective Investment Scheme for you, the return which you receive on the shares or units which we invest in for you will be subject to the costs of managing and operating the relevant Collective Investment Scheme.

In exercising our discretion, we may choose classes of shares or units which incur higher charges than others, if we think they best meet your requirements.

### 4.2 NON-DISCRETIONARY HOLDINGS

We may on occasions agree with you in writing to hold or purchase or otherwise deal with certain investments within your portfolio on a non-discretionary basis. In relation to any non-discretionary stocks held, we may, from time to time, but shall not be under any obligation to, contact you in respect of the investments in order to provide advice or information or recommend a transaction.

Where investments are undertaken or held on a non-discretionary basis, you agree that we need not advise as to whether such investment is suitable for you or in keeping with your stated objective, nor shall we be held responsible for any loss resulting from any non-discretionary investments within your portfolio.

### 4.3 DISCRETIONARY MANAGEMENT RISKS

Recognising the subjective nature of the discretionary investment management this does mean that performance will vary between clients with similar objectives. We have a core investment process to which all portfolios are managed. We monitor portfolios on a regular basis to ensure that any variations between portfolios with the same objective remain within acceptable ranges.

However, you should be aware that as a result of individual portfolio manager discretion and any investment restrictions that you may impose, you may outperform or underperform the "average" client portfolio.

### 4.4 INVESTMENT RESTRICTIONS

You may specify restrictions on our discretion. Such restrictions should be confirmed by you in writing or be noted as part of the Investment Management Agreement when entering into this Agreement.

Unless specified, there is no restriction on the amount or proportion of your portfolio which may be invested at our discretion in any one category of investment or in any one type of investment.

### 4.5 VOTING RIGHTS

As part of our discretionary management of your portfolio, we may decide to exercise or not to exercise voting rights attaching to investments held within your portfolio.

## 5 CUSTODY & EXECUTION ONLY SERVICE & UNADVISED TRANSACTIONS

When we provide a "Custody and Execution Only Service", where we enter into an investment or other transaction (this includes buying, selling or holding investments) on your instruction where we have not advised you on that transaction, this will be on an execution-only basis. This means that:

- We are not obliged to ensure the transaction is suitable for you.
- You must ensure that you have obtained appropriate information to enable you to make an independent assessment of each and every transaction.
- Any such transactions entered into by you are based on your own judgement and not on any representations, trading suggestions, recommendations, research or information you may have received from us.
- We do not accept responsibility on a continuing basis for advising on the composition of your account(s) or portfolio. We are under no duty to monitor or notify you of movements in your account.
- You will not benefit from any protection accorded to Retail Clients by the Regulatory Requirements relating to the suitability of the transaction for you;

In addition, we do not take any financial responsibility for transactions we undertake for you on an execution-only basis. This means that:

- We will not be liable if any transaction we effect for you results in an overdraft, uncovered position or other unfunded liability, or borrowing against assets in your

account(s), or is not fully covered by the security you have provided;

- You remain responsible for any transactions undertaken for you before the date our relationship is terminated until final settlement.

### 5.1 TIMING OF INSTRUCTIONS

Instructions can only be processed during the normal business and market hours. This means that your instructions may not always be processed as soon as we receive them.

We will not be liable for any Losses that you incur if we are asked by the market to cancel any dealings in the relevant stock after we have placed an order on your behalf.

### 5.2 EXECUTING TRANSACTIONS FOR YOU

If we undertake transactions for you, we will (unless we have indicated or agreed otherwise) be required to provide best execution, and, in doing so, we will comply with our own and our "Platform Provider" and "Custodian" Best Execution Policy, which we/they may amend from time to time.

When we process any transaction on your behalf, you authorise "Platform Provider" and "Custodian" to:

- Arrange transactions for you through those markets and exchanges and with or through any counterparties, including third party brokers, as they reasonably think fit;
- Take, or omit to take, steps (including refusing to place an order) which they reasonably believe necessary to comply with market practices or rules and Regulatory Requirements;
- Negotiate and execute contracts with third parties which they reasonably consider to be necessary.

If the service, you have selected permits you to give specific dealing instructions and our "Platform Provider" and "Custodian" agree to execute in accordance with those instructions:

- It may not be possible for them to obtain the best result that would otherwise be available to you at the time of dealing using their own dealing process; and
- The dealing terms you receive may be adversely affected.

We and our "Platform Provider" and "Custodian" may refuse to act on any instruction or, as applicable, carry out any part of a transaction where:

- Your Account does not hold sufficient cleared Funds, Securities or credit limits or other permitted collateral to satisfy all obligations, whether present, future or contingent in relation to that instruction or transaction; or
- To do so would result in an unauthorised overdraft, uncovered position or other unfunded liability, or borrowing against assets in your account,
- Our "Platform Provider" and "Custodian" may reverse and settle such transactions at your risk. You accept full liability for any resulting losses.

You must promptly give us any instructions which we may require. If you do not give us prompt instructions, or we are unable to contact you, we may, at our reasonable discretion, take such steps as we reasonably consider necessary or reasonable on your behalf or for our own protection.

When our **“Platform Provider”** and **“Custodian”** executes an order for you, they will consider a number of factors in deciding where to route your order for execution. These factors include the total consideration payable (taking account of applicable costs), yield, speed of execution, likelihood of execution and settlement, the size and nature of your order and any potential market impact that may be caused by executing your order. Our **“Platform Provider”** and **“Custodian”** will generally execute transactions based on the consideration identified and available to them at the point of dealing, unless there is a reason why it is not in your best interests to do so.

You agree that:

- The relative importance of the execution factors may vary from transaction to transaction depending on the circumstances of the trade and the prevailing market conditions;
- When our **“Platform Provider”** and **“Custodian”** execute your transactions via our Electronic dealing systems, they may poll different brokers to identify the best available terms; and
- If an order cannot be executed automatically, it will be dealt manually by their dealing professionals, who will consider the circumstances of each deal and decide on the appropriate course of action. This may include the prioritisation of another execution factor (such as speed or certainty of execution among others) over the best market price when it is in your best interests to do so.

## 6 INVESTMENT AND RISK WARNINGS

### 6.1 GENERAL RISKS

#### 6.1.1 VOLATILITY OF RETURNS

The value of investments and the amount of income derived from them may go down as well as up. All investments can be affected by a variety of factors, including macro-economic market conditions such as the interest or exchange rate environment, or other general political factors, in addition to more company or investment specific factors.

#### 6.1.2 LIQUIDITY AND NON-READILY REALISABLE SECURITIES

Some investments may be very illiquid, meaning that they are infrequently traded, and hence it may be difficult to sell them on within a reasonable timeframe or at a price which reflects “fair” value. In extreme cases an investment may be non-readily realisable. In this case there may be no secondary market available, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

#### 6.1.3 INVESTMENT LEVERAGE, OR GEARING

Use of borrowing to invest increases both the volatility and the risk of an investment. This applies if a company has significant borrowings, or if an investment vehicle otherwise allows an investor to gain much greater economic exposure to an asset than is paid for at the point of purchase. It also applies if an investor borrows money for the specific purpose of investing. The impact of leverage can be as follows:

- Movements in the price of an investment leads to much greater volatility in the value of the leveraged position, and this could lead to sudden and large falls in value;
- The impact of interest costs could lead to an increase in any rate of return required to break even; or
- A client may receive back nothing at all if there are significantly large falls in the value of the investment.

#### 6.1.4 FOREIGN EXCHANGE

Investments denominated in foreign currencies open up additional risks related to the relevant exchange rate. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner.

#### 6.1.5 LEGAL OBLIGATIONS AND TAX AFFAIRS

You have sole responsibility for the management of your legal obligations and tax affairs including making any applicable filings and payments and complying with any applicable laws and regulations. We have not and will not provide you with tax or legal advice and we recommend that you obtain your own independent tax and legal advice tailored to your individual circumstances. The tax treatment of investment products can be complex, and the level and basis of taxation may alter during the term of any product. Prospective investors should therefore obtain professional tax advice appropriate to their own circumstances before investing.

### 6.2 RANGE OF INVESTMENTS

This schedule contains important information on the range of investments we may consider transacting and holding on your behalf as part of the management of your accounts or portfolio, along with risks associated with some of the investments.

#### 6.2.1 GENERAL INVESTMENTS

- Shares in British and foreign companies (including unlisted or unquoted shares), debenture stock, monies, currencies and loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues, Eurobonds, fixed interest and other securities denominated in any currency, Treasury Bills and other money market instruments (referred to collectively as ‘core investments’)
- Warrants to subscribe for relevant core investments
- Depository receipts or other types of instrument relating to core investments and warrants
- Unit trusts, open ended investment companies, mutual funds and other collective investment schemes in the UK and elsewhere, including non-mainstream pooled investments (NMPI) which include unregulated collective investment schemes
- Exchange Traded Products (ETPs)
- Individual hedge funds and funds of hedge funds
- Venture capital and private equity schemes denominated in any currency
- Precious metals, commodities, bullion and gold coin
- All other securities/investments of any type

## 6.2.2 STRUCTURED PRODUCTS

Where we think appropriate, we may invest in structured products, including structured capital at risk products.

Structured products cover a variety of investment structures but in broad terms (without limiting our discretion in any way) a structured product is an investment which packages two (or more) products into one offering and derives its value based on the return or partial return of one or both products.

## 6.3 RISKS APPLICABLE TO CERTAIN INVESTMENTS

### 6.3.1 MONEY MARKET AND RELATED INVESTMENTS

With regard to investments in cash and cash instruments, UK government bonds, sterling and foreign currency denominated corporate issues and interest-paying instruments such as convertible securities you should bear in mind the following specific risks:

- The risk of default
- Capital erosion in real terms over time due to the effects of inflation
- The value of fixed income securities may fall as well as rise due to market movements
- Where investments in foreign currency denominated instruments are concerned, foreign exchange rates may move in an unfavourable direction adversely affecting the value of investments in base currency terms
- In the event of default, if compensation is available it may not cover the full amount of the deposit

### 6.3.2 DEBT SECURITIES AND FIXED INCOME FUNDS

The value of debt investments (or "bonds") can generally be expected to be more stable than that of equity investments. However, in some circumstances, particularly when interest rate expectations are changing, the value of most bonds is also volatile. The most common use of a bond is to provide a reliable yield, or source of income until maturity. For example, the value of a bond can be adversely affected by a number of factors, such as:

- The issuer's credit rating, which reflects their ability to repay the amounts payable when they fall due;
- The market expectations about future interest and inflation rates;
- amount of interest payable (the coupon);
- The length of time until the debt falls due for repayment; or
- The seniority of a bond within the capital structure of a company, and the quality of any security available.

The factors which are likely to have a major impact on the value of a bond are the perceived financial position of the issuer and changes to market interest rate expectations. Bonds issued by major governments or supranational bodies tend to be lower risk investments, while the risks of other debt securities (such as those with emerging market or corporate issuers) can vary greatly. For example, if an issuer is in financial difficulty, there is an increased risk that they may default on their repayment obligations. In this event, little or no capital may be recovered, and any amounts repaid may take a significant amount of time to obtain.

## 6.3.3 EQUITY SECURITIES AND EQUITY FUNDS

Ownership of an equity security represents a direct stake in the company concerned. Such an investment will participate fully in the economic risk of the company and its value can therefore fall as well as rise.

