

CAZENOVE MULTI-MANAGER FUNDS



Key Features for B Class Units (and ISA terms & conditions)
April 2011



The Key Features provide important information which will help you decide if you want to invest in B Class units of the Cazenove Multi-Manager Diversity Fund, the Cazenove Multi-Manager Diversity Tactical Fund and the Cazenove Diversity Income Fund. You should be confident that a Fund is right for you, so please read these Key Features before making your investment decision

Contents

Helping you decide	4
Fund aims	5
Your commitment	6
Risk factors	7
Questions & answers	8
How charges & expenses affect your investment	10
Additional investor information	12
How to contact us	13
ISA terms & conditions	14
Glossary	18

Helping you decide

What you should know before you invest

The Key Features give you information that will help you decide if you want to invest in B Class units of the:

[Cazenove Multi-Manager Diversity Fund](#)

[Cazenove Multi-Manager Diversity Tactical Fund](#)

[Cazenove Diversity Income Fund](#)

What information do I need before I invest?

We have provided information in these Key Features on:

- The aims of each of the Funds (B Class units)
- Your commitment
- The risk factors associated with the Funds
- Questions and answers about investing
- How charges and expenses affect your investment
- Additional investor information
- How to contact us
- ISA terms & conditions
- Glossary of terms

This information will help you to decide whether one of our Funds is suitable for you. You should be comfortable that you understand the Key Features of our Fund(s) before deciding whether to invest.

The Key Features are intended to be a summary. Further details about our ISA and how to obtain a Prospectus are in the ISA terms & conditions.

Fund aims

About the Funds

- The Funds are unit trusts. Each Fund is a managed portfolio of collective investment funds (i.e. unit trusts, open-ended and closed-ended investment companies).
- Each of the collective investment funds in which the Funds invest has its own investment manager who will invest in shares, bonds or other investments according to that fund's specific investment objectives.
- The Funds may also invest to a limited degree in unregulated collective investment funds, property funds and other alternative asset funds.
- Our Multi-Manager Team's approach is driven by the principle that no one investment firm can excel in all investment sectors at all times and, by seeking out the best fund managers in various markets, sectors and asset classes (i.e. shares, bonds, property, alternative investments) and by blending the respective funds into our Multi-Manager Fund range, we can offer investors an enhanced risk and reward investment framework.

Aims

The investment aims of the Funds are summarised below.

Cazenove Multi-Manager Diversity Fund

- Aims to achieve long-term capital growth in excess of inflation from a portfolio invested across a broad range of shares, bonds, property and alternative investments.
- Intends to provide consistent rates of return with lower risk than more traditional approaches to investment management which tend to be largely dependent on the performance of shares.
- Investment is mainly in collective investment funds but we may also buy closed-ended funds, individual shares, money market instruments and/or derivatives.
- May also seek investment diversification by buying alternative assets which may include hedge funds, private equity funds, property funds and commodity funds.

Cazenove Multi-Manager Diversity Tactical Fund

- Aims to provide capital growth by investing in a diverse range of asset types.
- Investment can be in any and all geographic areas of the world and in all economic sectors.
- Follows a tactical asset allocation strategy.
- Primarily invests in UK-based collective investment funds but it may also buy closed-ended funds.
- May seek investment diversification by buying alternative assets including hedge funds, private equity funds, property funds and commodity funds.

Cazenove Diversity Income Fund

- Seeks over the medium term to deliver a capital return in line with, or above, inflation while also providing an average income distribution of 4 per cent. per annum.
- Invests across a broad range of asset classes which are intended to provide consistent rates of return with lower risk than more traditional approaches to portfolio management.
- Invests mainly in collective investment schemes but, where it is considered appropriate, investment may also be made in closed ended funds, individual transferable securities and money market instruments.
- May obtain exposure to alternative asset classes including hedge funds, private equity, commodities and indirectly in property through investment in collective investments and transferable securities.

