



Terms and Conditions  
Sterling Individual Savings Account  
and Sterling Investment Account

For accounts opened on or before 28 April 2011

These terms and conditions cover the Sterling Individual Savings Account and Sterling Investment Account and form a legally binding agreement between you and us. In addition to the general terms and conditions please see the sections on pages 14 to 16, which are specific to your chosen Account. Please read these terms and conditions alongside the Key Features that apply to your chosen Account.

## Contents

Definitions	4
<b>General terms and conditions</b>	<b>5</b>
Our agreement with you	5
Opening your Account	5
Minimum subscriptions	5
Investing in your Account	6
Ownership and custody of assets	6
Rights in investments held	6
Cash held	7
Income distributions	7
Regular withdrawals	7
Partial withdrawal	8
Re-registration	8
Closing your Account	9
Death	10
Communication with you	11
Charges	11
Exercise of due care	12
Notices	12
Fund reclassification and discontinuance	13
Taxation	13
European Monetary Union	13
Third-party rights	13
Complaints	13
Compensation	13
Variation of these terms and conditions	14
Your responsibilities	14
Moving abroad	14

<b>Investment Account: specific information</b>	<b>14</b>
Eligibility	14
Minimum subscriptions	15
Investing in your Account	15
Phased investment facility	15
Death	15
Communication with you	15
Notices	15
Taxation	15
<b>ISA: specific information</b>	<b>15</b>
Our agreement with you	15
Eligibility	16
Minimum subscriptions	16
Opening your Sterling ISA	16
Ownership and custody of, and rights in, investments held	16
Transfer of existing subscriptions	16
Fund eligibility	16
Closing your Account	16
Death	16
<b>Appendix A – Data Protection Statement</b>	<b>17</b>

# Sterling Individual Savings Account and Sterling Investment Account Terms and Conditions

## Definitions

Some words and phrases in these terms and conditions have special meanings. These special meanings are shown below and appear in bold type throughout the terms and conditions.

<b>Account</b>	The Sterling Individual Savings Account or the Sterling Investment Account, as applicable, held under these terms and conditions.
<b>Advance by Embark</b>	Refers to Sterling ISA Managers Limited, trading as Advance by Embark. Sterling ISA Managers Limited (SIML) uses the trading name 'Advance by Embark' for the purpose of the Advance Portfolio and the accounts available within it. Sterling ISA Managers Limited is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales under company number 02395416. Sterling ISA Managers Limited is part of the Embark Group.
<b>AWE</b>	Average Weekly Earnings – The UK Government's preferred measure of UK average earnings as published by the Office of National Statistics, or any official published measure or index that <b>we</b> adopt in its place.
<b>BACS</b>	The electronic Banks Automated Clearing System run by banking institutions.
<b>business day</b>	Any day that is not a Saturday, Sunday or public holiday, on which UK clearing banks and the London Stock Exchange are open for business.
<b>CHAPS</b>	The Clearing House Automatic Payments System, an electronic bank-to-bank same-day payments system run by CHAPS Clearing Company Limited.
<b>Embark Group</b>	Embark Group Limited is the holding vehicle for all companies in the Embark Group, incorporated in England and Wales, Company Registration number: 03578067.
<b>funds</b>	<b>Investments</b> available under the <b>Account</b> .
<b>FCA</b>	Financial Conduct Authority or any successors in title.
<b>head office</b>	Sterling ISA Managers Limited, Sterling Centre, PO Box 1200, Bishops Cleeve, Cheltenham, GL50 9UP.
<b>ISA</b>	Sterling stocks and shares Individual Savings Account.
<b>ISA Regulations</b>	The Individual Savings Account Regulations 1998 as amended from time to time, or any other regulations that may from time to time apply to <b>your ISA Account</b> .
<b>ISIN</b>	An International Securities Identification Number (ISIN).
<b>investment</b>	Units or shares in <b>Sterling panel funds</b> or <b>wider market funds</b> and medium-term notes (MTN) issued as security by a financial institution for <b>MTN Protected profits funds</b> .
<b>Investment Account</b>	Sterling Investment Account.
<b>investment value</b>	The value of an <b>investment</b> calculated by using its bid price or selling price.
<b>Key features</b>	A document that sets out the main points of <b>your Account</b> .
<b>MTN Protected profits fund</b>	Those protected profits funds investing in medium-term notes (MTN), specifically the Multimanager Protected Profits fund, the Threadneedle Protected Profits fund and the Tracker Protected Profits fund.
<b>Re-registration</b>	The transfer by <b>you</b> of existing units in a unit trust or shares in an open-ended investment company. The transfer will be achieved by your execution of a stock transfer form.
<b>RPI</b>	Retail Prices Index – a government-produced index which tracks the prices of a specified set of consumer goods and services, providing a measure of inflation.
<b>SEDOL</b>	Stock Exchange Daily Official List, used in the United Kingdom and Ireland for clearing purposes.
<b>Sterling charges summary</b>	A document that details the current charges for the <b>ISA</b> and the <b>Investment Account</b> .
<b>Sterling panel funds</b>	<b>Investments</b> to which <b>we</b> apply <b>our</b> governance process and which are listed in the <b>Sterling panel funds guide</b> as Sterling panel <b>funds</b> . <b>We</b> may add or remove funds from time to time in line with paragraphs 110 to 115.
<b>Sterling panel funds guide</b>	A document that gives the objectives, risks, and distribution dates of the <b>Sterling panel funds</b> . <b>You</b> can obtain the Sterling panel funds guide by contacting <b>us</b> at <b>our</b> head office or by speaking to <b>your</b> adviser.
<b>subscription</b>	The payment or cash transfer you make into <b>your Account</b> . To maximise <b>your ISA</b> subscription <b>we</b> may agree to take the initial charge from <b>your</b> payment in which case <b>your</b> subscription will be the amount after the deduction of the initial charge.
<b>we, us, our, ourselves</b>	Sterling ISA Managers Limited, trading as Advance by Embark, is authorised and regulated by the <b>FCA</b> and approved by HM Revenue and Customs to act as an ISA manager under the <b>Regulations</b> .
<b>website</b>	www.embarkadvance.co.uk
<b>wider market funds</b>	<b>Investments</b> to which <b>we</b> do not apply <b>our</b> governance process and which are not included as <b>Sterling panel funds</b> . These <b>funds</b> are listed in the <b>Sterling charges summary</b> and <b>you</b> can find out more by reading the relevant prospectus that <b>you</b> can obtain from <b>your</b> adviser. <b>We</b> may add or remove funds from time to time in line with paragraphs 110 to 115.
<b>written instructions, in writing</b>	Clear written instructions by post. Please note that <b>we</b> currently do not accept instructions orally, by fax, email or any other method except as set out here, but reserve the right to do so in the future.
<b>you, your</b>	The owner(s) of the <b>Account</b> .

# General terms and conditions

## Our agreement with you

1. **We** agree to act as the **Account** manager and will manage the **Account** in accordance with these terms and conditions and the rules of the **FCA** on a non-discretionary basis. Non-discretionary means **we** will not make any decisions concerning **your investments** on **your** behalf, unless **we** inform **you** first, nor will **we** undertake any review of **your investments**.
- 1a. **We** classify **you** as a retail client under Financial Conduct Authority (FCA) rules. This means you'll receive protection for complaints and compensation and receive information in a straightforward way.
2. **You** must give **us** all the information **we** reasonably request from **you** to carry out **our** duties for the purposes of **your Account** and notify **us** if any of that information changes. **You** must be resident in the United Kingdom to open an **Account**. **You** may not open an **Account** if you are a resident outside the United Kingdom or a citizen of the United States of America. For a jointly owned **Account** this applies to each **Account** holder.
3. **We** may delegate any of **our** functions or responsibilities under these terms and conditions to another person or persons without **your** consent and **we** can give them any information about **you** that they may reasonably require for this purpose. **We** will satisfy **ourselves** of the competence of the other person or persons to carry out those functions or responsibilities.
4. **We** will remain at all times responsible for **our** functions under this **Account** and **your** first point of contact for any questions or concerns. **Your** rights and benefits under this policy will not be affected if **we** choose to delegate any functions.
- 4a. **We** may transfer all or part of our rights and obligations under our Agreement with you to another firm in the Embark Group. **We** will not ask for your consent to do this, except where required by regulation, but will only do so if we receive undertakings from that other firm that your rights under these terms and conditions will not be prejudiced in any way. You will be provided with the data privacy notice of the other entity, explaining how your personal data will be used by them, ahead of any transfer of data to them.
5. **We** act on an execution-only basis. This means **we** do not provide any advice in relation to **investments** or **your Account**. The fact that a particular **investment** is available does not imply that it is necessarily suitable for **you**, and **you** should seek **your** own advice from an adviser. **Our** staff are not authorised to provide any such advice. Where **you** want to trade investments classified as complex, **we** may ask **you** to complete an appropriateness test if **you** are not taking financial advice.
6. **We** will buy and sell **investments** on **your** behalf as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your** valid **written instructions** and, if applicable, payment at **our head office**. **We** rely on information from third parties in order to make valuations, and where we have access to this information, **investments** will be valued on each **business day**. Where an **investment** is not valued on a **business day** it will be valued on the next **business day** on which **we** have access to the information **we** need to make the valuation. The fund managers normally calculate the prices for the **funds** each **business day**. However, the time at which they are valued can vary between different **funds**, although the majority value at 12 noon. **We** can give **you** details of this on request.
7. In exceptional circumstances and acting reasonably **we** may postpone buying, selling or valuing an **investment** to the earliest **business day** **we** consider to be appropriate and reasonable. If **we** reasonably decide that buying **your** requested **investment** or **investments** is not possible, **we** will return **your** payment to **you**.