With regard to investment in equities you should bear in mind the following specific risks:

- Equity markets may fall in value
- Dividend growth is not guaranteed, nor are investee companies obliged to pay a dividend
- Companies may go bankrupt rendering the original equity investment valueless
- Individual equity prices can go down as well as up
- Corporate earnings and financial markets can be volatile
- Where investments in overseas companies are concerned, foreign exchange rates may move in an unfavourable direction adversely affecting the valuation of investments in currency terms

The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends. In adverse market conditions, irrecoverable capital losses could be incurred.

In the worst case, a company could fail and, if this happens, its equity can become worthless. Equity securities are commonly used by investors seeking longer term capital growth.

Examples of typical company characteristics which could heighten equity investment risks are:

- a low market capitalisation;
- a product set that is undiversified or reliance on single markets as a major source of income;
- A significant reliance on borrowing as a source of finance;
- A significant level of fixed costs to pay, irrespective of output, production or turnover levels;
- Major income sources which are seasonal or "cyclical" in nature; and
- Companies trading primarily in emerging markets, particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

The equity of some smaller companies may trade in very small sums per share, and an investment into this kind of equity will usually involve a proportionately large difference between the market buying and selling price. The effect of this difference means that an immediate sale may realise significant losses.

Other smaller companies may not be subject to the rules of a listing authority. Such companies are likely to be high risk ventures and may have an unproven trading history or management team. These equity shares may not be readily sold, and it could be difficult to realise or to value them independently due to the lack of a secondary trading market.

The risks involved in equity investment can often be managed through investment via diversified investment vehicles, or by investing directly in a wide range of different companies, industries, countries and currencies.

### 6.3.4 INVESTMENT TRUSTS

The investment trusts we select may use a strategy known as gearing to potentially enhance the return of the trust. This is often

a most effective strategy, but it is not without risk, and it is these risks that we wish to draw to your attention:

- Movements in the price of the securities may be more volatile than the movements in the price of underlying investments;
- The investment may be subject to sudden and large falls in value; and
- You may get nothing back at all if there is a sufficiently large fall in value in the investment.

### 6.3.5 COLLECTIVE INVESTMENT SCHEMES

Investments in collective investment schemes are made with a view to increasing the range of investments available to you thereby enhancing the scope for investment returns whilst at the same time providing diversity to reduce risk. Collective investment schemes will generally not be managed by us or an associate, but we select collective investment schemes on the back of detailed research to ensure suitability for your profile and quality of underlying managers. The performance of collective investment schemes invested in is subject to periodic review.

### 6.3.6 NON-MAINSTREAM POOLED INVESTMENTS (INCLUDING UNREGULATED COLLECTIVE INVESTMENT SCHEMES)

Certain non-mainstream pooled investments (NMPI) including unregulated collective investment schemes (UCIS) that we invest in are unregulated e.g. not subject to authorisation by the FCA and their constitution and operating characteristics are not subject to independent scrutiny by a regulator. Typically, they tend to be higher risk. Our due diligence procedures are aimed at ensuring that NMPI schemes we invest in meet high standards in their constitutional and operating characteristics and indeed management. However, you should be aware that if a particular NMPI scheme should fail, you may have no recourse to the Financial Services Compensation Scheme (FSCS) in relation to that particular scheme.

### 6.3.7 WARRANTS

Warrants will not be purchased by us as investments in their own right, but may be allotted as a right or entitlement in respect of investments held in your portfolio. A warrant is a time-limited right to subscribe for shares, debentures, and loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant.

### 6.3.8 HEDGE FUNDS

Hedge Funds differ from traditional collective investment schemes in their ability to utilise an unrestricted number of and often speculative investment techniques, including short-selling, options and derivatives, to enhance performance

Investments undertaken by hedge funds may be narrowly based around a specific type of asset or trading strategy, and the returns experienced by investors in these funds may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used in any hedge fund prior to investment.

The type of strategies and investments envisaged by a hedge fund will be a key determinant of how risky the investment will be. Strategies may range from lower risk absolute return funds up to high risk or speculative funds which make use of extensive leverage in an attempt to make maximum gain from their investment strategy.

Common hedge fund structures involve a combination of entities, of varying legal form, located in a mixture of onshore major financial centres and offshore low tax and light touch regulatory regimes. The optimal location and form of each entity within the structure is frequently determined according to factors such as tax efficiency, proximity to major markets and appropriate regulatory regime.

### 6.3.9 PRIVATE EQUITY AND PRIVATE EQUITY FUNDS

Private equity funds commonly invest in any form of equity or company that is not openly traded via a public investment exchange. The companies concerned will therefore raise finance privately and will not be subject to stringent listing rules or filing requirements as a result. This factor means that private equity funds may invest in a wide range of unlisted companies. They may be small start-up companies with little or no proven track record and range up to firms which are of a significant size with a long and established trading history. A number of attributes of private equity investment give rise to unique risk factors such as:

- Non-transferable investments, or a long "lock up" period during which the investment cannot be sold. Even if a buyer is found, it may not be possible to sell and any sale which is permitted may not occur at a price which reflects fair value;
- The committed capital may be drawn down during a capital commitment period. Investors must be capable of making payments to satisfy the capital calls made throughout the commitment period;
- A focused portfolio of investments, which could lead to exposure to an undiversified economic exposure to the underlying assets;
- Possible use of significant leverage or borrowing, which amplifies possible risks;
- A possible lack of scrutiny or accountability of management to shareholders for decisions they make; and
- Distributions are generally made in cash, however if a fund is unable to sell its interest in a private company, it may distribute minority interests in these companies to fund investors.

It is important that you are familiar with the terms of, and risks associated with, any fund that you invest in.

### 6.3.10 ILLIQUID INVESTMENTS

We may purchase securities in respect of which there is no recognised market. It may therefore be difficult to deal in any such investment or to obtain reliable information about its value or the extent of the risks to which it is exposed. The investment trusts we select may use a strategy known as gearing to potentially enhance the return of the trust. This is often a most effective strategy, but it is not without risk, and it is these risks that we wish to draw to your attention:

- Movements in the price of the securities may be more volatile than the movements in the price of underlying investments;

- The investment may be subject to sudden and large falls in value; and
- You may get nothing back at all if there is a sufficiently large fall in value in the investment.

#### 6.3.11 STRUCTURED PRODUCTS

These are usually share-based investments from banking, insurance or investment management firms and can offer attractive returns. A structured product is a bespoke investment vehicle that offers a combination of an element of capital protection with a degree of participation in the return from a volatile underlying asset. You should however bear in mind the following risks:

- The return of initial capital invested at the end of the investment period is not guaranteed and, therefore, you may get back less than what was originally invested;
- The amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount repaid to you;
- The maximum benefit achievable is only available after a set period;
- Early redemption may result in redemption penalties and a poor return;
- The initial capital invested may be placed into high risk investments, such as non-investment grade bonds;
- The rate of income or growth may depend on specified conditions being met;
- You should not allow us to enter into such a transaction unless you are prepared to lose some or all of the money invested.

Please contact us if you have any doubts about the suitability of any investments within your own portfolio. We will be pleased to discuss your concerns and to provide further information about investments that we may select, upon request.

#### 6.3.12 COMMODITIES LINKED PRODUCTS

Commodity based investments may be impacted by a variety of political, economic, environmental and seasonal factors. These relate to real world issues that affect either demand or the available supply of the commodity in question. Their value can fall as well as rise, and in some cases.

Investment into commodities is often achieved either via a structured product over a commodities index or basket of different commodities, or by using a commodity derivative. Please refer to the risk disclosures for each of these products for further information.

#### 6.3.13 PROPERTY OR PROPERTY DEVELOPMENT FUNDS

Investment in real property or property funds involves a number of risks particular to this class of asset. Notably fixed property is immovable and might not be easy to sell or to value independently. As a result of the illiquid nature of property it may take time to realise any investment made even when participating in a property fund. There is no guarantee that the underlying properties will remain occupied, or that they might not incur significant maintenance or restoration costs which may affect the returns available. All property is subject to local risks which may be unique in nature, which may be caused by factors

such as the prevailing legal, economic, environmental or political circumstances.

Investors in property development funds face additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or tenanted at the intended cost or timeframe.

Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business.

Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

In order to maintain fairness and equity between unitholders remaining in and unitholders leaving a fund, in exceptional circumstances, there may be delay to switching or encashing all or part of unit holding in the funds for typically up to one month or, in the case of units of a fund which invests directly or indirectly in buildings or land, for up to six months. If there is delay, the switch or encashment will generally use the unit prices that apply on the day on which the switch actually takes place.

## 6.4 STABILISATION RISK WARNING

Unless the Agreement states otherwise, we may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- To be consulted before we carry out any such transaction on your behalf; or
- To authorise us to carry out any such transaction on your behalf without first having to consult you.

### 6.4.1 WHAT IS STABILISATION?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

Stabilisation can help to counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a “**stabilisation manager**” (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation.

### 6.4.2 THE STABILISATION RULES:

- Limit the period when a stabilising manager may stabilise a new issue;

- Fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- Require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, or of the price at which they are prepared to buy the securities.

## 7 YOUR PERSONAL INFORMATION

To provide our services properly, Tacit Investment Management need to collect information about your personal and financial circumstances. We take your privacy seriously and will only use your personal information to deliver our services.

Processing of your personal data is necessary for the performance of our contract for services with you and in meeting our obligations to preventing money laundering or terrorist financing. Generally, this is the lawful basis on which we intend to rely for the processing of your data. We will undertake a search with a Credit Reference Agency for the purposes of verifying your identity. To do so the Credit Reference Agency may check the details we supply against any particulars on any database (public or otherwise) to which they have access. They may also use your details in the future to assist other companies for verification purposes. (Please see the reference to special categories of data below). Our policy is to gather and process only that personal data which is necessary for us to conduct our services appropriately with you and to prevent money laundering or terrorist financing.

We adopt a transparent approach to the processing of your personal data. Sometimes, we may need to pass your personal information to other organisations. For example, should you appoint a Financial Adviser, we may share information about you to ensure we have the necessary information to perform our contract of services with you.

We may engage the services of third-party providers of professional services in order to enhance the service we provide to you. These parties may also need to process your personal data in the performance of their contract with us. Your personal information may be transferred electronically (e.g. by email or over the internet) and we, or any relevant third party, may contact you in future by what we believe to be the most appropriate means of communication at the time (e.g. telephone/ email /letter etc.).

The organisations to whom we may pass your details also have their own obligations to deal with your personal information appropriately. Sometimes a product or service may be administered from a country outside Europe. If this is the case, the firm must put a contract in place to ensure that your information is adequately protected.

We will issue you with our Privacy Notice. This is a separate document which provides more information about the nature of our personal data processing activities and includes details of our retention and deletion policies as well as your rights of access to the personal information that we hold on you.

As part of this agreement we will ask you to consent to the transfer of personal information in accordance with the protections outlined above.

Special categories of personal data: there are certain categories of personal data that are sensitive by nature. The categories

include data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership and data concerning health. Depending on the nature of the products and services that you engage us for we may need to obtain your sensitive personal data particularly in relation to health. Our policy is that should we require any special category of personal data we will only gather this with your explicit consent.

If you are concerned about any aspect of our privacy arrangements, please speak to us.