Your commitment

You should be confident that an investment is right for you before you buy it. The following should be considered when deciding whether the Cazenove Multi-Manager Diversity Fund, the Cazenove Multi-Manager Diversity Tactical Fund or the Cazenove Diversity Income Fund is suitable for you:

- The Funds are suitable for people who want to spread their risk by investing in a range of unit trusts and other collective investments. This is a convenient way to invest in shares, bonds or other assets without taking the risk of buying them directly.
- You should only buy the Funds if you are happy for your money to be invested indirectly in shares, bonds and other assets.
- If you buy one of the Funds you should generally hold on to it for the medium- to long-term (considered to be at least 2 or 3 years).
- You must be comfortable with the risk that if you buy one of the Funds you may not get back all of your money.
- The Funds are not suitable for someone who is not prepared to take risks with their money.

Risk factors

- The value of your investments can go down as well as up and you may get back less than you invested.
- What you get back will depend on the investment performance of the Fund. Past performance is no guarantee of future performance.
- Tax rules which affect your investment could change.
- If you have the right to cancel your investment (see 'Questions and answers') and the value of your investment has fallen by the time we receive your instruction, the amount you get back will be less than the amount you invested.
- Unit trusts and other collective investment funds held in the Funds may use futures, options and other derivatives for investment purposes. This may increase the risk that these funds may lose money. Certain derivative techniques may also be employed which create additional risks.
- The Funds can invest in unregulated funds. Unregulated funds may not have the same amount of protection as the funds that are regulated by the Financial Services Authority.
- The Funds may invest in specialist funds, which invest in small markets or in small, less liquid companies.
- The Funds may invest in funds that invest in developing countries. In these markets the price of investments may rise or fall more often and in greater proportions than in more developed economies.
- The Funds may invest to a limited degree in overseas markets. Overseas investments are affected by currency exchange rates. This could cause the value of your investment to rise or fall.
- The Funds may invest in funds that invest in higher yielding bonds and other debt instruments issued by companies which have low credit ratings. These bonds and debt instruments will have a greater risk of default by the lender than, say, bonds issued by government agencies or large highly solvent companies. If a lender defaults then the value of the bond may fall significantly.
- The Funds may invest in hedge funds or in funds containing alternative asset classes. Hedge funds may hold assets where there is no recognised market in which to sell these investments or to obtain reliable information about the value of the assets. Hedge funds may significantly increase the risk profile of these Funds.
- The Funds may also invest in funds that invest directly in property. Property values can be volatile, and property valuation can be a matter of judgement by independent property valuers. The value of capital and income will therefore fluctuate as property values and rental incomes fluctuate. In certain circumstances the right to buy or sell units in property funds may be restricted or suspended.
- The Cazenove Diversity Income Fund seeks over the medium term to provide an average income distribution of 4 per cent. and a capital return in line with inflation. We believe that the target yield can be achieved over the medium term without eroding the Fund's capital base (in real terms) but this is not guaranteed.

Questions & answers

How can I make an investment?

You can buy B Class units in the Cazenove Multi-Manager Diversity Fund, the Cazenove Multi-Manager Diversity Tactical Fund and the Cazenove Diversity Income Fund by:

- investing a lump sum amount; or
- investing in our Stocks and Shares ISA; or
- transferring your existing ISA to us for investment in our Multi-Manager Stocks and Shares ISA.

How do I make a lump sum investment?

To invest in the Funds, you should complete our Multi-Manager Fund B Class Application Form and send it to:

Cazenove Investment Fund Management Limited:
PO Box 67546
London
EC2P 2JB

Direct lump sum investments into the Funds (not ISA investments) may also be made by telephoning 020 3479 0000 between 9.00 am and 5.00 pm on any business day.

The minimum lump sum investment in the Funds is £1,000. Additional investments can be made with a minimum value of £500.

You may decide to take professional financial advice. Your adviser will give you guidance on how you can make an investment in one of the Funds.

Are both accumulation and income units available?

The Cazenove Multi-Manager Diversity Fund, the Cazenove Multi-Manager Diversity Tactical Fund and the Cazenove Diversity Income Fund offer both accumulation and income units. Accumulation units do not pay income as this is retained within a Fund and is reflected in its daily unit price. Income units pay income to you or it can be reinvested to purchase further units in that Fund. Income is paid by cheque or directly to your bank account if you have supplied bank account details.

We automatically buy accumulation units for you unless you select the box on the Application Form which indicates you want to invest in income units.

