



F&C Private Investor Plan and Investment Trust ISA

Key Features and Terms & Conditions

The Financial Services Authority is the independent financial services regulator. It requires us, F&C Management Ltd, to give you this important information to help you decide whether our Private Investor Plan or Investment Trust ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

 0800 136 420  www.fandc.co.uk  info@fandc.com

F&C
Investments

Introduction.

The Financial Services Authority is the independent financial services regulator. It requires us, F&C Management Ltd, to give you this important information to help you decide whether our Private Investor Plan or Investment Trust ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

This document contains important information about your F&C Private Investor Plan and F&C Investment Trust ISA. There are two sections: Key Features and Terms and Conditions. Along with the enclosed brochure these will help you consider the relevant facts and figures before making your investment decision. Please read both sections, the brochure and any other information that has been enclosed as it is important that you fully understand the investment that you are about to make.

If there is anything that you do not fully understand, or if you would like further information, please call our Investor Services team on **0800 136 420**. Lines are open Monday to Friday from 8.30am to 5.30pm. You can also email us at info@fandc.com. Alternatively, visit our website www.fandc.co.uk.

Please note, however, that our Investor Services team cannot give you any advice on the suitability of investing in our plans. If you are in any doubt about your investment choices you should contact your financial adviser.

Key Features.

The aims of our plans and investment trusts

We offer a range of investment trusts, which aim to provide income, capital growth, or a combination of both. These are available for investment through our Private Investor Plan and Investment Trust ISA. The ISA provides the opportunity to invest in the trusts in a tax-efficient manner.

Your investment

Private Investor Plan: Subject to the investment limits set out below, you can invest in as few or as many trusts as you wish and change or stop your monthly savings or add lump sums at any time.

Investment Trust ISA: Subject to the investment limits set out below, you can invest in as few or as many trusts as you wish and change or

stop your monthly savings or add lump sums at any time. You can also invest by transferring an existing ISA(s) from another manager.

Your investment should be viewed as long-term, but you may close your plan and sell your shares at any time.

Your investment options

Our range of investment trusts are divided up into three categories – Core, Specialist and Alternative. This will help you decide which individual trusts or combination of trusts, are most suitable to meet your particular investment objectives and your appetite for risk and reward.

To view daily updated performance information, please log onto our website: www.fandc.co.uk. There are also monthly fact sheets to download and copies of the latest set of Report and Accounts.

	Minimum lump sum per trust	Minimum lump sum top-up per trust	Minimum monthly saving per trust	Maximum lump sum	Maximum monthly saving
Private Investor Plan	£500	£250	£50	No maximum	None
ISA	£500	£250	£50	£10,680 each tax year	£890

Risk factors

All of our range of investment trusts invest in the stock market and some of them also invest in unlisted companies and funds and property. As well as looking at the potential rewards that this can bring, it's important that you are aware of the potential risks involved so that you can make an informed decision.

General risks

Gearing – Investment trusts can borrow money, which can then be used to make further investments (gearing). They can also invest in instruments such as warrants or derivatives, where a small movement in the value or price of the underlying right or asset results in a larger movement in the value or price of the instrument. In a rising market, this 'gearing' can enhance returns to shareholders. Correspondingly, if the market falls, losses may be greater.

Insufficient income – Where the income earned by an investment trust is insufficient to cover its charges and expenses, the balance may be charged to capital, which will to that extent, constrain capital growth.

Liquidity – Shares in smaller companies are generally traded less frequently than those in larger companies. This means that there may be difficulty in both buying and selling shares and individual share prices may be subject to short-term price swings.

Premiums and discounts – As investment trust shares are publicly traded on the London Stock Exchange, their price is determined by market factors, such as demand and supply between buyers and sellers. That price will not necessarily accurately reflect the underlying value of the trust's portfolio of investments (its 'net asset value' or 'NAV').

Your questions answered.

What is an investment trust?

Investment trust is used in this documentation to describe a listed investment company that owns a portfolio of investments managed by professional managers, normally F&C. Investing in such investment companies gives you access to a wider range of stocks than you would normally be able to invest in yourself. They allow you to spread your investment risk across a number of investments and benefit from the expertise of professional fund managers. The investment trusts available in the F&C Investment Trust Savings Plans include UK authorised investment trusts and overseas close-ended investment companies, but all are listed on the London Stock Exchange.

What is the Private Investor Plan?

The Private Investor Plan allows you to invest either a lump sum or regular savings in a range of investment trusts.

The share price may be either higher than the NAV; at a 'premium', or more commonly, lower than the NAV; at a 'discount'. Discounts and premiums vary constantly. Although buying shares at a discount could be seen as value for money, there is no guarantee that the discount will narrow and there is a risk that it may widen further. Many factors influence the discount or premium and a large discount does not necessarily indicate a bargain.

Price volatility – The value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. Past performance is not a guide to future performance. When you sell your shares, you may get back less than you originally invested.

Underlying investment exposures

In addition to these general risks, the shares of a particular investment trust will be exposed to the investment risks associated with the assets held in its portfolio. These specific investment risks, together with an indication of the investment trusts to which they may apply particularly, are set out on page 11 of the enclosed brochure.