## APPENDIX 1: AJ BELL SECURITIES LTD CUSTOMER TERMS OF BUSINESS

### 1. RELATIONSHIP WITH AJ BELL SECURITIES

- 1.1 TIML Limited (registered number 09228395) whose registered office is 31 Southampton Row, London WC1B 5HJ, trading as Tacit Investment Management ("Tacit") have entered into an agreement (**Agreement**) with AJ Bell Securities Limited (**AJ Bell**), under which AJ Bell has agreed to provide clearing and settlement, safe custody and associated services (**Services**) for Tacit clients. By accepting these terms and conditions (**Terms**), you agree to AJ Bell providing the Services to you on the terms set out below and enter into a contractual relationship with AJ Bell.
- 1.2 AJ Bell is incorporated in England (company number 02723420). Its registered office is at 4 Exchange Quay, Salford Quays, Manchester M5 3EE and it is authorised and regulated (FRN:155593) by the Financial Conduct Authority whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS.
- 1.3 Words that are capitalised have a specific meaning as set out in clause 25 (Definitions) at the end of these Terms.
- 1.4 By entering into this Agreement with us and as a client of Tacit you:
- 1.4.1 accept these Terms and agree that you are bound by them;
  - 1.4.2 authorise Tacit to give instructions and provide information and documentation, including your money laundering documents, to AJ Bell and confirm that AJ Bell is entitled to rely on those instructions and/or that information; and
  - 1.4.3 authorise AJ Bell to hold cash and investments on your behalf and to transfer cash or investments from your account to meet your settlement or other obligations to AJ Bell and your obligations to us.
- 1.5 Tacit remain solely responsible for:
- 1.5.1 instructing orders in investments, assessing the suitability or appropriateness of transactions and investments, providing pre-contractual disclosure of costs and charges and where applicable providing any investment advice to you. AJ Bell is not responsible or liable for these activities and does not provide investment advice or any assessment of suitability or appropriateness;
  - 1.5.2 undertaking all enquiries required by the FCA Rules, or otherwise that are reasonably necessary to enable AJ Bell to provide the Services, including establishing your financial standing, investment objectives (including whether an investment or Product is appropriate or suitable for you) and any other necessary or relevant fact or matter; and
  - 1.5.3 the conduct and supervision of all dealings with you, including:
    - (i) complying with the FCA Rules and Stock Exchange Rules;
    - (ii) establishing your Customer Account;
    - (iii) verifying your identity and carrying out ongoing verification;
    - (iv) the completion of all account opening documentation;
    - (v) issuing of terms of business;
    - (vi) managing categorisation and monitoring the frequency of dealing;
    - (vii) ensuring that all Customer Output is complete and accurate before it is sent to you;
    - (viii) handling complaints in accordance with FCA Rules;
    - (ix) maintaining all records relating to you;
    - (x) verifying the authenticity of all information and instructions given by you;
    - (xi) managing financial arrangements with you; and
    - (xii) checking the authenticity of all documents of title relating to investments and all incidental matters.
- 1.6 AJ Bell will categorise you as a retail client under the FCA Rules. This gives you the highest level of protection.
- 1.7 AJ Bell may engage agents, sub-contractors or third parties to provide services. AJ Bell will exercise reasonable skill and care when selecting, monitoring and periodically reviewing any such agents, sub-contractors or third parties it engages but will not otherwise be responsible for their default or other acts or omissions unless they are an Associate of AJ Bell.

### 2. CAPACITY

- 2.1 Where you are joint account holders or trustees of a trust or partners of a partnership, you shall be jointly and severally liable to AJ Bell and AJ Bell shall be entitled to discharge any obligation to make a payment to all account holders by paying any one or more of you.
- 2.2 Where you are a company, limited liability partnership or unincorporated association, you will be treated as the client and your directors (if you are a company) or members (if you are a limited liability partnership) or participants (if you are an unincorporated association) shall (if they have assumed personal liability to us) also be personally liable to AJ Bell for your liabilities and obligations under these Terms;
- 2.3 Where you are the intermediary or agent of an indirect customer, before your account is opened by AJ Bell, Tacit will agree with you whether you or the indirect customer is treated as the client. If you are not treated as the client, you shall be jointly and severally liable to AJ Bell for the liabilities and obligations of the indirect customer under these Terms.

### **3. GIVING INSTRUCTIONS TO AJ BELL**

- 3.1 AJ Bell will only accept instructions concerning your Customer Account(s) from Tait and not directly from you, unless AJ Bell contacts you directly to obtain instructions. You should direct all enquiries regarding your Customer Account to Tacit and not to AJ Bell. However, AJ Bell may contact you directly to obtain instructions or information.
- 3.2 AJ Bell shall be entitled to rely and act upon any instruction, which it believes in good faith Tacit or our agents have given.
- 3.3 AJ Bell reserves the right to take such action as it considers appropriate if Tacit do not respond to a request from AJ Bell within a reasonable time.
- 3.4 AJ Bell does not accept responsibility for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside its reasonable control.
- 3.5 AJ Bell may at its absolute discretion and without notice or compensation refuse to accept any order or other instruction for your Customer Account(s) where doing so may cause it to be in breach of any Regulatory Requirement.

### **4. ACCOUNTS**

- 4.1 AJ Bell shall open a Customer Account for you once Tait have given AJ Bell such information as AJ Bell reasonably requires for that purpose.
- 4.2 AJ Bell reserves the right at its absolute discretion without notice or compensation to decline to provide the Services.
- 4.3 AJ Bell shall upon receipt of a valid instruction from Tacit act on our instruction in relation to the operation of your Customer Account (including (without limitation) moving monies between Customer Account ledgers) provided that doing so does not render AJ Bell in breach of a Regulatory Requirement.
- 4.4 AJ Bell shall be entitled to rely on any instruction Tacit give AJ Bell to transfer or allocate money or assets to a specific Customer Account, without carrying out any checks to ensure that the specified Customer Account is the correct Customer Account.
- 4.5 Save in exceptional circumstances, AJ Bell will only make payments to you to the bank account that Tacit notify to AJ Bell. AJ Bell can make payments due to you by cheque or by any appropriate electronic method available to it.
- 4.6 If AJ Bell receives a valid instruction from Tacit in a format acceptable to AJ Bell and if there is Withdrawable Cash in your Customer Account, AJ Bell will operate a standing order for the payment of monies to you from your Customer Account and an ad hoc payments facility.
- 4.7 You are responsible for dealing with your tax affairs, including completing and submitting any applicable tax returns. You are also responsible for checking that any information AJ Bell provides about your investments which is used for the purposes of completing any tax returns (e.g. details of dividend receipts and capital gains) is accurate and complete. Investment income received or gains made may be subject to tax. It is your responsibility to report this information to HMRC and to pay any tax liability that arises. AJ Bell is not responsible for any personal tax liability you may have in relation to your Customer Account.

### **5. USE OF THE CUSTOMER WEBSITE**

- 5.1 In the event that AJ Bell provides Customer Web as part of the Services available to you, the following provisions of this clause 5 shall apply.
- 5.2 AJ Bell will provide Tacit with a username and password for you to access the Customer Web to enable you to view your investments but this is strictly subject to the limits on liability set out in clause 5.5 below.
- 5.3 You must keep your username and password safe and confidential and notify Tacit immediately if they are lost or compromised.
- 5.4 You are entitled to download or print individual sections of the Customer Web and information from linked websites but only for your personal use and you must not alter any copyright or proprietary notices. You are not permitted to reproduce or distribute any such material. AJ Bell is not responsible for the accuracy of any information which is made available on any linked websites.
- 5.5 AJ Bell does not guarantee the adequacy, accuracy, timeliness or completeness of, or accept (to the maximum extent permitted by law) liability for the failure, interruption, delay or defect in the Data Services, which includes pricing data, as they are provided to AJ Bell by a third party on a without liability basis, except where any inaccuracy in the information on the Customer Web is a direct result of the negligence of AJ Bell.
- 5.6 We are responsible for the provision of all third-party data or information feeds, electronic links to third party-systems and other similar services used in connection with the provision of the Services except for any Data Services.
- 5.7 You may experience occasional interruption to the Customer Web as a result of routine or non-routine maintenance, upgrade of the website, failure of or disruption to the internet or in extreme market conditions or due to systems failure or malfunction. The Customer Web may not support your browser or be fully compatible with your computer.
- 5.8 AJ Bell are not responsible or liable for any delay or failure to perform the Services arising from or relating to the absence, failure or disruption of any computer hardware or software or any connection between us and AJ Bell.
- 5.9 AJ Bell shall be entitled as it sees fit at any time without notice to make alterations of any nature to the Customer Web if in its reasonable opinion doing so would not be materially detrimental to the Services.
- 5.10 You will have view-only access to the Customer Web and will not be able to use it for any other purposes.

### **6. DEALING AND SETTLEMENT**

#### **Dealing**

- 6.1 AJ Bell will execute Orders in accordance with Tacit's instructions and for this purpose Tacit, rather than you, will be AJ Bell's client.
- 6.2 AJ Bell is required to report certain information about you and the Orders Tacit place for you to the FCA. AJ Bell will ask us for that information before AJ Bell executes any Order Tacit place for you and may not be able to accept the Order until Tacit have supplied it. AJ Bell will not be responsible for any related delay in the placing of an Order for you. It will be Tacit's responsibility to obtain that information from you.