What do I need to know before I open an ISA?

There are two types of ISA:

- 1) Stocks and Shares ISA – You can invest the full £10,680 in a Stocks and Shares ISA in the 2011/2012 tax year.
- 2) Cash ISA – You can invest a maximum of £5,340 in a Cash ISA in the 2011/2012 tax year.

The maximum total investment you can make in an ISA in the 2011/2012 tax year is £10,680.

If you invest the maximum of £5,340 in a Cash ISA then you can only invest £5,340 in a Stocks and Shares ISA. If, for example, you invest £2,000 in a Cash ISA then you can only invest £8,680 in a Stocks and Shares ISA.

What are the ISA limits for future tax years?

From 6 April 2011 the annual ISA subscription limits increased in line with the Retail Prices Index (RPI). The new annual limits are rounded to the nearest multiple of 120, so that individuals who save monthly can calculate their monthly savings more easily. For the 2011/2012 tax year the overall ISA subscription limit is £10,680 of which up to £5,340 can be subscribed to a Cash ISA. The limit is calculated by reference to the RPI figure for the September before the start of each new tax year.

What type of ISA is available?

We offer a Multi-Manager Stocks and Shares ISA only to UK residents aged 18 or over. The minimum investment into our Multi-Manager Stocks and Shares ISA is £3,000 in the current tax year. If you open an ISA with us then you are not permitted to open another Stocks and Shares ISA in the same tax year.

Questions & answers

How can I open an ISA with you?

You can open our ISA through a professional financial adviser or by completing our Multi-Manager ISA Application Form.

Can I transfer my existing ISA which is held with another manager?

You can transfer an ISA from another manager to us. If you do so you will not lose any tax advantages but you must transfer the entire ISA from the current tax year. If you transfer a Cash ISA into a Stocks and Shares ISA in the same tax year that you subscribe for a Cash ISA the amount that you have put into that Cash ISA will count towards your overall investment limit for that tax year.

The minimum investment through an ISA transfer into our Multi-Manager Stocks and Shares ISA is £3,000.

How do I transfer an ISA to you?

Complete a Multi-Manager ISA Transfer Application Form (which is available from us) and return it to your professional financial adviser or directly to us. ISA transfers can only be made in cash. On receipt we will approach your existing ISA provider directly to arrange the transfer. There is no charge for an ISA transfer, but you may have to pay the initial charge for investing in our Fund(s).

Can I transfer out of the Multi-Manager ISA?

To transfer an ISA held with us to another ISA manager you need to request an ISA transfer application form from the manager to whom you wish to transfer your ISA.

How can I sell my units in a Fund?

You can sell your investment through your professional financial adviser or directly by sending us a signed, written instruction to sell your holding. Non-ISA holdings can also be sold by telephoning us on 020 3479 0000.

How will I know how the Fund is performing?

The unit price of the Funds is available on the Cazenove Capital website: www.cazenovecapital.com.

What documentation will I receive?

You will be sent a contract note when you buy units in the

Fund and again when you sell those units. The contract note will normally be sent on the day after units have been bought or sold. You will not be issued with a unit trust certificate.

We will also send you six-monthly valuations of your investment. You may also be sent half yearly and annual report and accounts. If you do not receive the report and accounts or you want a copy of the Prospectus then you can request copies from us.

If you require further information about the Funds please telephone us on 020 3479 0000. Telephone calls may be recorded for your protection.

Can I change my mind?

You can cancel your investment in the Funds only if you have received advice from a professional financial adviser. We assume that you did not receive advice if you invest directly with us (i.e. your investment is not received from a professional financial adviser).

If you have the right to cancel, you have 14 business days to tell us from the day you receive the contract note. To cancel you must telephone us on 020 3479 0000. The value of your investment could fall between buying units and cancellation. In the sale of higher risk Funds, such a fall in value could be substantial. If the value has fallen you will receive less than you originally invested.

If you have made an ISA Transfer, cancellation may result in the return of the ISA proceeds directly to you and you may therefore lose the favourable tax status of the investment. We recommend that you carefully consider the implications of cancellation before doing so as this may mean the loss of those ISA allowances relating to the transfer.