8. **We** may act as agent and match buying and selling **investments** being made on **your** behalf from time to time. In such cases **we** will be entitled to retain any profit that may arise from the difference in buying and selling prices on each **investment**. **We** will not carry out any business for **you** in which **we** have any other material interest without disclosing that interest to **you** and getting **your** consent.
9. **We** will not commit **you** to any financial obligation to add to the **investments** either by borrowing or by committing **you** to a contract whose performance may not be possible without an additional payment. **We** do not have authority to commit any of the **investments** of **your Account** to any obligation to underwrite any issue or offer for sale of securities.
10. These terms and conditions have been drafted in compliance with **FCA** rules, HM Revenue & Customs rules and practice, **ISA Regulations** and other applicable laws. If the **FCA** rules, HM Revenue & Customs rules and practice, **ISA Regulations** or other applicable laws change in a way that conflicts with these terms and conditions, **we** may need to change these terms and conditions or the scheme rules. The way **we** make changes to these terms is explained in paragraph 120.

## Opening your Account

11. If **you** are eligible under paragraph 123 or 141 **you** may make an offer to open an **Account**. **You** make an offer to open an **Account** by sending **us** a properly completed application, including a signed declaration and:
  - a. a properly completed direct debit in the case of an application for regular monthly payments, or a valid cheque, **BACS** or **CHAPS** payment in the case of a lump sum, and/or
  - b. **your** authority for the cash value of **your ISA** with another **ISA** manager to be transferred directly to **us** by that manager for transfer payments, and/or
  - c. **your** authority for **funds** to be re-registered to Sterling **ISA** Managers Ltd, or a third party acting on **our** behalf, where **you** require re-registration of those **funds** (only available for the **Investment Account**).

Advance by Embark takes your privacy very seriously and is committed to ensuring the way we collect, hold, use and share information about you complies fully with data protection legislation. Please read the 'Advance Portfolio – Your privacy is important to us' leaflet, given to you by your adviser and included as Appendix A of these terms and conditions. You have been asked to confirm that you have read this as part of the application process.

You agree that we may record telephone conversations between you and us, and use such recordings, or transcripts from such recordings, as well as any emails or messages you send us, for training purposes, for the purposes of investigating any complaint you may make, or as evidence in any dispute or anticipated dispute between you and us.

12. **We** reserve the right not to accept an application (i.e. **your** offer to open an **Account**). In particular **we** will not accept partially completed applications, telephone applications or applications sent to **us** by fax or email. **We** reserve the right to refuse subscriptions to an **ISA** that would contravene the **ISA Regulations**, that are made in a foreign currency, payments made in cash or payments made by parties other than **you**.

## Minimum subscriptions

13. The current minimum payments to **your Account** are in paragraphs 142 and 143 for the **ISA** and paragraphs 124 and 125 for the **Investment Account**.

14. With our agreement you may make further lump sum **subscriptions**, increase or decrease your regular monthly **subscriptions**.
15. You must give us **written instructions** to change regular monthly payment amounts and we will carry out any change as soon as reasonably practicable, usually within 10 **business days** after receiving the **written instructions** at our head office.
16. You may stop or suspend your regular monthly **subscriptions** to your **ISA** or **Investment Account** without closing your **Account**, subject to paragraphs 17 and 86. You may reinstate regular monthly **subscriptions** with our consent and subject to us receiving all of the information that we reasonably request from you and the prevailing **Regulations** at the time. We may require you to complete a new direct debit instruction and application.
17. We reserve the right to close your **Account** if it falls below £2,000 unless you are making regular monthly **subscriptions** that are above the minimum limit. If your **Account** falls below £2,000 then we will inform you of this in your statement.  
  
If we decide to close your **Account**, we will write to you to tell you at least 30 days before we close your **Account**. When we write to you, we will tell you about the options available to you, which you should discuss with your adviser.
18. We reserve the right to amend any of the minimum limits. If we do, we will notify you in accordance with paragraph 120. If you are already making regular monthly **subscriptions** and we increase the minimum above the value of your **subscription**, you can continue to pay the same amount until you stop or change your regular monthly **subscriptions**.

## Investing in your Account

19. We will use your **subscription** to buy your chosen **investments**. You can decide how much of your **subscription** will be invested in any particular **fund**, as long as the amount of your **subscription** to that **fund** is at least the current minimum, which is 1% of your **subscription**. We may decide to increase the minimum **subscription** for each **fund** in the future. If we do, we will notify you in accordance with paragraph 120. New **subscriptions** can be invested in different **funds** to those of your original **subscription**.
20. We will buy **investments** subject to paragraphs 6, 19 and 140:
  - a. in the case of lump sums and transfers – as soon as reasonably practicable, usually within two **business days** from the date we receive your payment at our head office with a valid application including a signed declaration, and
  - b. in the case of regular monthly payments – as soon as reasonably practicable and normally on the **business day** we receive the direct debit payment.
21. If a direct debit payment is not honoured, or a cheque is not cleared, we will cancel the transaction to buy **investments**. You may be liable for any reasonable costs we reasonably incur from transactions caused by the non-payment. These costs will be met from any cash held in your **Account** but if there is not enough cash held in your **Account** it may be taken from your largest **investment** holding.
22. You may change your **investments** by a **fund** switch. If you change your investments by a fund switch and do not instruct us otherwise, we will change any future monthly payments or regular withdrawals from the fund(s) you are switching out of, into your new fund selection. We will sell your existing **investments** as soon as reasonably practicable, usually within two **business days** from the date we receive your **written instructions** at our head office, and invest the proceeds in

the new **fund** the **business day** after selling the **investments**. For **funds** invested in the **Investment Account** any switch counts as a disposal for capital gains tax purposes and may affect your tax liability.

23. Currently we do not make a charge for **fund** switching. In the future we may decide for the reason set out in paragraph 99, to charge a fee for this service. If we do, we will give you at least 30 days' written notice.
24. You may also ask for a change in the **investments** you wish to buy with regular monthly **subscriptions**. We will carry out your **written instructions** as soon as reasonably practicable, usually within 10 **business days** after receiving them at our head office.
25. Unless you have chosen the income distribution option under paragraphs 44 to 48, we will reinvest in your **Account** any dividends or tax credits received from an **investment** in your **Account** by buying additional units or shares in the applicable **fund**. We will purchase these from the fund manager usually within two **business days** from the date that the **fund** distributes income. Details of these dates can be found in the **Sterling panel funds guide** for **Sterling panel funds**, and in the relevant prospectus for **wider market funds**.  
  
If you switch out or sell all the units in a **fund** before that **fund** distributes income and your **Account** remains open, we will hold the dividends and invest them within four **business days** of the next payment process date (currently 10 March, 10 June, 10 September and 10 December if they are **business days**, or the next **business day** if they are not). We will invest this in your largest **investment** holding able to accept new payments on the relevant payment process date.
26. As different **funds** have different charges, the charges you are paying may change if you switch **funds**. We will not notify you of any change in charges that arise from you switching **funds**.

## Ownership and custody of assets

27. All **investments** in your **Account** will be registered in our name or that of any nominee we may appoint, along with those of other investors who have an **Account**. However, you will at all times remain the beneficial owner of the **investments** in your **Account**.
28. We have appointed Sterling ISA Managers (Nominees) Limited as our nominee to hold some or all of the **investments** in **Sterling Panel Funds**, **wider market funds** and medium-term notes (MTN) issued as security by a financial institution for **MTN Protected profits funds**. Sterling ISA Managers (Nominees) Limited is not authorised to safeguard and administer assets under the Financial Services and Markets Act 2000. However, we are authorised by HM Revenue & Customs and regulated by the **FCA**, and accept full responsibility for Sterling ISA Managers (Nominees) Limited's acts and omissions.
29. Your **investments** will either be held in a pooled **Account** in our name or that of Sterling ISA Managers (Nominees) Limited by a third party (a custodian or third party nominee). We will identify, record and hold all clients' assets separately from any of our investments and other assets, and in such a manner that we can pinpoint the exact identity and location of clients' assets at any time.
30. If a third party is unable to meet its obligations then we will not be able to step into meet those obligations as we are not responsible for the acts and omissions of our third party providers. In the event of a shortfall after the default or failure of a third party, you may share in that shortfall in proportion to your original share of the assets in the pool. We will use our reasonable endeavours to recover any loss on your behalf from the third party.