- 6.3 When executing an Order, AJ Bell acts as your agent which means that you are entering into a contract for the sale or purchase of the relevant investment directly with the buyer or seller and not with AJ Bell.
- 6.4 On the day on which Tacit place an Order if it is a:
- 6.4.1 Buy Order:
- (a) for a Forward Priced Investment, that is placed:
- (i) as an investment of a specific amount of cash, other than a Pre-paid Investment, AJ Bell will denote it as a pending transaction in your Customer Account and earmark the amount of cash required to complete the purchase in your Customer Account (on the basis of the most recent price available to AJ Bell for the investment) so that it cannot be used any other purpose; or
- (ii) for the purchase of a fixed number of units, AJ Bell will earmark the amount of cash required to complete the purchase in your Customer Account (on the basis of the most recent price available to AJ Bell for the investment) but,
- in each case, AJ Bell will only deduct the amount of cash required to complete the purchase from your Customer Account and add details of the investments purchased to your Customer Account once the Order has been executed; or
- (b) for a Pre-paid Investment, AJ Bell will denote it as a pending transaction in your Customer Account but will continue to show the amount of cash specified in the Order in your Customer Account until AJ Bell receive the contract note from the investment provider after the Order has been executed, at which time AJ Bell will add details of the investment to your Customer Account and remove the cash. Notwithstanding that the amount of the cash specified in the Order will still be shown in your Customer Account until receipt of the contract note, it will not be available for use for any other purpose as AJ Bell will pay the cash to the investment provider when the Order is submitted to enable the purchase to be completed; or
- (c) for any other type of investment, AJ Bell will deduct the amount of cash required to complete the purchase from your Customer Account and will add details of the investments purchased to your Customer Account;
- 6.4.2 Sell Order:
- (a) for a Forward Priced Investment, that is placed:
- (i) as the sale of sufficient investments to realise a specific amount of cash, AJ Bell will earmark the number of units of the investment being sold in your Customer Account (on the basis of the most recent price available to AJ Bell for the investment) required to realise that amount of cash, so that they cannot be dealt with in any other way; or
- (ii) for the sale of a fixed number of units, AJ Bell will earmark that number of units in your Customer Account so that they cannot be dealt with in any other way but,
- in each case, AJ Bell will only remove the investments being sold from your Customer Account and add the amount of the sale proceeds to your Customer Account, once the Order has been executed; or
- (b) for any other type of Investment, AJ Bell will remove the investments being sold from your Customer Account and will add the amount of the sale proceeds to your Customer Account,
- but please refer to clause 6.17 below for details of the circumstances in which AJ Bell may reverse those transaction entries.
- 6.5 You are not entitled to receive any cash or investments that may be due in respect of an Order until your obligations in relation to that Order have been fully performed. We will not instruct AJ Bell and AJ Bell shall be entitled to refuse to execute any Order for you if at the time you are in default of any payment or delivery obligation owed to us or AJ Bell or if Tacit or AJ Bell have reason to believe that you will be unable or unwilling to settle the Order once executed.
- 6.6 All instructions Tacit give to AJ Bell to execute an Order on your behalf will be given in accordance with AJ Bell's procedures and executed in accordance with AJ Bell's execution policy at the time, a copy of which is available upon request. Once an Order has been accepted for immediate execution by AJ Bell, it may only be amended or withdrawn with the agreement of AJ Bell.
- 6.7 AJ Bell may (in its absolute discretion) decline to accept any Order or instruction from Tacit or, having accepted it, refuse to act on it, if AJ Bell reasonably believes that the Order or instruction concerned (or the consequences of it) is improper, unlawful or would (if executed) expose AJ Bell, Tacit or you to financial or other risk. AJ Bell will not accept Orders for futures, options, contracts for differences and spread betting (as those terms are defined in the FCA Rules).
- 6.8 AJ Bell may aggregate your Order with its own orders, orders of connected persons and orders of other clients and customers. AJ Bell will only aggregate your Order if the conditions set out in the relevant FCA Rules are met, namely, that it would be unlikely that the aggregation of orders and transactions will work overall to your disadvantage.
- 6.9 Following the execution of any Order on your behalf, AJ Bell will generate and send Tacit a contract note for that transaction. We are responsible for sending the contract note to you. The terms of any contract note will be conclusive and binding, unless AJ Bell is notified in writing by Tacit of any disagreement immediately and, in any event, by close of business on the next following Business Day after Tacit receive it. All Orders will be settled in accordance with the terms of the contract note.
- Settlement**
- 6.10 The date on which the settlement of an Order is due to take place is known as the intended settlement date (**Intended Settlement Date**). In the case of a Sell Order, this is when AJ Bell will normally receive the sale proceeds. In the case of a Buy Order, this is when AJ Bell will normally receive the investments.
- 6.11 Details of the Intended Settlement Date will be set out in the contract note. For most investments, other than Pre-paid Investments, settlement will take place between one and five Business Days after the Order is executed.
- 6.12 The date on which the settlement of an Order actually takes place is known as the actual settlement date (**Actual Settlement Date**). This may differ from the Intended Settlement Date.

- 6.12.1 You will be exposed to the risk of an Order not settling until such time as actual settlement takes place.
- 6.12.2 In some cases there may be delays in settlement which mean that it does not take place by the Intended Settlement Date. For example, as a result of the failure of the other party to the Order to comply with their obligations in a timely manner.
- 6.12.3 If there is a delay in settlement, AJ Bell will continue to use reasonable endeavours to settle the Order for you, unless there is a Settlement Failure (please refer to clause 6.17 below). Notwithstanding that settlement may be delayed, you will remain bound by the Order.
- 6.12.4 AJ Bell are not responsible for any delay in settlement as a result of circumstances which are beyond AJ Bell's reasonable control or for the failure of any other person, including the buyer or seller with whom AJ Bell have placed the Order on your behalf, to do what is necessary in order for settlement to take place.
- 6.12.5 In some circumstances it may not be possible to settle an Order (**Settlement Failure**). For example, as a result of the failure of the other party to the Order to comply with their obligations. If there is a Settlement Failure, AJ Bell will notify Tacit and provide us with details of your options. We will be responsible for informing you of the Settlement Failure and your available options.
- 6.12.6 If for any reason (except as a consequence of AJ Bell's wilful default, fraud or negligence) AJ Bell reasonably considers that there will be a Settlement Failure, AJ Bell may reverse the transaction entries made in your Customer Account in accordance with clause 6.4 above. AJ Bell will notify us of the Settlement Failure, if AJ Bell reverse any transactions. We are responsible for notifying you of the Settlement Failure.
- 6.12.7 If the other party to an Order fails to make payment or to deliver the investment, AJ Bell will not be required to make payment of the sale proceeds or deliver the investment to you.
- 6.12.8 It is only when the settlement of an Order takes place on the Actual Settlement Date that you will no longer be exposed to the risk of a Settlement Failure.
- 6.12.9 Once actual settlement has taken place, the sale proceeds will then be available for withdrawal from your Customer Account in accordance with these Terms.

## 7. YOUR MONEY AND ASSETS

### Cash Bank Accounts

- 7.1 Except as provided in clause 7.4, AJ Bell will hold money (in any currency) it receives for your account in a pooled general bank account separate from money belonging to AJ Bell with a Bank or Banks nominated by AJ Bell in accordance with the FCA Rules. To the extent permitted by the FCA Rules, AJ Bell may hold your money in a fixed term deposit or notice account. AJ Bell does this so it is able to place deposits with a wider range of Banks in order to reduce the exposure of AJ Bell's customers to the risk of a Bank failure and to obtain better interest rates on the deposits, which helps AJ Bell to keep its charges low.
- 7.2 AJ Bell placing funds on a fixed term deposit or in a notice account means that the funds cannot be withdrawn until the expiry of the relevant fixed term or notice period. This should not affect your ability to withdraw funds from your Customer Account, as AJ Bell manages the funds it hold on behalf of all of AJ Bell's customers in order to ensure that there are sufficient funds available to satisfy customer demand. In the event of AJ Bell's or a Bank's failure, it may mean that those funds are not immediately available for distribution. Please also refer to clause 7.6 below.
- 7.3 Any of your cash which is held as Client Money from time to time may, to the extent permitted by the FCA Rules, be placed on deposit with a Bank for a fixed term not exceeding 95 days or in a 95 days' notice account with a Bank.
- 7.4 If you hold an Investcentre SIPP, any contributions paid and cash transfers made into your SIPP will be held in accordance with the Investcentre SIPP terms of business. In the event of any conflict between these Terms and the Investcentre SIPP terms of business, it is the Investcentre SIPP terms that will apply. When the trustee of the Investcentre SIPP, Sippdeal Trustees Limited, holds any of the money in your Investcentre SIPP in accordance with the Investcentre SIPP terms of business it will be held in trust in a pooled bank account with a bank separate from money belonging to Sippdeal Trustees Limited. The level of protection for your money under the Financial Services Compensation Scheme will remain the same as if it had been held in accordance with clause 7.1. Further details of that compensation scheme are set out in clause 22.
- 7.5 AJ Bell will not be responsible for the default of a Bank.
- 7.6 In the event of an irreconcilable shortfall on the failure of a Bank, your claim will be for a share of the cash held in the relevant pooled accounts at that Bank so you may not get all of your money back. You may also be able to claim against the Financial Services Compensation Scheme. Further details of that scheme are set out in clause 22.
- 7.7 AJ Bell will pay interest on cleared GB pounds cash balances less any net debit on unsettled Trades in your Customer Account. If you have more than one Customer Account, interest will be paid on the cleared cash in each discrete Customer Account and not the aggregate of cleared cash balances in all your Customer Accounts. AJ Bell will not pay interest on non-GB pound cash balances.
- 7.8 Interest will be paid on your money at such rate as may be specified by AJ Bell from time to time and credited to your account at least every 3 months.

### Investment Accounts

- 7.9 Your investments will be held in a pooled account in the name of AJ Bell's Nominee or by a third-party custodian, sub-nominee or sub-custodian to AJ Bell's order.
- 7.10 AJ Bell may also appoint agents, sub-nominees and sub-custodians, to hold your investments. AJ Bell will exercise reasonable care in their selection and carry out a risk assessment in accordance with the FCA Rules. AJ Bell will be responsible for the acts and omissions of the AJ Bell Nominee but not (unless AJ Bell has acted fraudulently or willfully defaulted) of any sub-nominee, custodian, sub-custodian, securities depository, intermediate broker or agent, clearing or settlement system or participant in such a system.

- 7.11 In the event of an irreconcilable shortfall in the investments on the failure of a nominee or third party custodian, sub-nominee or sub-custodian, your claim will be for a share of the investments held by that third party in the relevant pooled accounts so you may not receive your full entitlement. An agent, sub-nominee or sub-custodian AJ Bell appoints to hold your investments may have a security interest, lien or right of set off in respect of cash and securities held in a pooled account for:
- 7.11.1 properly incurred charges and liabilities arising from the provision of custody services in respect of the assets held in that pooled account; or
- 7.11.2 that arises under the operating terms of a securities depository, securities settlement system or central counterparty in whose pooled account the custody assets are recorded or held for the purpose of facilitating the settlement of trades involving the assets held in that account.
- 7.12 AJ Bell will pay to your Customer Account all of the Trail Commission and the Platform Rebates that it receives in respect of Unit Holdings either as cash or a unit rebate in accordance with the FCA Rules.

### **Money / Investments Overseas**

- 7.13 Your money and investments may be held outside the European Economic Area (EEA). Different laws and regulations apply in such jurisdictions, which means that your rights will be different, for example on the default of a bank, nominee or a custodian.
- 7.14 Where investments are held in overseas jurisdictions, it may not be possible under national law for them to be separately identifiable from proprietary investments of the custodian which could increase the level of your risk.
- 7.15 AJ Bell may use any intermediate brokers and agents, including using intermediate brokers and agents outside the United Kingdom to execute Orders and pass money and investments held for your account to such broker or agent. In the case of intermediate brokers and agents outside the United Kingdom, the legal and regulatory regime applying to such intermediate broker or agent may be different from that of the United Kingdom and, in the event of a default of such intermediate broker or agent, such money or investments may be treated differently from the position which would apply if the money or investments were held by an intermediate broker or agent in the United Kingdom.

### **Method of payment and interest**

- 7.16 Monies paid in by BACS, FPS, CHAPS or any other electronic method may be treated as cleared monies forthwith. Monies paid in by cheque will only be available for investment once they have cleared.
- 7.17 AJ Bell shall be entitled to charge interest at 2% above the Bank of England base rate from time to time in relation to any Customer Account with a negative Tradable Cash balance.

## **8. PAYMENTS DUE TO TACIT**

- 8.1 Whenever any payment of commission, fees or charges is due to Tacit under the terms of this agreement (each a **Client Payment**), AJ Bell shall (subject to there being Withdrawable Cash in the relevant cash ledger of your Customer Account) transfer the amount due to Us from your Customer Account calculated at the rates notified by Tacit to AJ Bell from time to time. We shall be responsible for ensuring that there is Withdrawable Cash in your relevant Customer Account to make each Client Payment and for advising AJ Bell of the amount and due date for payment of a Client Payment (other than commission). We shall also be responsible for ensuring that the amount of each Client Payment is correct and that any Client Payments Tacit request AJ Bell to deduct are properly disclosed to you. AJ Bell shall be entitled to assume that the amount and due date Tacit advise AJ Bell in respect of each Client Payment are correct and that Tacit have made the requisite disclosure to you.
- 8.2 For the purpose of this clause 8, Withdrawable Cash in relation to a Client Payment payable from:
- 8.2.1 cash deposit ledgers do not include monies due from unsettled Sell Orders and are net of any sum then due to AJ Bell;
- 8.2.2 income ledgers only include cleared monies.