How charges & expenses affect your investment

There are charges and expenses associated with investing in B Class units of the Funds.

- You may pay an initial charge of up to 3% on your purchase.
- Our annual management charge ('AMC') of 1.25% is paid out of each Fund's assets.
- Other charges paid out of the Fund's assets include a trustee fee, a custody fee and other expenses incurred in the administration of the Fund.
- Collective investment funds into which the Fund invests also incur fees and expenses. These costs are met directly by those underlying funds.
- We may also charge a dilution adjustment which may mean that the price at which you buy or sell units in a Fund may be higher or lower than the mid-market value used in calculating the unit price.

Full details of the fees and expenses and an explanation of the dilution adjustment are in the Prospectus which is available from us on request.

Total Expense Ratio (TER)

The TER is our best estimate of the total direct and indirect fees and expenses that are paid by each Fund. (This includes the charges and expenses paid by the underlying funds.) The TER is expressed as a percentage of the net assets of a Fund. The TER for B Class units in each Fund for the year to 28 February 2011 is set out in the tables that follow.

Examples of the effect of charges and expenses

In the tables below we have calculated how much an initial investment amount would be reduced by these charges and expenses over a 10-year period. We have made the following assumptions:

- Lump sum investments of £1,000 for non-ISAs and £3,000 for ISAs.
- A standard annual growth rate of 6% for non-ISA investments and 7% for ISA investments.

These figures are not guaranteed and are for illustrative purposes only.

Cazenove Multi-Manager Diversity Fund

6% growth for investments outside of an ISA

At end of year	Income			Accumulation		
	Investment to date £	Effect of deductions to date £	Income £	What you might get at 6% £	Effect of deductions to date £	What you might get at 6% £
1	1,000	53	4	1,004	54	1,000
3	-	104	11	1,075	105	1,086
5	-	166	19	1,150	167	1,172
10	-	371	42	1,364	376	1,415

The last line of the table shows that after 10 years the effect of total charges and expenses could amount to £371 if you purchase income units and £376 if you purchase accumulation units. Putting it another way, this would have the same effect as bringing the illustrated investment growth from 6.0% p.a. down to 3.5% for the 10-year period.

How charges & expenses affect your investment

7% growth for investments in an ISA

At end of year	Income			Accumulation		
	Investment to date £	Effect of deductions to date £	Income £	What you might get at 7% £	Effect of deductions to date £	What you might get at 7% £
1	3,000	159	14	3,037	160	3,050
3	-	322	43	3,307	323	3,352
5	-	520	74	3,601	524	3,683
10	-	1,217	167	4,456	1,239	4,663

The last line of the table shows that after 10 years the effect of total charges and expenses could amount to £1,217 if you purchase income units and £1,239 if you purchase accumulation units. Putting it another way, this would have the same effect as bringing the illustrated investment growth from 7.0% p.a. down to 4.5% for the 10-year period.

Reduction in Yield for B Class Shares						
	Initial charge %	AMC %	Other expenses %	TER %	Reduction in yield 6%	Reduction in yield 7%
Cazenove Multi-Manager Diversity Fund	3.00	1.25	0.80	2.05	3.5	4.5
Cazenove Multi-Manager Diversity Tactical Fund	3.00	1.25	0.96	2.19	3.4	4.4
Cazenove Diversity Income Fund	3.00	1.25	1.00*	2.25	3.3	4.3

*Estimate

Is there a provision to pay Stamp Duty Reserve Tax?

Stamp Duty Reserve Tax ('SDRT') may either be paid by a Fund or by individual investors (up to a maximum of 0.5% of the value of the investment). If a SDRT levy is applied, it will increase the cost of buying units and lessen the proceeds of sales. We do not intend to charge SDRT on the purchase and sale of units in our Funds, however, we may charge investors the tax should circumstances arise which make the payment of the charge fair to all current investors in a Fund.

How much will advice cost?

We can only provide information on our products and cannot offer advice based on your circumstances. You should contact a professional financial adviser if you are uncertain about an investment.