## Rights in investments held

31. **Your Account** enables **you** to buy shares or units in a range of collective investment schemes. These investment schemes are operated and managed by external fund managers, and not **us**. The fund managers are responsible for all investment decisions in respect of these schemes.
32. **You** have agreed that the **investments** in **your Account** will be registered in the same name as other clients. As such, as part of normal settlement procedures where **investments** are pooled, the **investments** in **your Account** may be used with those of other customers to settle various transactions. **Your investments** will not necessarily be immediately identifiable by separate certificates and, if **we** become insolvent, **you** may encounter delays in recovering **your** assets, and possibly an increased risk of loss if there is a shortfall.
33. All certificates where applicable and other documents of title relating to the **investments** will either be held by **us** or as **we** direct in safe custody. **You** or **your** appointed agent may, on giving **us** reasonable notice, inspect vouchers and entries in **our** books (whether manual or electronic) relating solely to **your Account**. As **we** treat **your** records as confidential, **we** reserve the right not to provide copies of the records if to do otherwise would allow access to records about other investors.
34. Unless **we** receive **your written instructions**, **we** will not exercise any of the voting rights attaching to the **investments** in **your Account**. If **we** receive at **our head office** a request in writing, **we** will arrange for **you** to attend shareholders', securities holders' or unit holders' meetings and exercise voting rights.
35. At **your** written instruction, **we** will arrange for **you** to receive a copy of the interim and annual reports and accounts of any **investment** in **your Account**, and any other information issued to shareholders, security holders or unit holders. On request **we** will supply copies of the prospectus or other information for any of the **investments** in **your Account**.
36. **We** reserve the right to make a charge to cover **our** reasonable administrative costs reasonably incurred in complying with paragraphs 33 to 35.
37. Unless **we** receive instructions from **you** to the contrary **we** may hold **investments** as shares or units in collective investment schemes representing schemes that have replaced an **investment** by way of merger, reconstruction, closure, conversion or otherwise. If **we** do, **we** will write to **you** and **you** may change **your investment** by a fund switch as set out in paragraph 22.
38. **We** will act as **your** agent in arranging to buy and sell medium-term notes linked to the **MTN Protected profits funds**. **We** accordingly acknowledge and confirm that **we** do not act as agent on behalf of the issuing institution its affiliates and directors.

## Cash held

39. The cash in **your Account** will be held as client money, in accordance with the **FCA** rules which, among other things, require **your** money to be held in a designated client bank account, established with statutory trust status. Cash may arise from transfers, **re-registration**, the sale of **investments**, tax credits, distributions and other rights or interests.
40. **We** keep client money separate from the cash that belongs to **us** in accordance with the requirements of the **FCA** rules. In line with Sterling ISA Managers Limited (SIML) treasury policy, a number of different banking institutions may be used to spread the risk of default. In other SIML propositions such as

the Advance Portfolio, cash may also be placed in notice or unbreakable term deposit accounts to increase the number of institutions available to us for placing cash, obtain better rates of interest or to avoid charges for depositing cash which would otherwise be passed on to clients. In those propositions cash held may be placed in accounts with notice periods of, or on deposit for fixed terms of, up to 95 days. Cash held in Sterling ISAs and Sterling Investment Accounts will not be placed in notice accounts and is not therefore directly affected by this policy.

41. Client money is held as part of a common pool of money, so **you** will not have a claim against a specific sum in a specific account. **Your** claim will be against **our** client money pool in general in the event of **our** insolvency, or the insolvency of any of the banks, including Lloyds Banking Group, with which **we** keep client money. Should there be a shortfall in the client money pool after such an insolvency, the **FCA** rules mean that **you** may share in the shortfall in proportion to **your** original share of the claims to the client money immediately before the insolvency. In the event of a shortfall, **you** may be able to claim compensation from the Financial Services Compensation Scheme. Please see paragraph 118 for more details.
42. **We** will not pay interest on any cash held in client accounts in **our** name.
43. If **you** instruct **us** to sell all or part of the **investments** but do not instruct us to buy new **investments**, or if **you** ask **us** to close **your Account** or ask for a partial withdrawal, then **we** will hold any sale proceeds in cash under paragraph 41 until **we** pay them to **you** under paragraphs 61 or 84 below.

## Income distributions

44. If **you** invest in **investments** that provide income or interest distributions or both, **you** may ask **us** to pay these to **you** quarterly. If **you** choose this option, **you** cannot choose the regular withdrawal option. The dates on which **we** will process the payment (the 'payment process dates') are 10 March, 10 June, 10 September and 10 December if they are **business days**. If those dates are not **business days**, **we** will process the payment on the next **business day**. Payment will be made to **your** bank or building society account by direct credit as soon as reasonably practicable.
45. When **we** make a payment to **you**, it will consist of the distributions credited to **your Account**, subject to paragraph 46.
46. Any income payments **we** pay **you** will be after any deductions or charges due or payable under these terms and conditions and the **Regulations**.
47. If **your Account** is closed for any reason, the value of **your Account** will be paid to **you** in accordance with paragraph 86. Residual money is income received from **your Investments** after **your Account** is closed. **We** will make any payment of any residual money in **your Account** to you within 20 **business days** of the next payment process date after **we** receive the money. Current payment process dates are 10 March, 10 June, 10 September and 10 December if they are **business days**, or the next **business day** if they are not.
48. There is a minimum payment amount of £1. If less than £1 becomes payable **we** reserve the right to retain it in accordance with paragraph 100.

## Regular withdrawals

49. **You** can set up regular withdrawals at any time by asking **us** in writing and obtaining **our** written agreement. This option is not available if **you** are making regular monthly **subscriptions**, or if **you** have chosen the income distribution option.

50. We must receive **your written instructions** at least 10 **business days** before the first withdrawal is to be made. The minimum withdrawal **you** can take is currently £50 per withdrawal. **We** may change this minimum. If **we** do, **we** will notify **you** in accordance with paragraph 120.
51. **You** can take withdrawals proportionately across all **your funds**, or from one or a selection of **funds** that **you** have specified. If **you** don't select a preference, withdrawals will be made proportionately across all **your funds**.
52. **We** set a maximum amount for regular withdrawals. This is currently 7.5% of the value of **your Account** each year. However, if **you** set up regular withdrawals when **you** start **your Account**, **we** will initially allow up to a maximum of, currently, 7.5% of **your** payment to **us**. **We** may change this maximum limit, and if **we** do **we** will notify **you** in accordance with paragraph 120.
53. Regular withdrawals may be taken monthly, quarterly, four-monthly, half-yearly, or yearly, starting in any month. **Investments in your Account** will be sold to generate **your** withdrawals on the tenth day of the month, or if this is not a **business day**, on the previous **business day**. The **investment value** referred to in paragraph 54 will be calculated on the tenth day of the month or, if this is not a **business day**, on the previous **business day**.
54. If **you** choose to take withdrawals proportionately across all **funds**, **you** can take them as a percentage of the **investment value**, which will give a payment that fluctuates with the **investment value**, or as a monetary amount that will be based on **your investment** at outset and will result in a set payment. If **you** choose to take withdrawals from a specified **fund** or **funds**, **you** will need to inform **us** of the percentage or amount that **you** wish to withdraw from each **fund**.
55. If **you** ask to take a monetary amount, **you** can ask for it to automatically increase each year by a given percentage (up to a maximum of 10%), or in line with the **RPI** or **AWE** each year, as long as it does not exceed the limits explained in paragraph 52. The rate of increase will apply on the anniversary of **your** first regular withdrawal following the request for the automatic increase.
56. If **you** choose not to automatically increase regular withdrawals when **you** start **your Account**, **you** can do so at a later date by giving **us your written instructions**. If **you** no longer require **your** regular withdrawals to automatically increase, **you** can stop the automatic increase at any time by giving **us your written instructions**. **You** can change the rate of the increase applied to **your** regular withdrawals by giving **us your written instructions** detailing the change required.
57. **We** will pay regular withdrawals direct to **your** bank or building society account by direct credit as soon as reasonably practicable – usually within six **business days** of **your** chosen withdrawal date.
58. **You** may cancel regular withdrawals by telling **us in writing**. **We** may stop **your** regular withdrawals if **your Account** value falls below **our** current minimum of £2,000. **We** will write and tell **you** if regular withdrawals are stopped. **We** may change the minimum **Account** value. If **we** do, **we** will notify **you** in accordance with paragraph 120.
59. If **you** have chosen regular withdrawals from a specified **fund** or **funds** and the value of the **fund** or **funds** isn't enough to continue with the regular withdrawal, **we** will stop withdrawals from the **fund** affected. If this happens **we** will not take the withdrawal from another **fund** until **we** have received **your written instructions**.

## Partial withdrawal

60. **You** can take a partial withdrawal from **your Account** in the form of a cash lump sum, but **you** must leave at least £2,000 in **your Account** unless **you** are making regular monthly **subscriptions**. If this minimum changes, **we** will notify **you** in accordance with paragraph 120.
61. **We** will sell **your** investments as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your written instructions** at **our head office**. **We** will pay the proceeds to **you** as soon as reasonably practicable, usually within four **business days** following the sale of **your investments**.  
  