## **9. SECURITY AND DEFAULT**

- 9.1 You undertake to AJ Bell that either:
- 9.1.1 you will be the beneficial owner (which means that you have not sold, mortgaged, (except as permitted by the Individual Savings Account Regulations 1998 (as have subsequently been, and shall be, amended from time to time)) used as security for a loan or otherwise dealt with) of all money, investments or other assets of any nature that are transferred to or held by AJ Bell, the AJ Bell Nominee, other nominees, custodians and third parties (**Custodians**) for your account; or
- 9.1.2 the assets referred to in 9.1.1 above will be transferred to or held by the Custodians with the legal and beneficial owner's unconditional consent and will be free of such owner's interest or, in the case of a trust, the beneficial owner's interest or that of any other person entitled and, in any event, will be transferred to or held by the Custodians free and clear of any lien, charge or other encumbrance and that you will not deal with them other than in accordance with these Terms without AJ Bell's prior consent.
- 9.2 If AJ Bell does not receive cash or investments from you when due or you fail to settle any transaction on the due date (or if AJ Bell reasonably considers that you have not or are unlikely to perform your obligations under these Terms), AJ Bell may, following reasonable notice to us to allow you to meet your obligations and without prejudice to any other rights AJ Bell may have, enter into an offsetting transaction or do anything else which would or could have the effect of reducing or eliminating any liability under any transaction, position or commitment undertaken for you (providing at all times AJ Bell acts in accordance with its obligations under FCA best execution rules), including:
- 9.2.1 settling the Trade for you, although they shall be under no obligation to do so. If AJ Bell settles the Trade, Tacit have agreed to forthwith pay or transfer to AJ Bell within the timescale specified by AJ Bell, sufficient money or, as the case may be, investments to reimburse AJ Bell for any shortfall.
- 9.2.2 purchasing investments after the contracted settlement date to ensure settlement of the transaction in accordance with orderly market or exchange practice. If AJ Bell does so and the cost of purchasing the investments is greater than the amount received by AJ Bell on the settlement of the Sell Order, you shall, instead of delivering such investments to AJ Bell pay to AJ Bell an amount equal to the difference (together with any

charges or other fees or expenses due to AJ Bell) but only if you or Tacit were responsible for there being insufficient investments. In any event, AJ Bell may debit the amount received on the settlement of the Order from your account and apply such amount against the purchase or other costs or charges incurred. Any expenses AJ Bell has incurred in settling the Order prior to effecting such market purchase shall continue to be payable by you, or, in default, us, to AJ Bell;

- 9.2.3 selling or otherwise disposing of any of your investments and applying the proceeds (net of costs) in discharging or reducing your outstanding obligations; and
  - 9.2.4 applying your cash in discharging or reducing your outstanding obligations.
- 9.3 Where for whatever reason you or we have failed to pay cash or deliver securities or meet any other contractual obligations in respect of any transactions from your account, then:
- 9.3.1 until such time as you or Tacit (as appropriate) have fully discharged the relevant obligations:
  - 9.3.2 neither you nor any other person shall be entitled to receive any investments or cash AJ Bell (or its Custodian) has received for your account; and
  - 9.3.3 neither you nor any other person shall have any right, title or interest (including any charge, pledge, lien or other security interest) in or to such investments or cash AJ Bell (or its Custodian) has received for your account.
  - 9.3.4 upon AJ Bell exercising its rights under clause 9.2 above, AJ Bell shall cease to be required to account to you for any investment or cash it (or its Custodian) has received under the relevant settlement. Other than as provided in these Terms, any provision that purports to create any charge, pledge, lien or other security interest in or to investments or cash received by AJ Bell (or its Custodian) shall be dis-applied and be of no effect in relation to any such investments or cash. If the proceeds of such cash or investments are insufficient to cover the whole of your liabilities, you will remain liable to AJ Bell for the balance.
- 9.4 AJ Bell's rights contained in this clause 9 are created by way of reservation by AJ Bell under its right, title and interest in and to investments and cash received by it (or its Custodian) as being for your account and not by way of grant by you or any person; and accordingly, nothing in this clause 9 is intended to, or shall, create any charge, pledge, lien or other security interest by you or any other person in favour of AJ Bell in or to any such investments or cash. However the rights reserved to AJ Bell by this clause are cumulative with AJ Bell's rights to assert any general lien or set-off against investments, cash or other assets (including documents of a title) held by or to the order of AJ Bell for you as a continuing security for (a) all sums that become due from you or from us (so far as they relate to any transaction for your account) to AJ Bell; and (b) the performance of any other obligation owed by you or by us (in so far as it relates to any transaction for your account) to AJ Bell.
- 9.5 If you breach any of the provisions of these Terms or any Stock Exchange Rule or FCA Rule or become subject to an Insolvency Event or if AJ Bell reasonably considers that you have not performed or are unlikely to perform your obligations under these Terms or may otherwise jeopardise the position of AJ Bell in any respect, AJ Bell may, at that time or at any time thereafter, without prejudice to any other right or remedy available to it, with or without notice to us or you, suspend the provision of the Services in relation to your Customer Account(s).
- 9.6 For the purpose of clause 9.5 the actions contemplated by that clause shall be deemed to have occurred immediately before the occurrence of the Insolvency Event.

## 10. CORPORATE ACTION EVENTS

- 10.1 AJ Bell will notify Tacit of a Corporate Action Event notified to it by a company or third-party custodian as soon as is reasonably practicable after AJ Bell receives notification of it from the company or third party custodian and request Tacit's instructions within a specified period. If Tacit fail to provide instructions within the period stipulated, AJ Bell will apply the default option of the company to which the Corporate Action Event relates, save in relation to compulsory takeovers, which AJ Bell will always accept.
- 10.2 AJ Bell will notify us of Corporate Action Events via the software that AJ Bell makes available to Tacit (**System**). Tacit shall be solely responsible for monitoring the System for receipt of such notifications and informing you of Corporate Action Events. Except as is provided in clause 10.6, AJ Bell will take up or participate in such events as instructed by Us provided that such instructions are received within such time period as AJ Bell may specify and time shall be of the essence in this regard. AJ Bell shall not be liable for and Tacit and you shall indemnify and keep indemnified AJ Bell against any Loss suffered by Us or you as a result of Tacit's failure or delay in providing instructions within the time period specified by AJ Bell.
- 10.3 AJ Bell will be responsible for any Loss suffered by you as a result of the failure of AJ Bell to notify Tacit (either via the System or otherwise) of a Corporate Action Event as soon as is reasonably practicable after AJ Bell receives notification of it from the company or third party custodian.
- 10.4 All entitlements relating to investments held in pooled accounts will be allocated as far as is possible on a pro-rata basis, however, AJ Bell may if this is not possible adjust the allocation of entitlements in such a way as appears to AJ Bell to achieve a fair treatment for all participants in the pool.
- 10.5 AJ Bell shall on request provide us with the requisite documentation and/or information to enable you to exercise your right to:
- 10.5.1 vote on company resolutions; and
  - 10.5.2 attend at company meetings.
- 10.6 AJ Bell shall not:
- 10.6.1 process dividend reinvestment plans;
  - 10.6.2 provide company reports and accounts;
  - 10.6.3 pass on shareholder perks or forward correspondence from shareholder groups;
  - 10.6.4 pay and will be entitled to retain cash fractions received as a result of a Corporate Action Event;
  - 10.6.5 become involved in any shareholder interest groups.

- 10.7 If the Corporate Action Event entails the payment of cash from your Customer Account (by way of example (but without limitation) a rights issue), it is Tacit's responsibility not that of AJ Bell to ensure that there is sufficient Withdrawable Cash in your relevant Customer Account to satisfy the payment when it falls due.
- 10.8 Except as set out in clause 10.9, AJ Bell will be responsible for receiving and claiming dividends and interest payments to be credited to your Customer Account and shall apply them to your Customer Account as soon as is practicable (being not more than 10 Business Days) following receipt and (save as otherwise instructed and provided that the relevant cash ledger in the Customer Account is in the same currency) in the currency in which they are received. Notwithstanding the date that dividends are credited to your Customer Account, AJ Bell will pay interest from the date the dividend was due to be paid into your Customer Account. All dividends and interest credited to your Customer Account or paid to you will be net of any withholding tax and other deductions required to be made by AJ Bell and/or the payee in accordance with applicable Regulatory Requirements. AJ Bell will provide us with details of all such deductions required to be made by it and will pass on to us such information in relation to such deductions by others as it may receive. AJ Bell, the AJ Bell Nominee and any relevant custodian shall not be responsible for reclaiming any withholding tax and other deductions but nonetheless may do so.
- 10.9 AJ Bell only provide a Withholding Tax Service on overseas investments in selected markets and does not provide a tax reclaims services on overseas investments. We are responsible for checking whether AJ Bell provides a Withholding Tax Service before Tacit place an Order for an overseas investment.
- 10.10 Unless instructed otherwise and only if the relevant cash ledger in your relevant Customer Account is in GB pounds, AJ Bell shall carry out a foreign exchange transaction in relation to any dividend paid or Corporate Action Event payment received otherwise than in GB pounds.
- 10.11 If a Corporate Action Event is subject to restrictions on the type of investor who can participate, it is Tacit's responsibility to check that you are eligible. If you are not eligible to participate, the default option of the company to which the Corporate Action Event relates will apply.
- 10.12 As your investments are held in a pooled account, your entitlement under a Corporate Action Event may differ from what you would be entitled to receive if you held the investment directly in your own name.

## 11. LOSS AND INDEMNITY

- 11.1 As AJ Bell endeavours to provide a high standard of service to Tacit at a reasonable cost, AJ Bell limits its liability on the basis set out in these Terms. For the purposes of this clause 11, any reference to AJ Bell, includes its Associates and each of their respective directors, employees and other agents.
- 11.2 Nothing in these Terms will exclude or limit AJ Bell's liability to Tacit for:
- 11.2.1 any breach of any duty or liability under the FCA Rules;
  - 11.2.2 death or personal injury caused by AJ Bell's negligence; or
  - 11.2.3 fraud or fraudulent misrepresentation by AJ Bell.
- 11.3 Tacit will be responsible for any Loss of any kind that AJ Bell suffers or incurs as a result of supplying Tacit with the Services unless if, and to the extent that, the Loss is caused by AJ Bell.
- 11.4 Except as provided in clauses 11.2, AJ Bell will only be liable under these Terms for any Loss caused by its negligence, fraud or willful default.
- 11.5 Except as provided in clauses 11.2, neither Tacit, nor AJ Bell shall, in any event, be liable for:
- 11.5.1 any loss that is not the natural result in the usual course of things of the event that gave rise to the claim and was not likely to arise from a special circumstance which AJ Bell knew of, or should have known of, when that event took place. For example, when Tacit placed an Order; or
  - 11.5.2 loss of income, profits, the ability to invest or disinvest or wasted expenditure; or
  - 11.5.3 Loss arising from the insolvency, default, fraud, wilful default or negligence of any bank or third-party custodian which holds your cash or investments; or
  - 11.5.4 Loss arising from Tacit's or your insolvency, default, fraud, wilful default or negligence or other act or omission; or
  - 11.5.5 loss of data; or
  - 11.5.6 Loss arising from delays in processing payments made by direct debit or other electronic means; or
  - 11.5.7 Loss arising from the unauthorised use of a password resulting from your or Tacit's negligence.
- 11.6 Subject to clause 11.2, in the event of a claim for market or trading loss (including in the case of adverse price movements, any claim for loss of the ability or delay in divestment, or in the case of favourable price movements, the loss of the opportunity to or delay in investment) AJ Bell's total liability to you, arising under or in connection with these Terms shall be limited to the greater of:
- 11.6.1 £200 and the total amount of the charges you paid AJ Bell (directly or indirectly) under these Terms in the 12 months' period immediately preceding the occurrence of the event which gave rise to your claim; and
  - 11.6.2 interest on the principal amount in respect of which the loss falls due, to be calculated at 2% per year above the Bank of England base rate for the relevant period of time.
- 11.7 Save where caused by its negligence, willful default, fraud or breach of any obligation owed to you by AJ Bell under the FCA rules, you must indemnify AJ Bell and each of its directors, employees and agents against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes incurred by AJ Bell in the course or as a consequence of the provision of the Services to you which are caused by any defect in title or any fraud or forgery in relation to any investments delivered to AJ Bell by you or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.
- 11.8 AJ Bell shall not be responsible or liable for any delay in performing, or failure to perform, any of its obligations under these Terms if such delay or failure results from events, circumstances or causes beyond AJ Bell's reasonable control, including, Tacit's failure to give instructions, authority or information where the same has been properly sought or where the act or omission on AJ Bell's part arises due to an act or omission on Tacit's part, any breakdown, failure or malfunction of any telecommunications or

computer systems (internally or externally), equipment or software (used by AJ Bell or Tacit), or of any clearing system used in connection with the Services provided under the Agreement, cyber-attacks or other malicious acts of any third party, the insolvency or default of any participant in such a clearing system or the failure by any settlement bank to make, receive or debit any payment) and, in such circumstances, all and any of AJ Bell's obligations shall be suspended pending resolution of the event or state of affairs in question.