We may pay the adviser commission for recommending our Fund(s) to you, which may be paid out of your investment. Typical commissions include a one-off payment between nil and 3% of the assets introduced to the firm and ongoing payments of up to 0.50% per annum of the assets under management. If we do not pay commission to the adviser, you may have to pay a fee to the adviser. The adviser will disclose commissions received and other costs of providing financial advice to you.

Additional investor information

What are the tax implications of investing inside an ISA?

You do not pay any UK income or capital gains tax on income or growth within an ISA and any income received in the ISA does not need to be declared on your tax return. UK share dividends paid are free of further UK income tax.

If you decide to close an ISA, the future tax advantages on this money will be lost. You cannot open another ISA in the same tax year if your current year's ISA is closed outside of any cancellation period which may apply. The taxation of unit trusts and of ISAs could change. This may result in the tax borne by a Fund or by you increasing.

What are the tax implications of investing in a Fund outside an ISA?

Tax rules are subject to change. You should talk to a professional financial adviser or tax adviser if you are in any doubt about your tax position or if you are subject to tax in a jurisdiction other than the UK.

The value of tax benefits depends on your circumstances and the favourable tax treatment for some financial products may not be maintained.

Income

The Funds pay only dividend distributions. Dividend distributions carry a tax credit currently equivalent to 10% of the distribution. If you do not pay income tax at the higher rate, you should have no further liability. If you are a higher rate income tax payer then you may have a further income tax liability at the difference between higher rate tax on the gross distribution and the tax paid.

Capital gains

You may be liable to capital gains tax in respect of capital gains arising from the sale of units in the Funds.

Will I need to provide information to verify my identity?

We are required to maintain procedures to combat money laundering. This means that in certain circumstances an investor buying, selling or switching units may be required to provide proof of identity. Until satisfactory proof of identity is provided, we can refuse to issue units, pay the proceeds from the sale of an investment or pay income to that investor.

What do I do if I have a complaint regarding my investment?

In the first instance you can complain about your investment in the Fund(s) by either contacting your professional financial adviser who may then contact us on your behalf or you can write directly to us. Correspondence should be addressed to the Compliance Officer.

You can also complain directly to the Financial Ombudsman Service ('FOS') if you remain dissatisfied with the response you get from us. The FOS can be contacted at the following address:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Tel 0845 080 1800
www.financial-ombudsman.org.uk

Are there compensation arrangements covering my investment?

The Financial Services Compensation Scheme ('FSCS') has been set up to handle compensation claims if a firm cannot meet claims made against it. Currently, for eligible claims for investment business, 100% is covered to a maximum of £50,000. Details of your right to lodge a claim with the

FSCS are available at www.fscs.org.uk or by telephone on 020 7892 7300.

How to contact us

For postal dealing please send your completed Multi-Manager Application Form and cheque payable to Cazenove Investment Fund Management Limited to:

Cazenove Investment Fund Management Limited
PO Box 67546
London EC2P 2JB

Direct lump sum investments into a Fund (not ISA investments) may also be made by telephoning our Client Services Team on:

020 3479 0000
(9.00 am – 5.00 pm)

Manager's address:

Cazenove Investment Fund Management Limited
12 Moorgate
London EC2R 6DA

Website:

www.cazenovecapital.com

Authorised and regulated by:

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

ISA terms & conditions

These terms and conditions together with the Key Features and appropriate Application Form are to be construed as one document constituting the entire terms of the agreement for the Multi-Manager Stocks and Shares ISA and are together referred to as the 'ISA Agreement'.

The parties to the ISA Agreement are Cazenove Investment Fund Management Limited ('CIFM') (the 'Plan Manager') and the subscriber to the Multi-Manager Stocks and Shares ISA (the 'Plan Holder').

- 1 CIFM is authorised and regulated by the Financial Services Authority ('FSA').

Copies of the Cazenove Multi-Manager Funds' Prospectus are available on request from CIFM at the address given in the Key Features.

CIFM is approved by Her Majesty's Revenue and Customs ('HMRC') as a Plan Manager and will manage the Multi-Manager Stocks and Shares ISA in accordance with regulations for Individual Savings Accounts made under Sections 333, 333A and 333B of the Income and Corporation Taxes Act 1988, Sections 75 and 76 of the Finance Act 1998 and Section 151 of the Chargeable Gains Act 1992 as amended from time to time, currently the Individual Savings Account Regulations 1998 (together the 'ISA Regulations').