Investors should also remember the following:

Investment needs – If you start an investment plan in order to fund a specific need, for example to pay school fees, if you then do not maintain your contributions or your investment does not grow sufficiently, you may not achieve your target.

Changing your mind – For new plans, if you decide to exercise your cancellation rights within the 14-day period, you may not get back the amount you invested. We will deduct a dealing fee and stamp duty and the value of your investment may have fallen before you notify us that you wish to exercise your cancellation rights.

What is an Individual Savings Account (ISA)?

An ISA is a way of investing money in shares, investment trusts, unit trusts and other savings vehicles in a tax-efficient manner. This means that under current law no capital gains tax is payable on profits made in an ISA. Since April 2004 the 10% tax credit on dividends can no longer be reclaimed, but there is no further income tax to pay. You are not required to include details of ISA income or capital gains on your annual tax return. Since April 2008, investments previously held in Personal Equity Plans (PEPs) have been reclassified as ISAs.

What types of ISA are available?

There are two types of ISA account, a stocks and shares ISA and a cash ISA. F&C only offers a stocks and shares ISA. You may open or contribute to both a stocks and shares ISA and a cash ISA in the same tax year.

£10,680 annual limit* – The entire £10,680 can be invested in a stocks and shares ISA. Therefore, you may invest the full £10,680 in an F&C stocks and shares ISA if you do not invest in a cash ISA in the same year. Alternatively, you may invest up to 50% of your annual subscription in a cash ISA and any balance of the £10,680 annual subscription limit in a stocks and shares ISA.

Who can invest in an ISA?

Investments into an ISA can only be made by investors who are aged 18 or over and who are residents and ordinarily residents in the UK for tax purposes. If the client moves abroad they cannot continue putting money into the ISA, but can keep existing ISAs and will still get tax relief on investments held in them. When the client returns he can start putting money in again (subject to the normal annual limits). There is one exception: Crown employees serving overseas (typically members of the armed forces and diplomats), or people married to or in a civil partnership with a Crown employee serving overseas, can open and subscribe to an ISA in the usual way.

How do I invest?

You should complete the appropriate application form and return it in the envelope provided, or send it to 'Freeport Plus RLSU-UYLA-GRHR, F&C Plan Administration Centre, Block C, Western House, Lynch Wood Business Park, Lynch Wood, Peterborough PE2 6BP'.

Lump sum investments can be made online by Solo or Visa debit card, or alternatively by cheque payable to 'F&C Management Limited'.

Cheques should be drawn on your own, sterling denominated UK bank account. Third party cheques may be acceptable but we need additional information in order to meet our requirements under the Money Laundering Regulations.

If cheques have not been drawn from a personal chequebook (i.e. a bank or building society draft) please ensure that your bank/building society have endorsed the reverse. This means that the bank/building society stamp the back of the cheque and confirm the name of the account that the cheque was drawn from. The person adding this endorsement should also sign the reverse of the cheque once they have added this information for reference.

A cheque drawn on a solicitor's or accountant's client account must be accompanied by confirmation from the solicitor or accountant that the funds belong to you.

In the case of other third party cheques we may require proof of the identity of the payer (for example, a certified copy of their current passport or driving licence for identity and a copy of a bank statement or utility bill as proof of address).

For monthly savings, the first month's subscription can be made online by debit card, or alternatively by cheque. Subsequent monthly savings are made by Direct Debit by completing and returning the Direct Debit instruction on the application form. Investors applying online will be required to print, complete and return a Direct Debit mandate.

For a monthly savings ISA, you can top-up your investment to the maximum ISA subscription each tax year by sending us a cheque for the 'top up' amount.

What confirmation will I receive?

We will send you written confirmation that we have received and are processing your application within five working days of our receiving it. For a new Private Investor Plan or ISA, you also will receive information on your right to change your mind at this point. Once your shares have been bought, we will send you details of the transactions within a further five working days.

Please note that share certificates and contract notes will not be issued. Shares bought for you also will be held on your behalf by the Nominee.

How do I transfer an ISA?

You can transfer ISAs held with other plan managers into the F&C Investment Trust ISA. You are able to transfer any ISA account (including cash ISAs or ex-PEP ISAs) you may have to an F&C stocks and shares ISA. You can make the transfer to F&C by completing the transfer application form and sending it to us. If you wish to transfer ISAs from more than one plan manager, you will need to complete separate instructions for each plan manager.

We will send you written confirmation that we have received and are processing your application within five working days of our receiving it. We will then forward your instructions to your existing plan manager(s) who will liquidate your investments and transfer the proceeds to us. Once the proceeds have been received and your shares have been bought, we will send you details of the transactions within five working days.

Can I phase my ISA investment?

You can choose to have a lump sum invested in equal amounts over either three or six months into Foreign & Colonial Investment Trust. We do not pay interest on any cash balances held and shares will be purchased on the 3rd of each month (or on the next dealing day) during the selected phasing period. Income cannot be paid out or invested on the phased part of the investment until after the phasing period is over. Any income will be held as cash within the account. The phased investment option is not currently available online or for any other investment trusts.

What happens if I did not start my ISA Direct Debit at the beginning of the tax year?

You can save a higher monthly amount, or send a cheque for the missing months, if you choose.