11.9 AJ Bell shall have no liability whatsoever to you for any Loss or liability or loss of profit or gain incurred or suffered by you in consequence of any exercise by AJ Bell of any right or remedy under these Terms and any purchase, sale, transaction or other action may be undertaken by AJ Bell at such price and on such terms as AJ Bell shall, in its absolute discretion, determine providing at all times AJ Bell acts in accordance with its obligations under FCA best execution rules. The resultant money balance due to or from AJ Bell will be immediately due and payable.

11.10 The provisions of this clause 11 shall continue to apply notwithstanding the fact that AJ Bell ceases to provide the Services.

## 12. CHARGES

12.1 The fees, charges or taxes payable by you in relation to the Services provided by AJ Bell are as set out in Tacit's schedule of rates and charges. AJ Bell is entitled to pay such charges out of assets and money held for you or may require you to pay them directly. You may be liable for other taxes or charges that are not imposed by AJ Bell or payable via AJ Bell.

12.2 AJ Bell may vary its charges for any of the valid reasons set out in clause 23, 'Right for AJ Bell to Amend These Terms'.

12.3 AJ Bell and its Associates shall be entitled to:

12.3.1 receive and retain the difference between the interest paid to AJ Bell and its Associates by a bank on the aggregate amount of the cash held by AJ Bell and its Associates with the bank and the interest AJ Bell pays to you; and

12.3.2 levy a charge for carrying out a foreign exchange trade if AJ Bell has to execute an Order or receives a dividend or payment in relation to any Corporate Action Event in a currency other than GB pounds, to convert the trade consideration, dividend or payment into GB pounds, details of which are available on request.

12.4 All of AJ Bell's stated fees and charges are exclusive of value added tax.

## 13. PAYMENT AND RELATED RIGHTS

13.1 Any indebtedness, liability, obligation or any sum owed by you to AJ Bell shall be enforceable by AJ Bell against Tacit as your agent.

13.2 Where the exercise of any of AJ Bell's rights requires the conversion of one currency to another, such conversion shall be carried out at the prevailing market rates available to AJ Bell at that time.

13.3 Until you or, as the case may be, Tacit have paid or discharged in full all monies and liabilities owed to AJ Bell in relation to your account, any monies from time to time outstanding to the credit of your Customer Account with AJ Bell up to the value of the outstanding amount shall not be due and payable (to the extent it would otherwise be due and payable in accordance with these Terms). You acknowledge and accept that in exercising any right or remedy pursuant to these Terms AJ Bell may be acting on its own behalf rather than executing your orders but, if it is reasonably practicable to obtain Tacit's instructions within a reasonable period, AJ Bell will seek Tacit's instructions in respect of any choice made in selecting the investments sold and must at all times act in accordance with its obligations under FCA best execution rules.

13.4 Your failure to comply with your payment, delivery or other obligations to AJ Bell on time will be a breach of these Terms.

## 14. CONFLICTS OF INTEREST

AJ Bell has adopted conflict of interest policies in accordance with the FCA's requirement for authorised firms to look after the interests of their clients, treat them fairly and manage conflicts of interest fairly. Further details are available from us on request.

## 15. DATA PROTECTION AND CONFIDENTIALITY OF INFORMATION

15.1 AJ Bell may use your personal information to provide the Services and administer your account but will only do so for that purpose.

15.2 AJ Bell will otherwise only disclose your personal information to third parties where required by Regulatory Requirements or by a Regulatory Authority.

15.3 AJ Bell will hold your information and data within the European Economic Area (EEA) except where AJ Bell is required to send this to countries outside the EEA, including the United States of America to fulfil its regulatory or tax reporting obligations. To the extent that AJ Bell is required to send your information to countries outside the EEA to fulfil its regulatory or tax reporting obligations you consent to it doing so. Some of these jurisdictions offer differing levels of protection of personal information, not all of which may be as high as the UK. However, AJ Bell will always take steps to ensure that your information is used by third parties in accordance with its data protection policy from time to time.

15.4 Subject to some exemptions and in some cases depended on how the data has been processed, you have a number of legal rights in relation to your personal information which AJ Bell holds. These include:

15.4.1 the right to access that personal information;

15.4.2 the right to rectify/erase that personal information;

15.4.3 the right to restrict the processing of your personal information by AJ Bell;

15.4.4 the right to transfer that personal information;

15.4.5 the right to object to the processing of personal information by AJ Bell;

15.4.6 the right to object to how AJ Bell uses your personal information for direct marketing purposes;

15.4.7 the right to obtain a copy of personal information safeguards used by AJ Bell for transfers outside your jurisdiction;

15.4.8 the right to lodge a complaint with the Information Commissioner's Office.

- 15.5 AJ Bell may ask you for additional information to confirm your identity and for security purposes, before disclosing the personal information requested to you. AJ Bell reserves the right to charge a fee where permitted by law, for instance if your request is manifestly unfounded or excessive.
- 15.6 To verify your identity for money laundering purposes and in connection with the provision of the Services generally AJ Bell may disclose your personal information to licensed credit reference agencies and/or fraud prevention agencies to help AJ Bell make decisions on an ongoing basis, as and when they deem it necessary in order to comply with their regulatory obligations. The credit reference agencies may record the fact that a search has been made and share the fact of the search and the results (including the information that AJ Bell provides about you) with other organisations.
- 15.7 You can exercise your rights, or request details of the credit reference and fraud prevention agencies from whom AJ Bell obtains and with whom AJ Bell records information about you, by contacting AJ Bell. See clause 19.2 for contact information.
- 15.8 AJ Bell's privacy policy (as amended and updated from time to time) can be found at <https://www.youinvest.co.uk/privacy-policy>.

## 16. YOUR RIGHT TO CANCEL

- 16.1 If you entered into this Agreement exclusively by means of distance communication, e.g. phone, internet or e-mail, you have a right to cancel this Agreement (including these Terms but not any investment transactions carried out before cancellation) within 14 days of the date on which you entered into it.
- 16.2 You need not give any reason for cancellation and your right to cancel applies even if you have already received Services from AJ Bell before the cancellation period expires.
- 16.3 If you cancel this Agreement your contract with AJ Bell will also automatically be cancelled, any cash held will be returned to you and any investments can either be sold or transferred into your name or to another service provider in each case in accordance with the instructions that Tacit give AJ Bell on your behalf. If investments are sold, you may receive back more or less than the amount you originally invested as a result of market price movements and associated charges. Where you receive less back you are solely responsible for any loss. AJ Bell will be entitled to exercise its rights under clause 13 in relation to any sums you owe AJ Bell.
- 16.4 If you exercise your cancellation rights under this clause 16 you will be responsible for all costs associated with any investment transactions carried out before cancellation (including dealing commission) and other charges for Services provided.
- 16.5 If you do not exercise the right of cancellation within the timescales stated in clause 16.1, your agreement with AJ Bell will continue in effect until either you or AJ Bell terminate it by giving notice in accordance with clause 17, or by AJ Bell exercising any of its other rights to terminate under these Terms. There is no minimum or fixed term for the provision of the Services.

## 17. TERMINATION

- 17.1 In the event you no longer wish for Tacit or AJ Bell to provide you with the Services, you may terminate your agreement with us and AJ Bell (but not any investment transactions already started) at any time on giving us 14 days prior written notice.
- 17.2 AJ Bell may immediately terminate the provision of the Services to you at any time on giving us 14 days prior written notice without any liability to you for any Loss or otherwise.
- 17.3 The provision of the Services will automatically terminate if the Agreement is terminated for any reason.

## 18. EFFECT OF TERMINATION

- 18.1 The termination of these Terms for any reason shall not affect any of your, Tacit's or AJ Bell's accrued rights or liabilities, nor any provision of these Terms which is expressly or by implication intended to come into or continue in force on or after such termination, including without limitation clauses 1 to 4, 8, 9, 11 to 13, 15, 18 to 20, 24 and 25.
- 18.2 Upon the termination of these Terms (or any later date that is agreed between us and AJ Bell) AJ Bell will:
- 18.2.1 cease to provide the Services;
  - 18.2.2 transfer your assets in accordance with any instructions received from Tacit prior to cessation of the provision of the Services.
- 18.3 Except as expressly provided otherwise in these Terms, neither you, Tacit nor AJ Bell shall have any further obligation under these Terms after termination.

## 19. NOTICES

AJ Bell will send all written notices or communication in relation to the Services or these Terms that it is required to give to you directly by post to the most recent postal address or by email to the most recent email address held in its or Tacit's records for you. AJ Bell may validly give you notice under this clause 19.1 by procuring that Tacit send the notice or communication to you.

Any written notices or communication in relation to the Services that you wish to give to AJ Bell should be sent to AJ Bell by post to AJ Bell Securities Limited, Client Relationship Management Team, 4 Exchange Quay, Salford Quays, Manchester M5 3EE.

## 20. INVALIDITY

If any provision of these Terms is held by any court or Regulatory Body to be void or unenforceable in whole or part this shall not affect or impair the legality, validity or enforceability of any other provision of these Terms and AJ Bell shall in good faith amend these Terms to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision, to the extent that such spirit and intention is consistent with FCA Rules.

## 21. COMPLAINTS

If you wish to complain about the Services, please contact the Compliance Officer at AJ Bell Securities Limited, 4 Exchange Quay, Salford Quays, Manchester M5 3EE. If your complaint is not resolved to your satisfaction, you will have the right to refer it

to the Financial Ombudsman Service, whose address is Exchange Tower, London, E14 9SR. Further information can be found on the Ombudsman's website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 22. INVESTOR COMPENSATION

Assets held by AJ Bell (or its Associates) are protected under the Financial Services Compensation Scheme (**FSCS**). The FSCS operates three separate schemes for deposits, investment business and contracts of insurance. Maximum limits for compensation apply in the event of a failure of an FCA authorised firm, these limits are currently as follows:

- Deposits: 100% of the first £85,000 for claims against firms that fail from 1 January 2017
- Investments: 100% of the first £85,000 for claims against firms that fail from 1 April 2019
- Long-term insurance (e.g. insured pension plans and life assurance): 100% of the claim with no upper limit on the value claimed.