**You** may choose a specific date that you wish **us** to make payment. This can be between six and 30 days from the date **we** receive **your** written instructions.
62. **We** will either make these sales proportionately from each **fund** in **your Account**, or as **you** specify under paragraph 63.
63. **You** may specify **in writing** the amount or percentage to be taken from each **fund** in **your Account**.
64. The minimum partial withdrawal amount is £50. **We** may change this amount. If **we** do, **we** will notify **you** in accordance with paragraph 120.
65. **We** will pay the cash proceeds of any partial withdrawal by cheque or by any other method **we** agree with **you**, as soon as reasonably practicable, usually within the following four **business days**, less any deductions and charges due under these terms and conditions.

## Re-registration

### Re-registering investments to your Account

66. If **you** ask, **we** will help with the **re-registration** of **your** units in a unit trust or shares in an open-ended investment company to **your Account**. Please note this may not be possible in all cases. **You** are responsible for getting the consent and cooperation of **your** original account manager, where relevant. **Re-registration to your Account** is dependant on the fund manager your investments are with, and may take up to eight weeks to complete.
67. **We** will not be liable for any charge made by **your** original account manager.
68. **We** can only re-register funds listed in the latest **Sterling charges summary**, which are held in an individual or individuals' name(s).
69. Paragraphs 49 to 59 will not apply to **funds** re-registered to **us** until the **re-registration** process has been completed.
70. **We** currently don't charge for **re-registration** and there is no initial charge on the value of **your** re-registered **funds**. In the future **we** may decide in accordance with paragraph 99, to charge a fee for this service. If **we** do, **we** will give **you** at least 30 days' written notice. Some **fund** managers may charge a fee to cover administration costs. Once **your investments** are re-registered with **us**, **your Account** will have the same ongoing charges as detailed in the latest **Sterling charges summary**.
71. **You** cannot re-register to **our** ISA.



72. You cannot re-register funds to us, or a third party acting on our behalf, if you are investing as a registered UK company or charity.

### Re-registering Investments from your Account

73. You can re-register the investments in your Account to another account manager, with the exception of any funds which are only available through us such as:

- The Threadneedle Protected Profits fund
- The Multi-Manager Protected Profits fund
- The Tracker Protected Profits fund.

These funds need to be either switched to another fund before the re-registration can take place, as described in paragraphs 22 and 23, or your investments must be sold, as described in paragraph 84.

74. If you have chosen the phased-investment facility, described in paragraphs 127 to 133, you must cancel this facility before you re-register. To cancel the phased investment facility you must give us written instructions.

75. If you instruct a re-registration during our direct debit collection cycle, your request will not be processed until the collection has been cleared and payment made to your Account. This ensures your investments are static before the re-registration process is started. The direct debit collection cycle runs for two business days before the collection is due and three afterwards. This means your re-registration will be delayed for a maximum of six business days.

76. We will stop your regular monthly payments to, and any regular withdrawals paid from, your Account once we receive your re-registration instruction.

77. If you have chosen to re-invest any dividends or tax credits received into your Account, once we have received your re-registration instruction we will pay these to you by cheque or by any other method we agree with you, as soon as reasonably practical. This will usually be within 20 business days of the next payment process date after we receive the money, less any deductions and charges due under these terms and conditions. See paragraphs 44 to 48.

78. We will not take the charges described in paragraphs 97b and 97c once the re-registration process has started, but we will take the custodian charge, accrued up to the date your re-registration instruction is processed, described in 97c, before re-registration starts.

79. We cannot stop the re-registration process once the stock transfer forms have been signed and the request is issued to the relevant Investment Manager(s). If you stop the re-registration process before this, the custodian charge, as described in 97c will continue to accrue from the date your re-registration instruction was first processed.

80. A re-registration to another provider may take up to eight weeks to complete. In the event of your death during this period, paragraphs 89 to 94 will still apply.

81. The re-registration of each fund is finalised when the fund manager has actioned the stock transfer form, registering your unit holding to your chosen provider. If re-registration

of any funds is rejected in this process, we will complete the transfer by paying the remaining investment value of the fund in cash, as described in paragraphs 84 and 85.

82. We will make reasonable efforts with the receiving account manager to complete the re-registration process. If the re-registration process has not completed after eight weeks, we reserve the right to complete the transfer in cash.

83. Once re-registration is complete any residual cash in your Investment Account will be paid back to you and any residual cash in your ISA will be paid to the new provider, as described in paragraph 85.

### Closing your Account

84. You can close your Account by giving us your written instructions to do so. We will sell your investments as soon as reasonably practicable, usually within two business days from the date we receive your written instructions at our head office. We can make payment as either:

- a. the cash proceeds of your investments,
- b. for the ISA, where appropriate, as a transfer of the cash proceeds to another ISA manager, or
- c. a re-registration of investments to another account manager.

You may choose a specific date that you wish us to make payment. This can be between six and 30 days from the date we receive your written instructions. We will pay the cash proceeds by cheque or by any other method we agree with you, as soon as reasonably practicable, usually within the following four business days, less any deductions and charges due under these terms and conditions or the ISA Regulations. This includes any outstanding custodian charge that has been accrued, up to the date you instruct us to close your Account, as described in paragraph 97c.

85. If any amount due to your Account is outstanding at the time we pay the cash proceeds under paragraph 84, we will collect those amounts as we receive them and hold them as cash in accordance with paragraphs 39 to 43. Once we have received the last outstanding amount we will pay the total cash to you or transfer it to another ISA manager, as appropriate, in accordance with paragraph 47.

86. On giving you at least 30 days' notice in writing, we may close your ISA if we stop being an authorised manager for any reason. You will have the option to transfer your ISA to another ISA manager or we can pay you the cash proceeds of your ISA in accordance with paragraph 84. Your ISA will close on the day specified in the notice and will be subject to deduction of any amounts and charges due under these terms and conditions. If you do not tell us that you would like your ISA transferred to another ISA manager before the notice period expires, then we will send the cash proceeds to you by cheque within four business days of your ISA closing. The amount transferred or paid to you will be the value of the investments in your ISA at the date of closure.

87. We may close your Account where regular monthly subscriptions have stopped for more than a complete tax year (6 April to 5 April) and its value is below the current minimum level shown at paragraph 17. At our discretion we may also

close **your Account** in accordance with paragraph 17 if its value falls below the minimum limit shown in paragraph 17. **We** will give **you** at least 30 days' written notice of this. **We** will pay the cash proceeds to **you** less any deductions and charges due and payable under these terms and conditions; or where requested for the **ISA**, **we** will transfer the cash proceeds to another **ISA** manager in accordance with paragraph 84. **We** are also entitled to close **your Account** if **we** find that any information in the declaration on **your** application is factually incorrect.

88. The closing of **your Account** for whatever reason will not affect:
- the completion of any incomplete transactions carried out as part of **your Account**
  - any liabilities or obligations **you** have to **us** or **we** have to **you** before the date the **Account** is closed
  - any amount that is rightfully and properly due from **you** to **us** or from **us** to **you** and becomes payable on the date the **Account** is closed.

## Death

89. If **you** are a trust, corporate body, pension trustee or charity, or if the **Investment Account** has been transferred into trust, then paragraphs 90 to 94 do not apply.

90. **Your Account** will end when **we** receive notification of either:

- your** death, or
- if **you** are a joint investor in the **Investment Account**, the death of the last surviving owner of the **Account**.

91. The **investments** in **your Account** will be sold as soon as reasonably practicable, usually within two **business days** from the date **we** receive notification of death at **our head office**.

**We** will hold the proceeds as cash subject to paragraphs 39 to 43 and pay them to your legal personal representatives subject to receiving all documents and information that **we** reasonably request from your legal personal representatives to ensure that the money is paid correctly. **We** will send details of what **we** need to your legal personal representatives when **we** receive notification of death.

92. The amount payable on death will depend on when **your Account** started:

a. For **Accounts** starting before 15 January 2007 where no further lump sum or increase to regular monthly **subscriptions** is made after 31 January 2010, or where death occurs less than ten years following the first lump sum or increase to regular monthly **subscriptions** made after 31 January 2010, the amount payable on death will be the greater of:

- payments made to **your Account** reduced by any withdrawals taken, funds **re-registered** and income payments **we** have made, and
- the value of **your Account** at the date **investments** are sold, in accordance with paragraph 91.

b. For **Accounts** starting before 15 January 2007 where death occurs more than ten years following the first lump sum or increase to regular monthly **subscriptions** made after 31 January 2010, the amount payable on death will be:

- the value of **your Account** at the date **investments** are sold (see paragraph 91) that is allocated to lump sum

and increases to regular monthly **subscriptions** made to **your Account** after 31 January 2010

plus the greater of:

- the remaining value of **your Account** at the date **investments** are sold in accordance with paragraph 91, and
- the value of the payments made to **your Account**, excluding any lump sum or increases to regular monthly **subscriptions** made after 31 January 2010, reduced by any withdrawals taken, funds **re-registered** and income payments **we** have made that are allocated to those payments.

By 'increases to regular monthly **subscriptions**' **we** mean the amount above the regular monthly **subscription** **you** paid in January 2010.

To enable **us** to calculate the values in 92b, **we** divide **your Account** into two parts, as covered in paragraph 93.