Where necessary, at the end of the current tax year, we will proportionately reduce your Direct Debit amount to the maximum allowed for a full tax year (£890 per month for the 2011/12 tax year).

How can I follow the progress of my investment?

Every January and July you will receive a statement of your holdings and a description of any transactions that have taken place in the previous six months. Details of the plan can also be viewed at www.fandc.co.uk after registering for our online account management service. Details of the share prices, NAVs, yields and discounts/premiums of the trusts you have chosen to invest in can be found in the Financial Times and on our website. Monthly or quarterly fact sheets are also posted on our website. Shareholder communications from the companies in which you are invested will be made available to you so far as practicable on the same basis as investors on the company's share register.

Can I switch between investment options?

Yes, you can sell your shares and switch between investments within the plan at any time (subject to the minimum investment amounts) by instructing us either in writing or using our online account management service. Shares will normally be sold on the next dealing day after receipt of your instruction and the purchase of shares will take place on the same day.

Will I receive an income from my investment?

For trusts that pay a dividend, the accompanying brochure gives information on the timing of payments. You can elect to have dividends automatically reinvested into your plan to buy further shares (please note that this will incur Government stamp duty, where applicable, and the normal dealing fee for purchases of shares). Alternatively, if you wish, you may have them paid into your bank account. For the ISA they will be paid on a quarterly basis in January, April, July and October. For the Private Investor Plan they will ordinarily be paid within four days of receipt in the plan.

Is there any tax?

Authorised investment trusts are exempt from tax on capital gains realised within their investment portfolios but pay corporation tax on the excess of total income received from foreign companies, fixed interest securities and deposit interest over the total of the management expenses and any loan interest that has been paid.

Overseas investment companies are subject to local taxes and will be subject to UK tax in respect of trading activities (if any) conducted in the UK. Overseas property companies are subject to the UK Non-Resident Landlord scheme in respect of rental income from UK properties.

Investment companies registered in Guernsey are not expected to have a significant exposure in respect of Guernsey tax.

European Assets Trust is an investment company incorporated in the Netherlands. Dividends consequently may be liable to Dutch withholding tax. For most investors, this tax is not expected to apply, but where it does, we will provide you with full details.

Dividends from overseas companies are treated in the UK as overseas income and may give rise to UK tax liability dependent on your individual circumstances. From 6 April 2008, UK resident shareholders who receive in total less than £5,000 of dividends a year from non-UK resident companies will benefit from the extension of the non-payable 10% tax credit that is currently applied to dividends paid by UK resident companies.

Private Investor Plan Investors: Depending on your personal circumstances, you may be liable to pay UK tax on income or capital gains. Dividends from UK equities are paid net of 10% tax and you will receive an annual consolidated tax certificate, in April of each year, showing details of each payment made.

Dividends from overseas companies are treated as overseas income and may give rise to UK tax liability dependent on your individual circumstances.

ISA Investors: There is no UK tax to pay on capital gains. The 10% tax credit on dividends cannot be reclaimed; however, there is no additional income tax to pay. You are not required to declare income or gains from your ISA investments on your annual tax return. The favourable tax treatment given to ISAs may not be maintained, and levels of relief from taxation may change over time. Freedom from tax in an ISA applies directly to you as an investor and the benefit to you depends on your own individual circumstances.

Certain charges that are levied may be subject to VAT and other statutory duties. You should contact your tax adviser for advice on your individual circumstances.

Can I change my mind after I have sent in my application?

For a new Private Investor Plan or if you are opening your first ISA with us and have not received financial advice, it is possible to change your mind. F&C provides cancellation rights for all such new investments. After your application is received, we will send you formal notification of your right to cancel. You will then have 14 days in which to notify us of your decision to cancel, by completing and returning the Cancellation Notice.

Please note that cancellation rights do not apply if you are topping up an existing plan.

If the share prices of the relevant investment trusts have fallen between the date of your investment and receipt of your cancellation notice at F&C, you will not receive a full refund. Any reduction in the refund will reflect any fall in the share price as well as any dealing fees and Government stamp duty applicable to the original investment.

Cancellation rights are not available for ISA transfers. However, if you change your mind within 14 days, having already sent us your application form, we will offer the following three options: we can transfer the ISA back to the original manager (although there is no guarantee they will accept it back or, if you transferred a cash ISA to us that they are able to accept a stocks and shares ISA); we can transfer the ISA to another manager; or we can close the ISA and return the proceeds to you. Should you choose the last option, you may not then be able to reinvest the proceeds of your ISA into another ISA until the following tax year and will be subject to the annual subscription limit.

If you are opening your first ISA with us and you have informed us that you have received financial advice, you are entitled to withdraw your application within seven days of us receiving it. We will not make the investment before the 8th day from its receipt. If you notify us within the seven days that you do not wish to continue with your application, we will give you a full refund.

How do I sell shares from my plan?

You can send or fax a letter to our Plan Administration Centre or use our online account management service to send us your instruction. Please provide us with your account number. If you hold a combination of a Private Investor Plan and/or ISA with us, you will also need to specify which product, and which share you wish to sell. Where you are selling part of a holding, you must state the value or number of shares you wish to sell. If you are selling all the shares within a particular trust, please provide instructions to that effect.

Alternatively, contact our Investor Services team quoting your account number and we will send you a sale of shares form, which you should complete and return to us.