There are qualifying conditions under which the FSCS can make compensation payments, these are:

- There must be a relevant person in default. This means an FCA authorised firm or an appointed representative who is unable, in the opinion of the FSCS or FCA, to satisfy a claim against it.
- There must be an eligible claimant. The FSCS essentially covers individuals (and some small companies)
- There must be a protected claim. A valid claim under a civil liability owed by the firm to the claimant.

Further information on the FSCS is available on its website [www.fscs.org.uk](http://www.fscs.org.uk)

## 23. RIGHT OF AJ BELL TO AMEND THESE TERMS

23.1 Subject to clauses 23.2 and 23.3, AJ Bell has the right to alter these Terms at any time on giving you a minimum of 30 days' notice with earlier notice being given to you, if possible. However, AJ Bell does reserve the right in extreme circumstances to vary these Terms with shorter notice, including a change to an existing, or implementation of a new Regulatory Requirement which AJ Bell has to action immediately.

23.2 AJ Bell will only alter these Terms for a valid reason. The typical valid reasons for altering these Terms include:

- 23.2.1 changes in Regulatory Requirements; or
- 23.2.2 changes in the way AJ Bell operates your Customer Account; or
- 23.2.3 changes in the way AJ Bell operates the Services; or
- 23.2.4 changes in the operation of the markets, investment dealing or administration; or
- 23.2.5 to avoid cross-subsidy between customer accounts e.g. where the provision of certain services is being charged on an uneconomic basis; or
- 23.2.6 changes in ownership of AJ Bell's business or how it operates; or
- 23.2.7 changes in the operation of the Internet; or
- 23.2.8 to remedy obvious errors; or
- 23.2.9 to make these Terms clearer or easier to understand; or
- 23.2.10 changes in the banking arrangements that apply to your Customer Account.

23.3 If AJ Bell reasonably considers that an alteration to these Terms is not to your disadvantage, AJ Bell will not be required to give you any prior notice before making the change but will tell us or you about it (or procure that Tacit do so), within 30 days of it having been made.

## 24. GENERAL

24.1 AJ Bell's obligations to you shall be limited to those set out in these Terms.

24.2 These Terms are intended to be binding upon and enforceable by AJ Bell but otherwise they will not be enforceable by any third party.

24.3 Any failure by AJ Bell (whether continued or not) to insist upon strict compliance with any of these Terms shall not constitute nor be deemed to constitute a waiver by AJ Bell of any of its rights or remedies.

24.4 These Terms will only be supplied to you in the English language and you agree that all communications Tacit send you relating to these Terms will be in the English language.

24.5 These Terms and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it shall be governed by English law and you agree to submit to the non-exclusive jurisdiction of the courts of England. However, if you are a resident of Scotland or Northern Ireland you may also bring proceedings in Scotland or Northern Ireland (as the case may be).

## 25. DEFINITIONS

25.1 In these Terms, the following expressions shall have the following meanings unless the context otherwise requires:

AJ Bell Nominee	Lawshare Nominees Limited (registered number 02777448) or such other nominee company as AJ Bell appoints
AMC	the annual management charge applied annually by the manager of a Collective Investment in relation to the costs incurred in the management of the Collective Investment representing a percentage of the value the Collective Investment
Associate	any subsidiary or holding company of AJ Bell, or any direct or indirect subsidiary of AJ Bell's holding company
Bank	an institution with which the FCA Rules permit your cash to be deposited and which is an Approved Bank (as defined in the FCA Handbook)
Business Day	a day other than Saturday or Sunday or a public or bank holiday in England
Client Money	any of your cash which is held in your Customer Account, all of which is subject to the protections afforded by the FCA's client money rules and guidance
Collective Investment	a unit trust scheme, open ended investment company or recognised scheme (as these expressions are respectively defined in the FCA Rules)
Corporate Action Events	any events concerning investments held in custody including rights issues, take-over offers, capital reorganisations, and conversion or subscription rights
Customer Account	an account maintained by AJ Bell in relation to you containing a ledger for cash records and portfolio records for stocks
Customer Output	statements, contract notes and any reports AJ Bell agrees to provide
Customer Web	the view-only website displaying Tacit's brand and/or logo made available by AJ Bell to Tacit via which you may access records relating to your investments
Data Services	the provision of market pricing and valuation data
FCA	the Financial Conduct Authority or any subsequent Regulatory Body that may replace it
FCA Handbook	the FCA handbook of rules and guidance, as amended and updated from time to time, which is available on the FCA website at <a href="https://www.handbook.fca.org.uk/handbook">https://www.handbook.fca.org.uk/handbook</a>
FCA Rules	the rules of the FCA as set out in the FCA Handbook, subject to any related FCA waiver or modification as may apply from time to time
Forward Priced Investment	a Collective Investment or any other type of investment which is priced at a price made available to AJ Bell in the future by the investment provider based on the next valuation point
Insolvency Event	any of the following events:  (a) if you are a company or limited liability partnership and you: <ul style="list-style-type: none"><li>(i) summon a meeting of your creditors;</li><li>(ii) make a proposal for a voluntary arrangement;</li><li>(iii) become subject to any voluntary arrangement;</li><li>(iv) are unable to pay your debts within the meaning of section 123 Insolvency Act 1986;</li><li>(v) have a receiver, manager, administrator or administrative receiver appointed over any of your assets, undertaking or income;</li><li>(vi) pass a resolution for your winding-up or are subject to a petition presented to any Court for your winding-up (but in each case save for the purpose of a voluntary reconstruction or amalgamation);</li><li>(vii) are subject to a petition presented to any Court for your administration;</li></ul>

- (viii) have a provisional liquidator appointed;
  - (ix) have a proposal made for a scheme of arrangement under section 896 Companies Act 2006 or the Limited Liability Partnerships Regulations 200; or
  - (x) are the subject of a notice to strike off the register at Companies House or to an administration order;
- (b) if you are an individual, partnership or firm, and you:
- (i) enter into any composition or arrangement with your creditors;
  - (ii) have a bankruptcy order made against you;
  - (iii) are made subject to an application for an interim order under section 253 Insolvency Act 1986 or an order under section 273 Insolvency Act 1986;
  - (iv) have a petition presented for an administration order under Part III Insolvent Partnerships Order 1994 ("the Order"), have a petition presented for winding up as an unregistered company under Parts IV or V of the Order;
  - (v) have an interim receiver of your property appointed under section 286 Insolvency Act 1986;
  - (vi) are unable to pay your debts within the meaning of sections 267 and 268 Insolvency Act 1986;
  - (vii) have a receiver or manager appointed over any of your assets;
  - (viii) have a receiver appointed under the Mental Health Act 1983;

dies or by reason of any illness (including mental disorder or infirmity), accident or injury or any other cause whatsoever becomes unable for a consecutive period of six months or for an aggregate period of 6 (six) months in any one consecutive period of 12 (twelve) months to comply your obligations under these Terms.

Investcentre SIPP	the self-invested person pension administration service which the AJ Bell group makes available to customers under the "AJ Bell Investcentre" brand name
Loss	losses, damages, liabilities, costs (including legal and professional costs), fines, payments, claims, actions, proceedings and expenses
Limit Order	an Order to buy or sell at a specified price or better
Order	an order to buy or sell investments pursuant to these Terms and "Buy Order" and "Sell Order" shall be construed accordingly
Platform Rebate	a rebate payable to AJ Bell by a product provider which represents a share of the AMC
Pre-paid Investment	a Forward Priced Investment which is subject to a pre-funding requirement imposed by the investment provider for which you place an Order to invest a specific cash amount and in relation to which Tacit do not receive confirmation of the price from the investment provider until Tacit  receive the contract note from the investment provider after the Order has been executed by the investment provider (e.g. a structured product)
Product	Self-invested personal pension, individual savings account, junior individual savings account or dealing account or such other portfolio account as AJ Bell in its absolute discretion shall offer
Regulatory Body	any national or local agency, authority, department, inspectorate, minister, ministry official, parliament or public or statutory person (whether autonomous or not) of any government or professional body having jurisdiction over either any of the activities contemplated by these Terms or AJ Bell
Regulatory Requirements	statutory and other rules, laws, regulations, instruments and provisions in force from time to time, including (without limitation) the rules, codes of conduct, Principles, codes of practice, practice requirements and accreditation terms stipulated by any Regulatory Body
Stock Exchange	the London Stock Exchange or any other exchange market or execution venue (including (without limitation) a Multilateral Trading Facility as that expression is defined in the FCA Rules)

Stock Exchange Rules	the rules, regulations, guidance, customs and practices of any Stock Exchange
Tradable Cash	cleared monies plus monies due from unsettled Sell Trades less monies due for unsettled Buy Trades and monies earmarked for Limit Orders and pending Buy Orders
Trade	an executed Order and "Sell Trade" and "Buy Trade" shall be construed accordingly
Trail Commission	commission payable to AJ Bell by the provider of a Product representing a share of the AMC
Unit Holdings	the rights or interests (however described) of the participants in a Collective Investment
Withdrawable Cash	cleared monies less monies due for unsettled Buy Trades, monies earmarked for Limit Orders and pending Buy Orders and any sums due to AJ Bell

## APPENDIX 2: AJ BELL SECURITIES ISA AND JUNIOR ISA TERMS & CONDITIONS

These are the Terms and Conditions for the Tacit Investment Management Stocks and Shares ISA (the **ISA**) and the Tacit Investment Management Stocks and Shares Junior ISA (the **Junior ISA**). AJ Bell Securities Limited is the HMRC approved ISA Manager (ISA number Z1688) and is authorised and regulated by the Financial Conduct Authority (FRN: 155593). Its registered address is 4 Exchange Quay, Salford Quays, Manchester M5 3EE. The agreement in relation to your ISA or Junior ISA between you and AJ Bell Securities Limited comprises these Terms and Conditions, your application and your declarations. Collectively, these govern the operation of the ISA and the Junior ISA.