- Where **your Account** started before 1 January 2003, payments are reduced by any withdrawals taken or funds **re-registered** but not by any income **we** have paid.
- For **Accounts** starting on or after 15 January 2007 the amount payable on death before the tenth anniversary of the initial payment will be the greater of:
  - payments made to **your Account** reduced by any withdrawals taken, funds **re-registered** and income payments **we** have made, and
  - the value of **your Account** at the date **investments** are sold, in accordance with paragraph 91.

The amount payable on death after the tenth anniversary of the initial subscription will be the value of **your Account** at the date **investments** are sold in accordance with paragraph 91.

**We** will deduct from the amount payable any outstanding custodian charge accrued up to the date **investments** are sold.

93. To calculate the minimum return on death for **Accounts** started before 15 January 2007 **we** divide the **Account** into two parts. The first part has a minimum return on death for as long as **you** keep the **Account**. The second part has a minimum return on death for ten years from the date the first additional **subscription** is paid into the **Account** after 31 January 2010. An 'additional **subscription**' is a lump sum or an increase to **your** regular monthly **subscriptions**.

**We** calculate the proportion allocated to each part when a **subscription** is made. It is based on the increase in the value of the **Account** resulting from the **subscription**.

For example, a lump sum **subscription** is paid to an **Account** after 31 January 2010. The **subscription** increases the **Account** value from £7,000 to £10,000 on the day it is paid. The **Account** is divided 70% to the first part (with a minimum return on death for as long as the **Account** is held) and 30% to the second part (with a minimum return on death for ten years).

Regular monthly **subscriptions** are similarly divided between each part of the **Account**.

Building on the earlier example, regular monthly **subscriptions** are also increased from £150 to £250 at the same time. The first regular monthly **subscription** of £250 increases the value of the **Account** by £240 after charges and is divided between each part of the **Account**:

$$\frac{£150}{£250} \times £240 = £144 \text{ to the first part}$$

The remaining £96 to the second part.

The total value of the **Account** is now £10,240. The value allocated to the first part is £7,144 (69.766%) and to the second part £3,096 (30.234%).

**We** do the calculations to three decimal places and the division applies until the next **subscription** is made, when **we** make a new calculation.

The minimum return on death is the **subscriptions** less withdrawals, **re-registered** funds and income payments (where the **Account** was started after 1 January 2003). **We** allocate withdrawals, **re-registered** funds and income payments to the **subscriptions** based on the division of the **Account** at the time of the withdrawal or income payment.

For example, if the **Account** is divided 80% and 20% at the time a withdrawal is made, **we** allocate 80% of the withdrawal to the **subscriptions** in the first part and 20% to the **subscriptions** in the second part.

94. These terms and conditions will be binding on **your** legal personal representatives.

## Communication with you

95. **We** will send **you** written confirmation of the following transactions when **you**:
- open **your Account**
  - pay further **subscriptions** (except further regular monthly **subscriptions**)
  - increase the amount of **your** regular monthly **subscriptions**, or make changes to the amount by which they are regularly increased
  - switch any of **your investments**
  - decide to take regular or partial withdrawals, or make changes to existing withdrawals
  - decide to take distributions.
- We** will also send **you**, or **your** legal personal representatives, written confirmation when **your Account** is closed, or when **re-registration** of **your investments** to another account manager is complete.
96. **We** will send **you** a statement every three months showing the value of **your Account** and a summary of the transactions in **your Account** since the previous statement. The statement will not include any measurement of the **investment** performance of **your Account**. If **you** wish to find out more about the investment performance of **your Account**, then **you** should contact **your** adviser. Each April **we** will also send **you** a summary of charges over the previous year.

## Charges

97. **We** will be entitled to make the charges detailed below for **our** services.

### Sterling charges

- Initial charge  
**We** will make a charge, as shown in the **Key Features**, on any amount paid to **us** in respect of **your Account**. **We** will take this initial charge by selling **investments** in **your Account**, unless **we** have agreed to take the charge from **your** payment before any **investment** is made. **We** will not make this charge in respect of any reinvested distributions, nor if **you** switch between **investments**. This charge covers the cost of buying the funds.
- Yearly charge  
**We** will take a yearly charge. This is taken in four instalments and is based on the **Accounts you** hold with **us** as at 10 March, 10 June, 10 September and 10 December. The charge is taken on the above dates (or if any of those days is not a **business day**, on the next **business day**) and is calculated separately on:
  - The total value of all **your Investment Accounts** started before 1 February 2010 (unless the owner is a pension trustee, in which case the charge is on each separate **Investment Account** value)
  - The total value of all **your ISAs** started before 1 February 2010
  - The value of each **Account** started after 31 January 2010

For example, if **you** held two **Investment Accounts** and one **ISA** all starting before 1 February 2010, **you** would pay two yearly charges. **We** would apply one yearly charge for the total value of the **Investment Accounts** (spread across both) and **we** would apply one yearly charge separately to **your ISA**.

Each yearly charge is 0.5% (plus VAT) of **your** total **Account** value as described in paragraph 99b. i and ii, subject to a minimum charge of £25 (plus VAT) each year. The maximum charge is described in the **Key Features** and increases in line with **AWE** in December each year. If there is no increase in the **AWE**, there will be no change in the maximum charge. **We** will use the **AWE** calculated for each 12 month period ending on 31 July each year. **We** will always round down to the nearest penny that is divisible by four. This charge covers portfolio management costs including administration of **your Account**.

**We** will tell **you** about any changes to this charge in the statements you receive in April and October each year or **you** can get details of the current maximum charge from **your** adviser, or by contacting **us** directly.

- Custodian charge  
This charge will apply to the value of the **investments** held under **your Account**. The charge is calculated and accrued on each **business day** and is taken in instalments on 10 March, 10 June, 10 September and 10 December. If any of those days is not a **business day**, **we** will take the charge on the next **business day**. If a fund manager cannot provide a correct price on a specific day **we** will use the last available price to calculate the accrued charge.

The yearly custodian charge is 0.75% (no VAT) of the total value of the **investments** held under **your Account**. This charge covers the cost of dealing with **your** funds including dividend distributions, aggregated deals and fund switching.

98. We will take the charges explained in paragraph 97b and c and/or any tax or other deduction we must pay or repay in connection with your Account, and any administration charge we might make under paragraphs 33 to 35, from any cash held under paragraphs 39 to 43. If this is not enough to cover these charges, we will sell investments in your Account to raise the required amount.

In respect of the charges explained in paragraph 97b, we will make the sale from the largest investment (measured by its investment value) in your Account. If that is not enough, we will raise the rest by selling the next largest investment and so on until all charges are met. To realise the cash to pay the charges explained in paragraph 97c, we will make the sale proportionately from across the investments in your Account.

If, after the charges are deducted, the value of your Account falls below the minimum stated in paragraph 17, subject to the provisions of that paragraph, we reserve the right, on giving you 30 days written notice, to sell your investments and hold it as cash in your Account in accordance with paragraphs 39 to 43. We also reserve the right to sell units or shares from investments on a different basis to that described in this paragraph, on giving you 30 days written notice, if we decide that this would reduce the costs of the sale. We will report any such transaction to you in the statements described in paragraph 96.

99. We may increase the Sterling charges or introduce new Sterling charges to the extent that any increase or new charge is reasonable in amount and proportionately and reasonably required for any of the following reasons:

- a. To allow us to look after your Account more effectively, or to reflect changes in technology and industry practice.
- b. To take account of a decision by a court, governmental body, ombudsman, regulator, industry body or similar body; or because of changes to, or to comply with, the law, taxation, official guidance, codes of practice or the way we are regulated or the amount of capital we need to hold.
- c. To take account of changes to levies or charges imposed by law or under the Financial Services Compensation Scheme or by the FCA (unless we are expressly prohibited from passing these onto our customers).

We will let you know in writing about any changes to the charges in accordance with paragraph 120.

100. If less than £1 becomes payable to you, we reserve the right to retain it and treat it as an additional miscellaneous charge. We reserve the right to increase this limit in the future. If we do, we will notify you in accordance with paragraph 120.

#### Fund managers' charge

101. The fund managers' charges are shown in the Sterling charges summary for Sterling panel funds and for wider market funds. The amount of charges and any changes to them are decided by the fund manager and may increase or decrease. Where we are notified by a fund manager that they are increasing their charges we will notify you as soon as we reasonably can after the date of the change.

The Ongoing Charge Figure (OCF) for each fund can also vary because of changes to the expenses which are charged to the funds or because funds invest in a mix of underlying funds and investments and the aggregate charge may change as the investment mix changes in accordance with the fund's objective.

We will not notify you of these changes to the OCF which reflect the normal operation of the funds.

A copy of the latest Sterling charges summary is available from your adviser or directly from us.

These charges apply in addition to the charges described in paragraphs 97 to 98.

## Exercise of due care

102. In these terms and conditions, where we can use our discretion, make a decision, require information or evidence or use our judgement, then we will do so acting reasonably, proportionately and fairly and in accordance with law and regulation.

103. We will exercise due care and diligence in managing your Account. However, the value of your Account may increase or decrease depending on the performance of your chosen funds in the relevant market or any currency fluctuations that are outside our control. We will not be liable to you for any costs, claims, demands, losses, or expenses suffered by, or arising from, a decrease in value of your Account unless it was caused by our breach of these terms and conditions or our negligence.