If you are a monthly saver, are only selling some of your shares, and wish to stop your Direct Debit, you must inform us of this in writing. We will continue collecting your regular payment and buying further shares unless we receive written instructions to stop collecting your Direct Debit.

If you hold a plan in joint names, all investors must sign the sale of shares form or letter of instruction. All investors will be required to provide an original signed instruction confirming acceptance of the transaction before the shares will be sold.

For valid written instructions received by 5pm or online account

management service sale of shares transactions received by 10pm, shares will normally be sold on the next dealing day following receipt of that instruction.

We will send you an acknowledgement the next business day after receipt of your instruction and the proceeds of the sale will follow separately. Where instructions have been faxed, we will not issue the proceeds until the original signed instruction has been received. The original should be posted to the F&C Plan Administration Centre, Block C, Western House, Lynch Wood Business Park, Lynch Wood, Peterborough, PE2 6BP.

How will I receive the sale proceeds?

A cheque for the proceeds less any charges will normally be issued within five working days after settlement of the sale. The proceeds will be sent by first class post to the address we have on our records.

If you would prefer the proceeds to be paid directly into your UK bank account, you must provide proof of your bank details at the time you request the sale. We can accept a pre-printed pay-in slip (normally found at the back of your cheque book) or a cancelled cheque.

How can I close my plan?

In addition to selling your shares and receiving the proceeds, as explained above, you can close your plan in the following ways.

You may transfer your ISA to another stocks and shares ISA plan manager. We will sell your shares and transfer the proceeds once we have a written instruction from you and acceptance from the new plan manager. We do not transfer in shares.

Shares held within the Private Investor Plan can be transferred into your own name or to that of another person/nominee company on the main share register at a cost of £12+VAT per trust, which should be paid by cheque with your written instruction. If a cheque for the total charge is not received with the written instruction The Plan Manager will sell sufficient investments to realise the required amount.

You can also transfer your Private Investor Plan into a Private Investor Plan in the name of another person. The new plan will not be available until the new holder has completed the application process.

The transfer of shares into another person's name may be a disposal for tax purposes and could give rise to a capital gains tax liability. It may also have inheritance tax implications. You should contact your tax adviser if you need advice on your particular circumstances.

Any outstanding fees will be deducted before closure.

How will charges and expenses affect my investment?

There are various costs and charges associated with dealing in investment trust shares that affect the overall return on your investment.

Private Investor Plan

Government stamp duty, where applicable	Purchases – 0.5%	Sales – nil
Dealing fee	Purchases – 0.2%	Sales – 0.2%
Annual charge		nil
Transfer to main share register		£12+VAT per trust

Investment Trust ISA

Government stamp duty, where applicable	Purchases – 0.5%	Sales – nil
Dealing fee	Purchases – 0.2%	Sales – 0.2%
Annual charge		£60+VAT (covers all Investment Trust ISAs held with us)
Transfer to another plan manager		£50+VAT

Government stamp duty applies to share purchases on all UK registered companies (or companies which maintain a UK register of shareholders). F&C Commercial Property Trust and IRP Property Investments Limited are registered overseas and therefore Government stamp duty does not apply.

Other expenses

Bid/offer spread

The difference between the buying price (offer) and the selling price (bid) of investment trust shares. The spread varies according to the number of shares being traded and their availability in the market.

Annual expenses

The operating costs associated with running an investment trust, for example; the management fee paid to the investment manager or its associates, auditors' fees, directors' remuneration and promotional expenditure. These expenses are borne by the trusts and are included in the calculation of the illustration of effect of charges and expenses below.

Additional performance fees are only included if payable for the base period used to calculate the management fee rate.

Details of each trust's expenses are included in the enclosed brochure.

Illustration of the effect of charges and expenses

The following tables illustrate the effects of all charges and expenses on an investment in Foreign & Colonial Investment Trust through the Private Investor Plan and ISA.

The figures assume a growth rate of 6% a year for the Private Investor Plan and 7% a year for the ISA, with the spread as at 10.03.11 and

expenses as in the trust's latest published Annual Report at the time of preparation.

The assumed growth rates are those stipulated by the FSA to use for illustrative purposes and are examples only and are not guaranteed – they are not maximum or minimum amounts. You could get back more or less than this. What you will get back depends on how your investment grows and on the tax treatment of the investment.

Private Investor Plan

The following calculations are based on a lump sum investment of £10,000 and regular savings of £100 a month. The charges which have been included are as follows: 1.09% initial expenses (which includes the bid/offer spread, Government stamp duty and a 0.2% dealing fee for buying shares), annual expenses of 0.54%, and a dealing fee of 0.2% for selling shares.

Lump sum			
End of year	Investment to date (£)	Effect of deduction to date (£)	What you might get back at 6% growth (£)
1	10,000	192	10,400
3	10,000	342	11,500
5	10,000	524	12,800
10	10,000	1,160	16,700

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £1,160. Putting it another way, if the growth rate was 6%, this would have the effect of reducing it to 5.3% a year.

Regular savings			
End of year	Investment to date (£)	Effect of deduction to date (£)	What you might get back at 6% growth (£)
1	1,200	19	1,210
3	3,600	84	3,860
5	6,000	188	6,790
10	12,000	681	15,600

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £681. Putting it another way, if the growth rate was 6%, this would have the effect of reducing it to 5.2% a year.