### Definitions

Within these Supplemental ISA and Junior ISA Terms and Conditions, the following definitions shall apply:

- "AJ Bell" means AJ Bell Securities Limited a company registered in England and Wales under company number 2723420
- "child" means a child (aged under 18) who: was either born on or after 3 January 2011 or is not eligible for a Child Trust Fund; who at the time of the application for a Junior ISA is resident and ordinarily resident in the UK or otherwise eligible under the ISA Regulations; on behalf of whom an application for a Junior ISA is made; and in whose name the Junior ISA will be held
- "current tax year" means the tax year in which a transfer to or from the ISA or Junior ISA takes place
- "current year subscriptions" means (in relation to a transfer into the ISA or Junior ISA) subscriptions made prior to the transfer in the current tax year to another ISA or Junior ISA and (in relation to a transfer from the ISA or the Junior ISA) subscriptions made prior to the transfer in the current tax year to the ISA or the Junior ISA or to another ISA or Junior ISA but transferred to the ISA or the Junior ISA prior to the transfer
- "ISA Regulations" means the Individual Savings Account Regulations 1998 (as have subsequently been, and shall be, amended from time to time)
- "previous tax year" means any tax year prior to the tax year in which a transfer to or from the ISA or Junior ISA takes place
- "previous year subscriptions" means (in relation to a transfer into the ISA or Junior ISA) subscriptions made to another ISA or Junior ISA in previous tax years and (in relation to a transfer from the ISA or the Junior ISA) subscriptions made to the ISA or Junior ISA in any tax year prior to the tax year in which the transfer from the ISA or Junior ISA takes place
- "registered contact" means a person, over the age of 16 with parental responsibility for the child, or (subject to the child being over the age of 16 and AJ Bell accepting them as registered contact) the child and who in each case, is responsible for providing instructions to AJ Bell
- "subscriptions" means payments in relation to transfers into and out of the ISA or the Junior ISA (including investments and other proceeds (including income) representing those subscriptions)
- "tax year" means 6 April to the following 5 April
- "you", "your" or "yourself" means the person AJ Bell has accepted as a client, or in the case of the Junior ISA, the registered contact (on behalf of the child) and/or (as appropriate) the child

You appoint AJ Bell as the ISA manager for the ISA and the Junior ISA. AJ Bell will manage the ISA and the Junior ISA in accordance with the agreement, the FCA Rules and the ISA Regulations. You authorise AJ Bell to exercise the obligations and powers of an ISA manager under the ISA Regulations on your behalf and to comply with any other regulatory requirement in relation to the ISA and the Junior ISA.

If there is a conflict between these Supplemental ISA and Junior ISA Terms & Conditions and the ISA Regulations, the ISA Regulations shall prevail.

### Applying for an ISA or Junior ISA

AJ Bell accepts applications from individuals aged 18 or over (and in relation to the Junior ISA with parental responsibility for the child). The applicant and (in relation to the Junior ISA) the child must be resident and ordinarily resident in the UK. The applicant for the Junior ISA agrees to be the first registered contact. AJ Bell reserves the right to ask for proof of parental responsibility.

If you cease to be resident and ordinarily resident in the UK, you must inform AJ Bell or Tacit Investment Management immediately. Subscriptions to the ISA will not be permitted whilst you are not resident and ordinarily resident in the UK but AJ Bell will keep the ISA open. If the child ceases to be resident and ordinarily resident in the UK, subscriptions can continue to be made to the Junior ISA.

AJ Bell will only take instructions in relation to the Junior ISA from, and communicate with, a registered contact but will cease to do so if AJ Bell becomes aware that the registered contact no longer has parental responsibility.

You are only permitted one (continuous) ISA with AJ Bell. You cannot apply for, and subscriptions cannot be made to, a Junior ISA if a Stocks and Shares Junior ISA is already held for the child.

### Change of registered contact status (Junior ISA only)

AJ Bell will accept an application for a change of registered contact subject to the following conditions:

- the applicant satisfies relevant regulatory requirements;
- AJ Bell has no reason to believe that the applicant has provided untrue information; and
- AJ Bell receives the consent of the existing registered contact.

AJ Bell will accept an application for a change of registered contact without the consent of the existing registered contact if:

- the applicant is the child and is over the age of 16 and satisfies relevant regulatory requirements (but AJ Bell reserves the right to advise the existing registered contact of the application);
- the existing registered contact is dead or incapacitated;
- the existing registered contact cannot be contacted;
- the existing registered contact has ceased for whatever reason to have parental responsibility;
- the applicant is the adopter or has been appointed the guardian or special guardian of the child who holds a Junior ISA; or
- AJ Bell has to comply with a court order.

AJ Bell may decline an application for a change of registered contact at its discretion.

When the child reaches age 18, the Junior ISA will automatically convert into an ISA in the name of that individual, subject to that individual providing such information as is required by the ISA Regulations. AJ Bell will not accept any further subscriptions until AJ Bell has received that information.

AJ Bell will categorise you (and in relation to the Junior ISA, the child also) as a retail customer for the purposes of the FCA rules. This categorisation provides the highest level of protection.

### **Subscriptions to your ISA or Junior ISA**

You can transfer cash and investments permitted by the ISA Regulations held by another ISA manager in a Cash ISA or Stocks and Shares ISA into the ISA. You can transfer current year subscriptions in whole only and/or previous year subscriptions in whole or in part.

You can transfer cash and investments permitted by the ISA Regulations held by another Junior ISA manager in a Cash Junior ISA or Stocks and Shares Junior ISA into the Junior ISA. If transferring from a Stocks and Shares Junior ISA, you must transfer the whole Junior ISA. You can transfer current year subscriptions from a Cash Junior ISA in whole only and/or previous year subscriptions in whole or in part.

You cannot subscribe to your ISA if you have already subscribed to any other Stocks and Shares ISA (other than a Stocks and Shares Junior ISA) in the same tax year, unless you are transferring that Stocks and Shares ISA to AJ Bell. You can only subscribe to the ISA from your own cash.

### **Subscriptions to the Junior ISA cannot be made if a Stocks and Shares Junior ISA is already held for the child.**

If you transfer subscriptions from an ISA or a Junior ISA held with another ISA or Junior ISA manager to AJ Bell and the level of subscriptions made to that other ISA or Junior ISA when added to any subscriptions you have made into the ISA or the Junior ISA means that you will exceed the maximum subscription limit, AJ Bell will reject the transfer and inform your former ISA manager or Junior ISA manager accordingly.

You are responsible for ensuring that all subscriptions into the ISA or the Junior ISA are within allowable regulatory limits.

If instructed by HMRC, AJ Bell will return any over-subscription without your further authority.

You must complete a new application if you fail to make a subscription to your ISA in a tax year and wish to make a further subscription.

AJ Bell will only accept orders for investments permitted by the ISA Regulations.

### **Transfers and withdrawals from the ISA or Junior ISA**

Should you wish to transfer or withdraw cash, investments or proceeds from your investments, you must instruct AJ Bell to do so and you must specify the amount of cash, the investments and/or the proceeds of the investments you wish to transfer or withdraw. On receipt of your instructions, AJ Bell will within 30 days of receipt of those instructions or (where dealings in the units and shares of certain collective investments have been suspended) within 7 days of the end of the suspension, or such longer period as you stipulate:

- transfer all or part of the subscriptions in the ISA or all or part of the ISA to another Stocks and Shares ISA Manager in an account in your name
- transfer all or part of the subscriptions in the Junior ISA or all or part of the Junior ISA to another Cash Junior ISA Manager or transfer all of the Junior ISA to another Stocks and Shares Junior ISA Manager (in either case in an account in the child's name)
- transfer to you all or part of the investments held in your ISA and/or the proceeds arising from those investments (including interest, dividends, rights or other proceeds).

The ISA Regulations only permit withdrawals from the Junior ISA before the child reaches age 18 in the event of the child's terminal illness or death or to pay charges.

AJ Bell will manage the transfer or withdrawal in accordance with the ISA Regulations. The transfer of the ISA or the Junior ISA to another Stocks and Shares ISA Manager shall include the transfer of the rights and obligations of each party to it.

AJ Bell will provide Tacit Investment Management with written details of the current market value as at the date of withdrawal of investments from the ISA or the Junior ISA.

If you request the transfer in full of your ISA to another ISA manager or your Junior ISA to another Junior ISA manager, the ISA or the Junior ISA will be closed, and AJ Bell will not accept any further orders. If you request a transfer of all or part of the subscriptions in the ISA to another ISA manager or Junior ISA to another Junior ISA manager or withdrawal of all or part of the subscriptions in the ISA, AJ Bell will not accept any further orders in relation to the investments to be transferred from the date AJ Bell receives your request. Save as is provided otherwise, you may transfer out current year subscriptions in full only but previous year subscriptions can be transferred out in full or in part.

The withdrawal of cash or investments from your ISA or (subject to the ISA Regulations) your Junior ISA into your own name will mean that they are no longer held in a tax-advantaged environment.

## Your cash and investments

You authorise AJ Bell:

- (i) to hold your cash subscription, ISA or Junior ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash, and
- (ii) to make on your behalf any claims to relief from tax in respect of ISA or Junior ISA investments.

All investments held in the ISA must remain in your beneficial ownership. All investments held in the Junior ISA must be held in the beneficial ownership of the child.

Investments held in the ISA or Junior ISA must not be used as security for a loan, except as provided for in the ISA Regulations.

The title to your ISA or Junior ISA investments will be registered in the name of the AJ Bell nominee in a pooled account. Share certificates or other documents evidencing title to ISA or Junior ISA investments will be held by AJ Bell or as AJ Bell may direct.

If any investment in the ISA or the Junior ISA ceases to be permitted by the ISA Regulations, AJ Bell will notify Tacit Investment Management detailing the options available. AJ Bell may need to sell the investment to comply with the ISA Regulations.

Any new investments arising from a corporate action must satisfy the qualifying requirements of the ISA Regulations, in default of which AJ Bell shall deal with them in accordance with the ISA Regulations.

You must make a separate request in each event if you want AJ Bell to arrange:

- for you to receive annual reports and accounts; and
- subject to any provisions made under any enactments, for you to attend shareholder meetings and participate in respect of voting or to receive any other information (other than annual reports and accounts) in relation to investments held in the ISA or the Junior ISA

AJ Bell will satisfy itself that any person to whom AJ Bell delegates its functions or responsibilities is competent to carry out those functions or responsibilities.

AJ Bell will (and you authorise AJ Bell to) deduct such charge as HMRC imposes from time to time on interest paid on cash in the ISA or the JISA.

## ISA cancellation rights

You have a right to cancel the ISA or the Junior ISA within 30 days of the date on which your application is accepted. You do not have a right to cancel a transfer in.

You can exercise cancellation rights by writing to AJ Bell or Tacit Investment Management.

If you cancel the ISA or the Junior ISA, any cash held will be returned to you (and in relation to the Junior ISA regardless of whether the cash was paid by you) and any investments can either be sold or transferred to your name or to another account held in your name. If investments are sold you will be responsible for all costs associated with dealing and you may receive more or less back than the amount you originally invested.

## ISA Repairs and Voiding

AJ Bell will notify you if, through any failure to satisfy the ISA Regulations, the ISA is, or is to become, no longer exempt from tax by virtue of regulation 22(1) of the ISA Regulations. In these circumstances some or all of the investments will be removed from the ISA and transferred into your name.

In order to repair the ISA, AJ Bell may deduct cash from, and/or sell any of the investments in your account where HMRC imposes a tax or other charge, fine or penalty.

## Death

All tax benefits associated with the ISA or the Junior ISA will cease in the event of your death and AJ Bell will close your account.

AJ Bell will hold your cash and investments in a client account until it can be paid to your executors or personal representatives. These Terms and Conditions will apply equally to them.

## Changes to the Terms and Conditions

AJ Bell may vary these Terms and Conditions on giving you 30 days' notice, but AJ Bell reserves the right in extreme circumstances, e.g. a change to an existing, or implementation of a new, regulatory requirement, which AJ Bell has to action immediately, to vary them without notice.

## General

This agreement shall be deemed to have been made in England and shall be governed by and construed in all respects in accordance with the laws of England. The services are subject to legislation and regulation in the UK and are therefore primarily marketed and targeted at consumers in the UK.

Except for the rights expressly or implicitly afforded to Our employees, agents and associates, no person shall have rights under this agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 but AJ Bell will not need the consent of any such person to vary these Terms and Conditions.

If any of the terms included in these Terms and Conditions is held by any competent authority to be unenforceable or invalid in whole or in part, the validity of the other provisions of these Terms and Conditions and the remainder of the term in question shall not be affected by such invalidity.

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