104. We make every effort to identify conflicts of interest. A conflict of interest is where the interests of our business conflict with those of a customer, or if there is a conflict between customers of the business. Once identified, we aim to either prevent the conflict or put steps in place to manage it so that it is no longer potentially detrimental to our customers.

We have processes in place to ensure we conduct our business lawfully, with integrity, and in line with current legislation. We operate in line with our conflicts of interest policy, available on request or on our website, which details the types of conflicts of interest that affect our business and how we aim to prevent or manage these. Where we cannot prevent or manage a conflict which may be detrimental to you, we will fully disclose it to you in line with our policy.

105. We will act on your instructions, or instructions that we reasonably believe have come from you. If those instructions are unclear or conflict, we will seek clarification before we act on them. We will not be liable to you for any losses arising from: (i) any breach of these terms or conditions by you, or (ii) us acting on such instructions unless it was caused by our breach of these terms and conditions or our negligence.

## Notices

106. Any notice, instruction or other communication given, or to be given, by us will be valid if posted to you at the address shown in the application for your Account or the last address you notified to us. It will be treated as received by you at the address notified to us if sent by post. We will not be responsible for any consequences arising from any failure by you to notify us of any change of address.

107. Any instructions or notices required from you under these terms and conditions must be made in writing and must bear your original signature. Instructions by fax or by telephone or email will not be acceptable. We will accept your written instructions only if they are accompanied by any documents we may reasonably require. We will not treat any instructions from you as received by us until we actually receive them at our head office.

## Fund reclassification and discontinuance

108. From time to time **we** may, acting reasonably, decide that:
- certain **Sterling panel funds** will no longer be made available to **you** as **Sterling panel funds** and may instead be made available to **you** as **wider market funds**, or
  - certain **wider market funds** will no longer be made available to **you** as **wider market funds** and may instead be made available to **you** as **Sterling panel funds**, or
  - certain **Sterling panel funds** and/or **wider market funds** will no longer be made available to **you** for either new or current **investments**, or both.
109. If **we** decide that a **fund** is no longer available to **you** in accordance with 108c, **we** will write to **you** to ask for **your** instructions. **We** will only write to **you** if **you** hold **investments** in the relevant **fund** and **our** decision requires **you** to select a new **fund**, or **you** are making regular **subscriptions** and **our** decision requires **you** to select a new **fund** for **your** continuing regular **subscriptions**. If **we** do not hear from **you** within a reasonable time, or if it is not practical for **us** to write to **you** in advance, **we** will switch your current **investment** to, or buy new **investments** with **your** continuing regular **subscriptions** in, another **fund** selected by **us**. This is currently the Threadneedle Managed Bond fund. If this fund is not available, **we** will select a suitable alternative and inform **you** when **we** write to **you**. **You** will then be able to switch to another **fund** at a later date and **we** will not make a charge for these switches. For **funds** invested in the **Investment Account** the switches will be disposals for capital gains tax purposes and may affect **your** tax liability.
110. After any switches made as a result of paragraph 108c under paragraph 109, **you** can switch into any **Sterling panel fund**, or **funds**, or **wider market fund** or **funds** subject to the terms and conditions that then apply to switching. For **funds** invested in the **Investment Account** any switch by **us** under paragraph 109, and any subsequent switch by **you** to another **fund** or **funds** of **your** choice, will count as a disposal for capital gains tax purposes and may affect **your** tax liability.
111. **We** refer to the process described in paragraph 108a and b as 'reclassification'. If **you** have invested in a **fund** that **we** later reclassify as set out in paragraph 108a **we** will write to **you**. **You** will need to tell **us** in writing if **you** wish to switch from the reclassified **fund** to an alternative **fund**. This can be either a **Sterling panel fund** or a **wider market fund** or both. **We** will not make a charge for this switch. For **funds** invested in the **Investment Account** any switch made to another **fund** or **funds** will count as a disposal for capital gains tax purposes and may affect **your** tax liability. If **you** do not contact **us**, **your investment** will remain in the reclassified **fund** and **we** will take no further action.
- If **you** have invested in a **fund** that **we** later reclassify as set out in paragraph 108b, **your investment** will remain in the reclassified **fund**.
112. From time to time the underlying medium-term notes linked to a **MTN Protected profits fund** may be changed by the issuing institution. If the issuing institution withdraws the underlying security linked to a **MTN Protected profits fund**, **we** will switch **your investment** in that **fund** to another **fund** selected by **us**, currently the Threadneedle Managed Bond fund without giving **you** notice. **We** will then write to **you** to give **you** the opportunity to switch **your investment** from that **fund** to another **fund** or **funds** of **your** choice from the range of **Sterling panel funds** or **wider market funds**. **We** will hold any corporate investments as cash. **We** will not make a charge

for these switches. For **funds** invested in the **Investment Account** any such switch will count as a disposal for capital gains tax purposes and may affect **your** tax liability.

## Taxation

113. These terms and conditions are based on **our** understanding of current United Kingdom law and HM Revenue & Customs practice. Taxation law and HM Revenue & Customs practice may change from time to time and such changes cannot be foreseen. If there is any change in law and taxation (or in **our** interpretation or understanding of such matters) or otherwise that makes it impracticable or impossible to carry out these terms and conditions, **we** reserve the right to vary them in accordance with paragraphs 119 to 120. **We** will inform you of any such change at the first practicable opportunity.

The **Account** is designed for customers who are resident in the United Kingdom. **We** do not offer tax advice so, if **you** decide to live outside the United Kingdom, **we** recommend **you** obtain advice on the tax consequences of changing **your** country of residence in relation to **your Account**. **We** will not be held liable for any adverse tax consequences that arise in respect of **you** or **your Account** as a result of such a change in residence.

## European Monetary Union

114. It may be that the euro will replace the pound sterling as a result of the United Kingdom's participation in Economic and Monetary Union within the European Union. If so, the **Account** will continue subject to any necessary changes brought about by using the euro to state the denomination of its benefits, charges and terms.

## Third-party rights

115. Only **we** and **you** can enforce the terms of **your Account**, unless **you** die during the term of this **Account**, in which case the person managing **your** affairs or who is entitled to benefit from this **Account** can also enforce its terms and conditions.

## Complaints

116. **We** are regulated and bound by the **FCA** rules. **We** are authorised to deal and arrange **investments** in collective investment schemes and shares and to act as an **ISA** manager. If **you** are dissatisfied with the service **you** receive from **us**, **you** should contact **us** at **our head office**.
117. If **you** are dissatisfied with the way **we** deal with **your** complaint and wish to take the matter further, **you** can refer **your** complaint to the The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Making a complaint will not affect **your** right to take legal proceedings. For more information, please visit <http://www.financial-ombudsman.org.uk/>

The law of England applies to these terms and conditions. But if **you** are resident in another part of the United Kingdom, the law of that part of the United Kingdom applies in the event of any inconsistency. Any dispute in relation to these terms and conditions can be resolved in the courts of the part of the United Kingdom in which **you** are resident, unless **you** and the Company agree otherwise.

## Compensation

118. If **we**, or any of the providers of investments or investment services available through **your Account**, cannot meet any financial obligations, **you** may be able to claim compensation from the Financial Services Compensation Scheme (**FSCS**). The compensation **you** may receive will be based on the **FSCS** rules and whether or not **you** are eligible to make a claim.

**You** could lose all or some of **your** money. The FSCS is a fund of 'last resort', only stepping in if the provider of the investment is in default.

The FSCS does not cover **you**:

- if the provider has stopped trading but still has assets to meet its claims; and
- for poor investment performance.

If a provider is in default and **you** satisfy the criteria to be eligible to make a claim, the limits to **your** compensation would be as follows:

#### **Sterling ISA Managers Limited**

A claim for the administration of the accounts may be covered up to a maximum of £85,000.

#### **Banking partners**

The FSCS may cover any claim for cash held in **your Account** with **our** banking partners, or banks within the same banking group. To find what the latest compensation limit is, please visit [www.fscs.org.uk](http://www.fscs.org.uk).

This limit includes any cash held in **your Account** together with any other money **you** hold with the same bank. It may also include money **you** hold with other banks within the same banking group.

#### **Fund manager**

If a fund manager cannot meet its financial obligations, any claim may be covered up to a maximum of £85,000.

**You** can contact the FSCS for more information:

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

Telephone: 0800 678 1100 or 020 7741 4100

Write to: Financial Services Compensation Scheme  
10th Floor  
Beaufort House  
15 St Botolph Street  
London EC3A 7QU

## Variation of these terms and conditions

119. These terms and conditions, and **your** investment schedule set out the terms and conditions of **your Account**. Changes or additions to the terms and conditions or **your** investment schedule can only be made by **us** and we will confirm these changes **in writing** from **our head office**. **Your** adviser is not authorised by **us** to agree any changes or additions to these terms and conditions.
120. **We** may alter the terms and conditions of **your Account** (including your payments and benefits) to the extent that the change is proportionately and reasonably required for any of the following reasons:
- To allow **us** to look after **your Account** more efficiently or effectively, or to reflect changes in technology and industry practice.
  - To take account of a decision by a court, governmental body, ombudsman, regulator or similar body, or because of changes to, or to comply with, the law, taxation, official guidance, applicable codes of practice or the way in which **we** are regulated or the amount of capital **we** need to hold.
  - If in **our** reasonable opinion **we** are at material risk of becoming insolvent and this may be avoided by changing the terms and conditions of **your Account** and those of other **Account** holders with similar **Accounts** and the changes are in the interests of **our Account** holders as a whole.