ISA

The following calculations are based on a lump sum investment of £5,000 and regular savings of £100 a month. The charges which have been included are as follows: 1.09% initial expenses (which includes the bid/offer spread, Government stamp duty and a 0.2% dealing fee for buying shares), annual expenses of 0.54%, an annual plan charge of £60+VAT, and a dealing fee of 0.2% for selling shares.

Lump sum			
End of year	Investment to date (£)	Effect of deduction to date (£)	What you might get back at 7% growth (£)
1	5,000	166	5,180
3	5,000	396	5,720
5	5,000	666	6,340
10	5,000	1,560	8,270

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £1,560. Putting it another way, if the growth rate was 7%, this would have the effect of reducing it to 5.2% a year.

Regular savings			
End of year	Investment to date (£)	Effect of deduction to date (£)	What you might get back at 7% growth (£)
1	1,200	88	1,150
3	3,600	305	3,690
5	6,000	585	6,570
10	12,000	1,650	15,550

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £1,650. Putting it another way, if the growth rate was 7%, this would have the effect of reducing it to 5.1% a year.

For our other trusts, which have different spreads, underlying operating expenses and stamp duty requirements, the equivalent figures are in the table below.

Investment Trust	Reduction in growth from 7% to:		Reduction in growth from 6% to:		Management fee rate (%)	Annual expenses	Bid/Offer spread*	Growth, Income or Both
	ISA	ISA	Private Investor Plan	Private Investor Plan				
	Lump sums (%)	Regular savings (%)	Lump sums (%)	Regular savings (%)				
Core								
British Assets Trust	4.90	4.80	5.10	4.90	0.30	0.72	0.61	B
F&C Capital and Income Investment Trust	4.90	4.80	5.00	4.90	0.40	0.81	0.34	B
Investors Capital Trust	4.30	4.10	4.50	4.30	0.90	1.10	2.11	I
Specialist								
European Assets Trust	3.80	3.70	4.00	3.80	0.80	1.71	1.07	G
F&C Global Smaller Companies Trust	4.80	4.50	4.90	4.70	0.40	0.74	1.90	G
F&C Managed Portfolio Trust Income	3.50	2.90	3.70	3.10	0.65	1.50	5.66	I
F&C Managed Portfolio Trust Growth	3.50	2.90	3.70	3.10	0.65	1.50	5.61	G
F&C US Smaller Companies Trust	4.30	4.00	4.50	4.20	0.80	1.12	2.29	G
Alternative								
F&C Commercial Property Trust**	4.70	4.70	4.90	4.80	0.60	1.00	0.48	I
F&C Private Equity Trust	4.20	4.00	4.40	4.20	0.90	1.30	1.42	G
Graphite Enterprise Trust	3.80	3.50	4.10	3.70	1.50/0.50	1.40	3.48	G
IRP Property Investments Limited	4.00	3.80	4.20	3.90	0.70	1.40	2.72	I
Thames River Hedge+	3.90	3.80	4.10	3.90	1.50	1.71	0.42	G

Please note these figures are not guaranteed, they are designed purely to show how charges may affect your investment over a 10-year period.
*Prices as at 10.03.11. **No Stamp Duty charge.

The assumed growth rates are those stipulated by the FSA to use for illustrative purposes, and were not achieved in the last 12 months.

How much will any advice cost?

Your adviser may be paid commission for arranging your investment and, before you apply, will give you details about the cost, which will be up to 3% of your investment amount. The amount will be confirmed on the acknowledgment we send you, and will be deducted from your investment amount before shares are bought.

Are there other costs involved in the provision of the plans and how do we manage conflicts of interest?

These costs and charges are set out in the Terms and Conditions. We may provide marketing support including the payment of commission for the distribution of these products. In addition we may receive a financial contribution to the cost of operating an investment trust savings plan from the investment trust whose shares are available for investment within the plan.

We provide a wide range of investment services to a variety of clients. We may have interests which conflict with interests of investors in our savings plans or with duties we owe to other investors, but are obliged to manage any conflicts so as not to conflict with the duties owed to our savings plan investors. We have established procedures designed to identify, mitigate and manage any such conflicts. These include organisational and administrative arrangements and controls designed to safeguard the interest of clients.

Further information.

Confirmation of identity

We are obliged to check all applications received for money laundering purposes. This may involve checking your name and address electronically through a reference agency. However, we will use any information we obtain in this way only for verification of your identity and not for any other purpose. In certain circumstances we may need to request additional information to verify your identity. If this is the case we will write to you to request further evidence of identity. This will not delay your investment, however we may need this documentation before we can act on any further instructions from you about your investment or make any payments to you.

Please note a recent change of address may mean we cannot verify you successfully electronically.

Dealing

For lump sums, shares will normally be bought on the next available dealing day after receipt of your instruction and payment. All purchases, including the reinvestment of any dividends, will be made on these days. You should note that for ISA transfers, the transfer and reinvestment

process takes approximately 30 days, as we must inform your current plan manager of your wish to transfer and then await payment from them.

You will be un-invested from the time your current plan manager sells your investments until we are able to invest the proceeds.