- 2 The Plan Holder warrants that he or she has not subscribed and will not subscribe to any other ISA for the same tax year he or she subscribes to a Multi-Manager Stocks and Shares ISA under this ISA Agreement.
- 3 For the investment objectives of the Funds, please refer to the Key Features or the Prospectus.
- 4 The Plan Manager will not enter into a transaction which will result in the Plan Holder having a short position in any investment nor a contingent liability in respect of any investment. Nor will the Plan Manager commit the Plan Holder to any underwriting obligations or borrow or raise money on behalf of the Plan Holder.
- 5 The Plan Manager may employ agents including any connected company to perform, or advise in relation to the performance of, any of the functions and responsibilities required to be performed or provided under the terms of this ISA Agreement, provided that the Plan Manager is satisfied that any agent so appointed is competent to carry out those functions and responsibilities. By an agreement entered into between the Plan Manager and Bank of New York Mellon (International) Limited (the 'Plan Administrator') (also the Registrar), the Plan Manager has appointed the Plan Administrator to perform administrative and other services in relation to the Multi-Manager Stocks and Shares ISA. Save as set out in clause 7 below, the Plan Manager will not be responsible nor liable for the actions of the Plan Administrator and of other agents.
- 6 The Plan Manager may deal with the Plan Holder's money only in accordance with the regulations to which it, as a FSA regulated firm, is subject. Cash will not be held in relation to the stocks and shares component of the Multi-Manager Stocks and Shares ISA. Any income will be reinvested or paid directly to the Plan Holder.
- 7 Investments held on behalf of the Plan Holder will be registered in the name of an eligible nominee. All securities are held by the Plan Administrator on behalf of investors in a pooled account.

This means that the legal title to the security is recorded in a single name. Individual investor interests are identified only within the Plan Administrator's safe custody records.

In relation to the safe custody of the Funds' assets and in the event of a default by the Plan Administrator, the Plan Manager will be liable to the Plan Holder only to the extent that the Plan Manager failed to exercise reasonable skill and care over the Plan Administrator's appointment, or has failed to comply with the Rules and Regulations of the FSA, or where any loss arising is due to the Plan Manager's fraud, negligence or wilful default.

The Plan Manager will ensure collection of dividends, interest payments and other rights and their prompt posting.

ISA terms & conditions

- 8 The Plan Holder's ISA investment will be, and must remain in, the beneficial ownership of the Plan Holder and must not be used as security for a loan.
- 9 The Plan Manager may effect transactions through such intermediaries as it may from time to time select. Subject to compliance with the Rules and Regulations of the FSA and of the London Stock Exchange, the Plan Manager shall bear any loss or be entitled to retain any profit or gain arising on any of the purchase or sale transactions made through the Multi-Manager Stocks and Shares ISA.
- 10 Details of the charges payable in respect of the Multi-Manager Stocks and Shares ISA are set out in the Key Features. The Plan Manager may change the bases and levels of charging one month after giving Plan Holders notice of such changes.
- 11 Unless the Plan Holder specifies otherwise, all cash received by way of dividends, income distributions, interest on bank deposits and payments of tax credits in respect of the Multi-Manager Stocks and Shares ISA will be reinvested in that ISA (subject to the payment of charges due, if any).
- 12 The Plan Holder will be sent half-yearly valuations for the Multi-Manager Stocks and Shares ISA. The Plan Holder will also be sent a half-yearly statement of all purchases and sale transactions (if any) made on his behalf in the ISA.
- 13 The Plan Manager will, if the Plan Holder so requests, arrange for the Plan Holder to receive a copy of the annual and/or interim report and accounts. The Plan Manager will also, if the Plan Holder so requests, arrange for the Plan Holder to attend and vote, or vote by proxy, at meetings of investors convened by the trustee or by CIFM.
- 14 If the Plan Holder elects by notice in writing given to a Plan Manager, a Multi-Manager Stocks and Shares ISA, with all rights and obligations of the parties to it, may be transferred to another Plan Manager in such time as the Plan Holder stipulates subject to settlement of any outstanding transactions, payment of any commissions or charges due to the Plan Manager and the acceptance of the transfer by the Plan Manager to whom the ISA is being transferred. The Plan Manager will only accept instructions to transfer an ISA in whole. Partial transfers will not be accepted.