**We** will let **you** know in writing about any changes to these terms and conditions at least 30 days before the change, where this is reasonably possible. Otherwise **we** will let **you** know as soon as **we** reasonably can.

## Your responsibilities

121. **You** are responsible for:
- answering any questions **we** ask honestly and reasonably. If **you** are careless or reckless when providing your responses, the terms of **your Account** may be changed in accordance with paragraph 10.
  - contacting **us** if **your** name or address change. Please contact **us** as soon as possible about this, otherwise **we** may send confidential information about **you** and **your Account** to **your** old address.
  - where **you** move to another country outside of the UK, telling **us** of any change in **your** residency before the change happens, in line with section 122 'Moving abroad'.
  - keeping secret and safe any passwords and documents about **your Account**. **You** must also contact **us** straight away if **you** know about or suspect identity theft.
  - regularly reviewing **your Account** and its benefits, including **your** choice of **investments**, and whether they remain appropriate for **you**. **You** may need to seek advice from an adviser about this.

## Moving abroad

122. If **you** move to another country outside the UK when **you** have an **Account** with **us**, **your Account** may no longer be suitable for **your** individual needs, and **you** may no longer be eligible to make payments into **your Account**. The local laws and regulations of the jurisdiction to which **you** move may impact **our** ability to continue to service **your Account** in accordance with these terms and conditions. While **you** have **your Account** with **us**, **you** must tell **us** of any planned change in **your** residency before the change happens.

The **Account** is designed for customers who are resident in the UK. **We** do not offer tax advice so if **you** decide to live outside of the UK, **we** recommend **you** obtain advice on the tax consequences of changing **your** country of residence in relation to **your Account**. **We** will not be held liable for any adverse tax consequences that arise in respect of **you** or **your Account** as a result of such a change in residence.

**We** will not provide **you** with any services or benefits if in doing so **we** violate any applicable (including UK, EU and USA (Office of Foreign Asset Control)) financial sanctions, laws or regulations. This could result in **us** having to terminate **your Account** with **us**.

## Investment Account: specific information

### Eligibility

123. To open an **Account** **you** must either:
- be an individual aged between 18 and 79 inclusive. This applies to the youngest **Account** holder in the case of joint **Accounts**, or
  - be a registered UK company, trustee, pension trustee or charity.

In addition, no **Account** holder must be a resident in, or a citizen of, the United States of America.

Companies and charities can only invest in the Multimanager Protected Profits fund and/or the Tracker Protected Profits fund unless the **Account** started before 15 January 2007 in which case the Threadneedle Protected Profits fund is also available.

## Minimum subscriptions

124. The first single payment into **your Account** must be at least £5,000. Any single payments **you** make after that must be at least £1,000.
125. **You** must make a minimum monthly payment of £250, or £50 a month if **you** also make a single payment to **your Account**. Any increase to **your** monthly payment must be at least £25. If **you** stop making payments before **you** reach the minimum of £5,000, **we** reserve the right to close **your Account** and send **you** the proceeds as detailed in paragraph 84.

## Investing in your Account

126. **You** can choose to increase **your** regular monthly **subscription** each year:
  - a. in line with any increase in the **RPI**, or
  - b. in line with any increase in the **AWE**, or
  - c. by a fixed percentage increase, from a minimum of 1% up to a maximum of 20% each year.

**You** can ask **us** to automatically increase **your subscription** at the start of **your Account** or at a later date in writing to **us**. **We** will apply **your** chosen rate of increase in January. For fully completed applications or requests received after 15 November **we** will apply the increase in January of the following year. For example, for an application received on 14 November 2011, **we** will apply the increase in January 2012 and for an application received on 17 November 2011 **we** will apply the increase in January 2013.

## Phased investment facility

127. If **you** have chosen the phased investment facility, **we** will initially allocate the whole of **your** lump sum **subscription** to a 'money market' **fund**. **You** can find details of what a 'money market' fund is, and which **fund** **we** currently use, in the **Sterling panel funds guide**. This **fund** may change from time to time. Each month, **we** will then switch a fraction of the **funds** bought with this **subscription**, as specified in paragraph 130, to the **fund** or **funds** of **your** choice over a specified switch period. Once **you** have started phased investment, the 'money market' **fund** will stay the same throughout that phased investment period. **You** must specify **your** choice of **funds** on **your** application. **You** cannot change the **funds** **you** have chosen to switch into during the phased investment period.
128. Switching will take place on the same date each month and **we** will set this. Switching counts as a disposal for capital gains tax purposes and may affect your tax liability.
129. The specified switch period referred to in paragraph 127 can be between 3 and 12 months. **You** must indicate the switch period on **your** application. If **you** do not, **your subscription** will be switched over a six-month period.
130. The fraction of the **subscription** referred to in paragraph 127 will depend on the switch period. For example, if **you** have chosen a switch period of nine months, **we** will switch a ninth of the **investments** bought by **your subscription** for the first eight months. In the final month **we** will switch all **investments** remaining in the 'money market' **fund**.
131. **You** can set up a new phased investment strategy for any additional **subscriptions**.

132. **You** can cancel phased investment by giving **us** **written instructions**. Any **subscription** remaining in the 'money market' fund will be switched to the **fund** or **funds** that **you** have specified on **your** application as soon as reasonably practicable and usually within two **business days**.
133. Once cancelled, a phased investment strategy cannot be restarted.

## Death

134. If **your Account** is held in joint names, the amount in paragraphs 92 and 93, as applicable, will be paid to the legal personal representatives of the last owner to die (provided they give **us** satisfactory evidence of their position, such as a grant of representation).
135. If **you** are a trust, corporate body, pension trustee or charity, or if the **Investment Account** has been transferred into trust, paragraphs 90 to 94 do not apply and the **Account** will continue.

## Communication with you

136. Each year **we** will send **you** a tax voucher giving **you** the information **you** need to complete **your** self-assessment tax return. If the **Account** is held in trust, **we** will send all correspondence and notifications to the first-named trustee. However, any action necessary as a result of that correspondence or notification may take place only with the agreement of all the trustees.

## Notices

137. If the **Account** is in joint names, **we** will only accept **written instructions** that bear all **your** signatures.

## Taxation

138. Certain actions, for example fund switches, regular or partial withdrawals from the **Account** or closure of the **Account** may give rise to a liability to capital gains tax on any gain made. This will depend on **your** individual circumstances so **you** should seek advice from an authorised adviser.

## ISA: specific information

### Our agreement with you

139. **You** authorise **us** to provide HM Revenue & Customs with all relevant details of **your Account** and the **investments**. In addition **you** authorise **us** to act on **your** behalf in respect of **your Account** in making any necessary claims and appeals, and agreeing any liabilities for, and relief from, tax in respect of **your Account**.
140. If, between 9 March and 5 April, **you** send **us** more than the maximum payment, **we** will invest the maximum **subscription** subject to paragraphs 11 and 12 and hold the rest in **our** client money account in accordance with paragraphs 39 to 43.

As soon as reasonably practicable after the start of the following tax year, **we** will invest the remaining **subscription** in accordance with paragraph 19 up to the maximum allowable for that tax year and return any excess to **you**. If **you** send **us** more than the maximum payment at any other time, **we** will invest the maximum **subscription** subject to paragraphs 11 and 12, and return the excess to **you** in respect of **your Account**.

## Eligibility

141. To open an **Account** you must be aged between 18 and 79 inclusive, and resident in the United Kingdom for tax purposes. In addition, you must not be resident in, or a citizen of, the United States of America.

## Minimum subscriptions

142. The first single payment into your **Account** must be at least £3,000. Any single payments you make after that must be at least £1,000.
143. You must make minimum monthly payments of £100, or £50 a month if you also make a single payment. Any increase to your monthly payment must be at least £25. If you stop making payments before you reach the minimum of £3,000, we reserve the right to close your **Account** and send you the proceeds as detailed in paragraph 84.

## Opening your Sterling ISA

144. The maximum **subscriptions** to a Sterling **ISA** are governed by the **ISA Regulations** and are described in the **Key Features**.

## Ownership and custody of, and rights in, investments held

145. You agree that **investments** must not be used as security for a loan. We agree not to borrow against the security of your **Account**.

## Transfer of existing subscriptions

146. Subject to the **ISA Regulations**, you may request that we transfer your current and/or previous tax year's **subscriptions** to another ISA manager able and willing to accept them.
147. The amount transferred will be the amounts attributable to previous tax years' **subscriptions** and/or the **subscriptions** made in the current tax year up to the date of the transfer. This value may be more or less than the amount of your **subscriptions**. We will sell the appropriate amount of your **investments** to meet this payment four **business days** before making the transfer. If you do not specify when you wish the transfer to be made, we will sell your **investments** as soon as reasonably practicable, usually within four **business days** after we have received your **written instructions**. We will make the transfer as soon as reasonably practicable, usually within the following four **business days** after selling your **investments**. You may choose a specific date that you wish us to make payment. This can be between 6 and 30 days from the date we receive your **written instructions**.