For regular savers, the Direct Debit will be collected on or around the 1st of the month. If you invest through the Private Investor Plan you can choose a different collection date. Shares will normally be bought after a 5-business day clearing period.

Any money waiting to be invested will be held on your behalf in a client money bank account. No interest will be paid on un-invested cash held in your plan. Shares will be bought at the offer price ruling at the time of purchase.

Best Execution

The plan arrangements do not include a market dealing facility for individual instructions. Instead, your investment instructions are aggregated and dealt by reference to the next available dealing day for the plan concerned and the type of instruction. Consequently the time and price achieved may be different from that obtainable if the individual instruction had gone direct to market.

We will take all reasonable steps to obtain the best possible result ('Best Execution') when executing client orders or receiving and transmitting customer orders for execution. The Plan Administrator will instruct a broker to execute plan orders on an agency basis. The Plan Administrator will rely on the broker to take all reasonable steps to obtain the best result, in accordance with the rules of the FSA. The factors normally used to determine the best possible result will be price and costs related to execution. The Plan Administrator will check that each broker has in place a policy and procedures document designed to obtain the best possible result, subject to and taking into account the nature of your orders and the market in question.

Publicly available information

Listed companies are required to make announcements and publish information direct to the market and to shareholders in accordance with the Listing Regulations. The Plan Manager will endeavour to make information intended for shareholders and received direct from the company available to planholders holding shares in the company on the same basis that it is made available by the company to other registered holders of the shares.

Plan manager

The plan manager provides administration services for the plan. It is F&C Management Limited, Exchange House, Primrose Street, London EC2A 2NY, which is authorised and regulated by the Financial Services Authority (FSA) and is entered on the FSA Register No.119230.

Investment manager

The F&C Group provides investment management services to the investment trusts. With the exception of the trusts listed below, the investment manager is either F&C Management Limited or F&C Investment Business Limited which are authorised and regulated in the UK by the Financial Services Authority (FSA). Those trusts managed by other companies are listed below:

Trust	Investment Manager
Graphite Enterprise Trust	Graphite Capital Management Ltd

Nominee and administrator

The nominee is Puddledock Nominees Limited, 67 Lombard Street, London EC3P 3DL or any other suitable agent that the plan manager may appoint. The administrator is appointed by the plan manager and is BNP Paribas Securities Services, Block C, Western House, Lynch Wood Business Park, Lynch Wood, Peterborough, PE2 6BP.

Alterations to the plan

The plan manager may alter the plan or cease to act as a plan manager at any time. You will be given written notification in advance of any alteration and advised of your options. Further details can be found in the Terms and Conditions.

Queries and complaints

If you have any queries or complaints, or would like a leaflet outlining our complaints procedure, please write to the Investor Relations Manager, F&C Management Limited, 80 George Street, Edinburgh EH2 3BU or call 0845 601 3313. If we do not investigate the complaint to your satisfaction, you have the right to refer any complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Making a complaint will not prejudice your right to take legal proceedings.

Compensation

The plan manager is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if the plan manager cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for up to £50,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

Corporate activity

Where appropriate, if any of the investment trusts you have chosen to invest in is involved in a rights issue, an issue of new shares, a takeover bid or anything similar, you will be given information to allow you to take whatever action you decide on. In the absence of a clear instruction from you, the plan manager will not act on your behalf unless this is stated in the documents relating to the specific corporate event.

You have the right to attend and vote at any General Meetings of the company in which you are invested and will be provided with a form of direction so shares may be voted on your behalf. The plan manager may vote shares for which no instructions have been received in the same proportions as the shares for which instructions are received.

Additional information

Please also read the Terms and Conditions. Further financial information on the companies in which you may invest may be found in their Report and Accounts, or, where available and unless otherwise requested, summary financial statements, which you will receive automatically or which you can download from our website. Shareholder communications from companies in which you are invested will be available on the same basis as to investors on the register of shareholders.

Terms and Conditions.

1. Introduction

- 1.1 These Terms and Conditions, which are subject to the FSA Regulations and ISA Regulations in the case of an ISA, set out the terms on which the Plan Manager will manage the investments and shall come into force on the date on which the Investor's application is accepted.
- 1.2 Individual investors are classified as Retail Clients and are entitled to the full protections available under the Financial Services Authority's regulations applicable to the

services provided under the F&C plans. Certain experienced investors may be entitled to be re-classified as Professional Clients and be afforded less protection however this will not affect the administration of their account.

- 1.3 F&C does not provide individual advice or recommendations to Planholders and does not exercise any discretion over the choice of investments. F&C are not responsible for establishing the suitability of a particular investment for a Planholder's personal circumstances. Planholders wanting advice

as to the suitability of an investment for their individual circumstances should consult an appropriate adviser.

- 1.4 The Plan Manager is authorised and regulated in the conduct of its investment business by the Financial Services Authority and is approved by HM Revenue and Customs to act as an ISA Manager of Individual Savings Accounts.
- 1.5 These Terms and Conditions apply to all F&C Plans subject to any investment options,

limits, benefits or charges agreed by the Plan Manager as applying to Legacy Plans.