Whilst the Plan Manager will endeavour to carry out the transfer within the time stipulated, it may in certain circumstances take longer to complete the transfer.
- 15 The Plan Holder shall have the right at any time to terminate the ISA Agreement (and thereby the Multi-Manager Stocks and Shares ISA) by written notice which shall be effective upon receipt or such later date as may be specified in such notice.
- 16 A Plan Manager may terminate the ISA Agreement (and thereby the Multi-Manager Stocks and Shares ISA) by giving one month's written notice to the Plan Holder. In either case the Plan Manager shall sell all the investments in the Fund and, as soon as reasonably practicable after the expiry of the notice of termination, transfer to the Plan Holder the net cash proceeds following such realisation. Any such transfer shall be subject to the completion of outstanding transactions and to any deductions which the Plan Manager may be entitled or bound to make under the ISA Regulations or in respect of accrued charges.

The Plan Manager may amend the terms of the ISA Agreement by giving the Plan Holder not less than 10 business days' notice unless it is impracticable in the circumstances to do so.
- 17 This ISA Agreement is personal to the Plan Holder and shall not be capable of assignment by him/her or of being transferred by him/her to any third party.
- 18 The Plan Manager may assign or transfer any of its rights and obligations under the ISA Agreement, in whole or in part, to any subsidiary of Cazenove Capital Holdings Limited ('CCH') or ultimate holding company of CCH (if any) that is authorised and regulated by the FSA and approved by HMRC as a Plan Manager (as the case may be).

ISA terms & conditions (continued)

19 Neither the Plan Manager nor any connected company will be responsible for any loss of opportunity whereby the value of the Fund could have been increased or for any decline in the value of the Fund howsoever arising, except to the extent that such loss or decline is due to its negligence, wilful default or fraud, or that of its employees. Neither the Plan Manager nor any connected company will be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by it, howsoever arising, except to the extent that any such error or action (or the omission thereof) is due to its negligence, wilful default or fraud, or that of its employees.

The Plan Manager shall not be liable for the consequence of any delay or failure in the performance of any of its obligations under this ISA Agreement if such delay or failure is caused by circumstances beyond its reasonable control.

20 The Plan Manager will make all appropriate claims, conduct appeals and agree, on the Plan Holder's behalf, liabilities for and reliefs from tax in respect of the Funds' investment. It will account to HMRC for any tax arising from the Funds' investments. In all other respects, as regards taxation, the Plan Holder and any professional tax adviser of the Plan Holder are solely responsible for the management of the Plan Holder's affairs to the best advantage for tax purposes.

21 In making any decision or taking any step in connection with the management of the investments in the Fund neither the Plan Manager nor any connected company shall be obliged to disclose to the Plan Holder or to take into consideration information the disclosure of which to the Plan Holder would or might be a breach of duty or confidence to any other person. Nor, in such cases, will the Plan Manager or connected company be obliged to disclose information or take into consideration information which comes to the notice of any director, employee, officer or agent of the Plan Manager or any connected company, but does not come to the actual notice of the individual making the decision or taking the step in question.

22 Any personal data obtained in the provision to the Plan Holder of the Plan Manager's services under this ISA Agreement will be held and processed by the Plan Manager in accordance with the relevant legislation. The Plan Manager will hold, use and otherwise process only such of the Plan Holder's personal data as is necessary to provide him or her with the Plan Manager's services. The Plan Manager will not pass the Plan Holder's personal data to any other organisation unless it is necessary to do so to fulfil their obligations under this ISA Agreement, or where required by any regulation or enactment, or with the Plan Holder's consent in accordance with the Data Protection Act 1998 as amended from time to time. The Plan Manager may need to transfer personal data internationally both to affiliates or to third parties for the purpose described above, including countries which may not offer protection for personal data as high as countries in the EEA. Agreement to this clause constitutes your consent to such transfers. The Plan Holder has a right to request in writing at any time access to its personal data held by the Plan Manager.