HM Revenue & Customs rules currently allow you to transfer all or part of a previous tax year's **subscriptions**, but the current tax year's **subscriptions** can only be transferred in full. Your **ISA** cannot be transferred to a cash **ISA**.

We will deduct any outstanding custodian charges (as described in 97c accrued up to the date your **investment** is transferred, from the transfer value before we transfer your **ISA**.

## Fund eligibility

148. If you are invested in a fund that subsequently becomes ineligible under the **ISA Regulations**, we will switch your **investment** to another **fund** selected by us, currently the Threadneedle Managed Bond fund. After we have switched your **investment**, we will write to you to ask for your instructions.

## Closing your Account

149. We will close your **Account** immediately if HM Revenue & Customs informs us that your **Account** is void under the **ISA Regulations**. We will make any deductions from the value of the **Account** as are required by HM Revenue & Customs and for any charges outstanding. We will notify you in writing, as soon as reasonably practicable, of any failure to satisfy the **Regulations** that has caused, or will cause, your **Account** to become void. You can find out more by contacting HM Revenue & Customs.

## Death

150. Your **Account** will continue being tax exempt until the point your **account** ends when we receive notification of your death.
151. In the event of the death of your spouse or civil partner, subject to **ISA regulations**, you may make single payments into your **Account**. The amount you can pay will depend upon the value of your deceased spouse's or civil partner's **ISA** at the date of their death or closure of their **ISA**.



# Appendix A

## Data protection – your privacy is important to us

### Who controls my personal information?

This notice tells you how Sterling ISA Managers Limited trading as Advance by Embark, as data controller, will deal with your personal information. Where Advance by Embark introduces you to a company outside the group, that company will tell you how your personal information will be used.

You can ask for further information about our use of your personal information or complain about its use in the first instance, by contacting The Group Data Manager, The Embark Group, 100 Cannon Street, London EC4N 6EU, or by emailing [data.protection@embarkgroup.co.uk](mailto:data.protection@embarkgroup.co.uk).

If you have any concerns regarding our processing of your personal information, or are not satisfied with our handling of any request by you in relation to your rights, you also have the right to make a complaint to the Information Commissioner's Office. Their address is: First Contact Team, Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, SK9 5AF.

### What personal information will you collect about me?

We will collect and process the personal information that you give us by phone, email, filling in forms, including on our website, and when you report a problem with our website. We also collect personal information from your appointed agent such as your trustee, broker, intermediary or financial adviser in order to provide you with the services you have requested and from other sources, such as credit reference agencies and other insurance companies, for verification purposes. We will also collect information you have volunteered to be in the public domain and other industry-wide sources.

We will only collect personal information that we require to fulfil our contractual or legal requirements unless you consent to provide additional information. The type of personal information we will collect includes; basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

If you give us personal information on other individuals, this will be used to provide you with a quotation and/or contract of insurance and/or provision of financial services. You agree you have their permission to do so. Except where you are managing the contract on another's behalf, please ensure that the individual knows how their personal information will be used by Advance by Embark. More information about this can be found in the 'How do you use my personal information' section.

### How do you use my personal information?

We and our selected third parties will only collect and use your personal information (i) where the processing is necessary in connection with providing you with a quotation and/or contract of insurance and/or provision of financial services that you have requested; (ii) to meet our legal or regulatory obligations, or for the establishment, exercise or defence of legal claims; (iii) for our "legitimate interests". It is in our legitimate interests to collect your personal information as it provides us with the information that we need to provide our services to you more effectively including providing you with information about our products and services. We will always ensure that we keep the amount of information

collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

Examples of the purposes for which we will collect and use your personal information are:

- to provide you with a quotation and/or contract of insurance
- to identify you when you contact us
- to deal with administration and assess claims
- to make and receive payments
- to obtain feedback on the service we provide to you
- to administer our site and for internal operations including troubleshooting, data analysis, testing, research, statistical and survey purposes
- for fraud prevention and detection services

We will use your health information and information about any convictions for the purposes of providing insurance, and this includes arranging, underwriting, advising on or administering an insurance contract between you and us.

We will contact you to obtain consent prior to processing your personal information for any other purpose, including for the purposes of targeted marketing unless we already have consent to do so.

### Who do you share my personal information with?

Where necessary, we share personal information for the purposes of providing you with the goods and services you requested with the types of organisations described below:

- associated companies including reinsurers, suppliers and service providers
- brokers, introducers and professional advisers
- survey and research organisations
- credit reference agencies
- healthcare professionals, social and welfare organisations
- other insurance companies
- comparison websites and similar companies that offer ways to research and apply for financial services products
- fraud prevention and detection agencies.

Or, in order to meet our legal or regulatory requirements, with the types of organisations described below:

- regulatory and legal bodies
- central government or local councils
- law enforcement bodies, including investigators
- credit reference agencies
- other insurance companies.

We may also share the following data with the types of organisations outlined above, for the purpose of statistical analysis, research and improving services:

- anonymised data – data encrypted to make it anonymous, which protects an individual's privacy by removing personally identifiable information
- pseudonymised data – personally identifiable information replaced with a pseudonym to make the data less identifiable, such as replacing a name with a unique number
- aggregated data – similar groups of data, such as age, profession or income which are expressed as a summary for statistical analysis.

## How do you use my personal information for websites and email communications?

When you visit one of our websites we may collect information from you such as your email address or IP address. This helps us to track unique visits and monitor patterns of customer website traffic, such as who visits and why they visit.

We use cookies and/or pixel tags on some pages of our website. A cookie is a small text file sent to your computer. A pixel tag is an invisible tag placed on certain pages of our website but not on your computer. Pixel tags usually work together with cookies to assist us to provide you with a more tailored service. This allows us to monitor and improve our email communications and website. Useful information about cookies, including how to remove them, can be found on our websites.

## How do you transfer my personal information to other countries?

Where we transfer your personal information to countries that are outside of the UK and the European Union (EU) we will ensure that it is protected and that the transfer is lawful. We will do this by ensuring that the personal information is given adequate safeguards by using 'standard contractual clauses' which have been adopted or approved by the UK and the EU, or other solutions that are in line with the requirements of European data protection laws.

A copy of our security measures for personal information transfers can be obtained from The Group Data Manager, The Embark Group, 100 Cannon Street, London EC4N 6EU, or by emailing data.protection@embarkgroup.co.uk.

## How long do you keep my personal information for?

We will keep and process your personal information for as long as necessary to meet the purposes for which it was originally collected.

There are a number of factors influencing how long we will keep your personal information, and these are shown below:

- to comply with applicable laws and regulations or set out in codes issued by regulatory authorities or professional bodies
- our business processes, associated with the type of product or service that we have provided to you
- the type of data that we hold about you
- if your data relates to any ongoing, pending, threatened, imminent or likely dispute, litigation or investigation
- to enable us to respond to any questions, complaints, claims or potential claims
- if you or a regulatory authority require us to keep your data for a legitimate purpose.

## What are my data protection rights?

We will, for the purposes of providing you with a contract of insurance, processing claims, reinsurance and targeted marketing, process your personal information by means of automated decision making and profiling where we have a legitimate interest and/or you have consented to this.

You have a number of rights under the data protection laws, namely:

- to access your data (by way of a subject access request)
- to have your data rectified if it is inaccurate or incomplete
- in certain circumstances, to have your data deleted or removed
- in certain circumstances, to restrict the processing of your data
- a right of data portability, namely to obtain and reuse your data for your own purposes across different services
- to object to direct marketing
- not to be subject to automated decision making (including profiling), where it produces a legal effect or a similarly significant effect on you
- to claim compensation for damages caused by a breach of the data protection legislation
- if we are processing your personal information with your consent, you have the right to withdraw your consent at any time.

You can exercise your rights by contacting The Group Data Manager, The Embark Group, 100 Cannon Street, London EC4N 6EU, or by emailing data.protection@embarkgroup.co.uk.

## What happens if I fail to provide my personal information to you?

If you do not provide us with your personal information, we will not be able to provide you with a contract or assess future claims for the service you have requested.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

**All our literature is available in large print or braille, or on audiotape or CD.**

If you are a textphone user, we can answer any questions you have through a Tynetalk operator. Please call us on **18001 0370 242 5597**. Or, if you prefer, we can introduce your adviser to a sign language interpreter.

Please let us know if you would like a copy of this  
in large print or braille, or on audiotape or CD.

Advance by Embark is a trading name of Sterling ISA Managers Limited.  
Sterling ISA Managers Limited is authorised and regulated by the Financial Conduct Authority.  
Registered in England and Wales under company number 02395416.  
Registered Office: 100 Cannon Street, London EC4N 6EU.  
Telephone: 0370 242 5597.  
Email: [sterling@embarkadvance.co.uk](mailto:sterling@embarkadvance.co.uk)  
We may record or monitor calls to improve our service.