- 1.6 Expressions defined in the FSA Regulations shall, unless the context otherwise requires, have the same meanings in these Terms and Conditions.
- 1.7 Reference to statutory or regulatory provisions shall, unless the context otherwise requires, be construed as references to those statutes or regulations as amended and from time to time in force, or any statutes or regulations replacing or superseding those statutes or regulations.

2. Definitions

Business Day – any day (excluding Saturdays, Sundays and public holidays) on which banks are open to conduct normal banking business in London.

Client Money Accounts – money received from Investors for investment in accordance with the terms of a Plan or held within a Plan will be kept in client money accounts in accordance with the FSA regulations. Such money will be kept separate from F&C funds but will be pooled with money belonging to other clients. No interest is paid to Investors in respect of money held in the client money bank accounts unless there is specific provision in the Terms and Conditions applicable to the Plan for the payment of interest.

Custody Arrangements – the safe-keeping and registration arrangements that comply with FSA Regulations for the holding of client assets. Investors' assets will be separately identifiable from F&C assets but pooled with assets of other customers of F&C. The Plan Manager is entitled to change the nominee in whose name the assets are registered in which event details of the new nominee's name and its relationship to the F&C Group will be notified to Investors affected by the change.

Dealing Day – any business day on which the London Stock Exchange is open for business. Dealing is at the Plan Manager's discretion.

Eligible Investors – persons entitled to be registered as the holders of Investment Trust shares and in the case of ISA Plans who satisfy the eligibility requirements of the ISA Regulations as appropriate. The Plan Manager is entitled to refuse applications and to sell shares held in a Plan if required by the issuer to comply with any restriction of the issuer including those intended to prevent the issuer becoming subject to regulation, registration or taxation requirements in any overseas jurisdiction.

F&C, F&C Group – F&C Asset Management plc or any of its subsidiaries, together the F&C Group.

F&C Plan, Plan – F&C Private Investor Plan, F&C Investment Trust ISA and investment trust savings plans provided by a member of the F&C Group.

F&C Online Account Management Service – the service offered by F&C via its website www.fandc.co.uk allowing Investors to apply to open accounts and to administer their holdings online. The F&C Online Account Management Service is subject to additional Terms and Conditions displayed on the website.

Foreign Investors – any Investor not resident in the UK or subject to UK tax. Attention is drawn to the notice in clause 21.

FSA – the Financial Services Authority. 25 The North Colonnade, Canary Wharf, London E14 5HS.

FSA Regulations – regulations made by the Financial Services Authority as applicable to the operation of investment trust savings schemes.

Investment Options – investments included in the Plan 'Key Features' or the brochure as available for investment in a Plan. Investors should note that the Plan Manager is entitled to amend the list and where an investment is no longer available for investment the Plan Manager is entitled to sell any holdings of that investment without further instruction from the Investor.

Investment Trust, Trust – an investment company, including UK authorised investment trusts, UK investment companies and overseas investment companies, offered as an Investment Option within a Plan and subject to change from time to time.

Investor(s) – the investor(s) in whose name the Plan is registered.

ISA Regulations – the Individual Savings Account Regulations 1998 (as amended) and Individual Savings Account (ISA) shall be interpreted accordingly.

Legacy Plans – any investment trust savings plan operated by a member of the F&C Group which is closed to new Investors and/or new investment. Investments held in a Legacy Plan may be subject to additional Terms and Conditions affecting Eligible Investors, permitted investments, charges, and other entitlements.

Phased Investment Option – an ISA Plan in respect of which the Investor subscribes a cash lump sum which will be divided equally and

invested over three or six months. The option may only be used for investment into Foreign & Colonial Investment Trust and is not available via the F&C Online Account Management Service.

Plan Administrator – a third party appointed by the Plan Manager to provide administrative services in respect of a Plan. Administrative services include the receipt and processing of Investor instructions, arranging transactions in Plan investments, investment administration and safekeeping services for Plan investments and maintaining Plan records. The Plan Manager is entitled to vary or terminate such appointments without reference to Investors.

Plan Manager – F&C Management Limited or the appropriate member of the F&C Group in the case of Legacy Plans. F&C are entitled to replace such Plan Manager with another member of the F&C Group and will provide notification in advance to Investors of such replacement.

Regulations – the FSA Regulations and ISA Regulations as appropriate and as amended or replaced from time to time.

Terms and Conditions – these Terms and Conditions set out in the 'Key Features and Terms and Conditions', (as amended from time to time), other Terms and Conditions referred to herein and the statements and declarations made by the Investor on his or her application form.

Valuation Dates – two dates in each calendar year, namely 30 June and 31 December or such other dates nominated from time to time by the Plan Manager, being the dates to which the periodic statements will be prepared.

3. Taking out a Private Investor Plan

- 3.1 To subscribe to a Private Investor Plan, the Investor must complete and sign an application form and return it as stated thereon. Subscription to the Private Investor Plan must be made out of the Investor's own cash, by way of cheque or Direct Debit instruction of the appropriate amount. Post-dated cheques will not be accepted and will be returned to Investors. Alternatively, subscription can be made via the F&C Online Account Management Service with payment being made by way of the Investor's personal Solo, or Visa debit card. The Plan Manager reserves the right not to accept applications.