The Plan Holder may exercise his or her right by writing to the Compliance Officer.

23 The Plan Manager may provide to HMRC all material particulars of the Funds and their investments which HMRC may reasonably request.

24 The Plan Manager will notify the Plan Holder in writing if, by reason of any failure to satisfy the provisions of the ISA Regulations, investment in the Funds has or will become void.

25 Subject to the Rules and Regulations of the FSA the ISA Agreement (including the levels of the costs and charges charged to the Fund and the remuneration receivable by the Plan Manager) may be amended by the Plan Manager from time to time. Plan Holders will be given notice of any such amendments.

26 The Plan Manager may make unsolicited calls to the Plan Holder under this ISA Agreement provided that the subject matter of any call is limited to matters relating to the Plan Holder's investment.

ISA terms & conditions (continued)

- 27 This ISA Agreement is governed by and construed in accordance with English Law. The English Courts are to have exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with this ISA Agreement, for which purpose all parties agree to submit to the jurisdiction of the English Courts.
- 28 The information contained in this ISA Agreement is based on CIFM's understanding of current legislation and HMRC practice. Accordingly, the tax treatment of ISAs may be altered by future legislation or changes in interpretation.
- 29 Words and expressions defined in the FSA Handbook shall have the same meaning as in this ISA Agreement.
- 30 The provisions of this ISA Agreement are intended to be enforceable by any subsidiary of CCH or ultimate holding company of CCH (if any) by virtue of the Contract (Rights of Third Parties) Act 1999. The parties to the ISA Agreement agree that the agreement shall not be enforceable by any other person other than a subsidiary of CCH or ultimate holding company of CCH (if any), the Plan Holder and CIFM.
- 31 These terms and conditions will come into force when the Application Form is accepted by the Plan Manager, which will normally be on the day of its receipt. The Plan Manager reserves the right not to accept an application.

Glossary of terms

Absolute return: An absolute return strategy aims to achieve positive investment returns, over the medium-term regardless of market conditions. The positive return is sought from both rising markets through investing in companies expected to increase in value and by synthetically shorting (selling) companies that are expected to fall in value.

Accumulation share/units: Accumulation share/units retain any income within the Fund. This income is, however, taxable for income tax purposes in the UK.

Contract for differences: This is a contract between two parties, typically described as “buyer” and “seller”, stipulating that the seller will pay to the buyer the difference between the current value of an equity and its value at contract time. (If the difference is negative, then the buyer pays instead to the seller.)

Counterparty: The other party that participates in a financial transaction. Every transaction must have a counterparty in order for the transaction to go through.

Derivatives: A right or an obligation to buy from or sell to someone else another type of asset – such as a share or a bond – at a specific date and time in the future.

Efficient Portfolio Management: Investment techniques used by a fund manager with the specific purpose of reducing risk, reducing cost and/or generating additional capital or income.

Forward transaction: An agreement between two parties in which one agrees to buy from the other either foreign currency, a bond or some other asset on a fixed future date at a fixed rate of exchange.

Income shares/units: Income shares/units pay any income generated within a Fund to the holders of those shares/units. This income is taxable for income tax purposes in the UK.

Leverage: Leverage takes the form of a loan or other borrowings (debt), the proceeds of which are (re) invested with the intent to earn a greater rate of return than the cost of interest. Derivatives may allow leverage without borrowing explicitly, though the “effect” of borrowing is implicit in the cost of the derivative.

Professional Financial Adviser: A professional financial adviser will assess your personal circumstances and recommend financial products that are suitable for you. You will generally have to pay for this service.

Short sale: A short sale involves the sale of a security that is not owned by the seller in the expectation of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the seller must borrow the security and later purchase the security to return to the lender.

Synthetic short positions: Funds use derivative techniques such as entering into contracts for differences to establish both synthetic “long” and “short” positions in securities. These positions may seek to take advantage of both rising and falling market values.

Volatility: The relative rate at which the price of a security moves up and down. Volatility is found by calculating the annualised standard deviation of the daily change in price. If the price of a stock moves up and down rapidly over short time periods, it has high volatility. If the price almost never changes, it has low volatility.