4. Taking out an ISA Plan

- 4.1 To subscribe to an ISA Plan, the Investor, who must be a qualifying individual under the

ISA Regulations, must complete and sign an application form and return it as stated thereon. Subscription to the ISA Plan must be made out of the Investor's own cash, by way of cheque or Direct Debit instruction of the appropriate amount. Post-dated cheques will not be accepted and will be returned to Investors. Alternatively, subscription can be made via the F&C Online Account Management Service (except for phased investments) with payment being made by way of the Investor's personal Solo or Visa debit card. The Plan Manager reserves the right not to accept applications.

- 4.2 The total of all subscriptions in any tax year may not exceed the maximum laid down in the ISA Regulations. If the Investor subscribes above the monthly limit for a period, the Plan Manager reserves the right to automatically reduce the monthly subscription in the next tax year without written instruction from the Investor.
- 4.3 The ISA transfer facility allows an Investor to transfer an ISA held with another ISA provider. The Investor must complete and sign an ISA transfer form together with the authority to the existing ISA manager and return as directed on the application form. The Plan Manager reserves the right not to accept transfers, in whole or in part.

5. F&C Online Account Management Service

- 5.1 Registration for the F&C Online Account Management Service requires agreement to F&C's Online Account Management Service Terms and Conditions. Such agreement is recorded as part of the online processing. In order to maintain account security we need to collect signatures from all Investors before effecting instructions on accounts registered in joint names.

6. Management of investments

- 6.1 Subscriptions will be invested in shares of the Investment Trust(s) in accordance with the selections made by the Investor on his or her application form. The Investor may, at any time, by written notice, amend their choice of Investment Trust(s).
- 6.2 Cleared subscription monies will be applied by the Plan Manager for investment in the relevant Investment Trust(s) at such time or times as the Plan Manager deems appropriate, subject to such sums being available first to

satisfy any sums due and payable to the Plan Manager under these Terms and Conditions. Provided valid applications and payments are received by 5pm or if online by 10pm, purchases will normally be made in accordance with the following timescales: (a) in respect of a lump sum payment, on the next Dealing Day following receipt of payment; (b) regular payments by Direct Debit require a five day clearing period before they can be invested; (c) income will be reinvested within four days of receipt; (d) the purchase side of a switch will be instructed on the same day as the sale side.

- 6.3 Transactions in the shares of Investment Trusts may be effected with or through any person, firm or corporation selected by F&C, including its associates, who may be entitled to charge and retain benefits for their services. Shares in the Investment Trusts may also be acquired directly from the relevant Investment Trust where, in F&C's opinion, it is in the Investor's best interests to do so.

- 6.4 As directed by the Investor on the application form, dividend income will either be reinvested in shares of the Investment Trust(s) from which the dividend originated, or, subject to such sums being available first to satisfy any sums due and payable to the Plan Manager under these Terms and Conditions paid direct to the Investor's bank or building society within four days of receipt into the Plan. In respect of the ISA, income will be paid directly into the Investor's bank or building society account four times a year on 23 January, 23 April, 23 July and 23 October. Purchases of shares with reinvested dividend income will be subject to Government stamp duty and the normal dealing fees applicable to purchases and set out in section 8. If the Phased Investment Option is selected for the ISA, income will be held as cash in the account until the phased investment is completed.

- 6.5 The Investor's attention is drawn to the fact that Plan investments may comprise of investments: a) of which the issue or offer for sale was underwritten, managed or arranged by the Plan Manager or any of its associates; or (b) of an Investment Trust either managed or advised by the Plan Manager or one of its associates and in respect of which the Plan Manager or its associates may receive payment.

- 6.6 Orders made on behalf of the Investor may be combined with other orders of the Plan Manager, its associates and of other clients of the Plan Manager or their associates. The combination of orders may result in the Investor obtaining a more, or less, favourable price than if the order had been executed separately. Investments may be consolidated with those of other Plans that the Plan Manager manages.

- 6.7 The Plan Manager shall be entitled, without prior reference to the Investor, to effect transactions in which it has, directly or indirectly, a material interest or a relationship with another party which may involve a conflict with the Plan Manager's duty to the Investor and shall not be liable to account to the Investor for any profit made or received. In particular (but without limitation) the Plan Manager and/or any of its associates shall, subject to Regulations, be entitled, without prior reference to the Investor, to: (a) act in the same transaction as both an agent for the Investor and also as an agent for the counterparty; and (b) act in the same transaction or series of transactions as agent for more than one client (including the Investor) collectively.

- 6.8 Legal title to the investments will be vested and registered in the name of Puddledock Nominees Limited or such other nominee as the Plan Manager may from time to time nominate. Such other nominee may include persons who are associates of the Plan Manager. Share certificates or other documents evidencing title to investments will be held by the Plan Manager or its delegates or as it may direct. Beneficial ownership of investments will be vested in the Investor. Investments will not be lent to third parties or used as security for a loan. Investments will be registered collectively together with those of other Investors. They may, therefore, not be separately identifiable and, in the event of a default by either the Plan Manager or its delegate(s), any shortfall may be shared pro rata among all Investors whose investments are so registered.

- 6.9 Cash received by the Plan Manager on behalf of the Investor will be paid into a client money account with The Royal Bank of Scotland plc, entitled F&C Management Limited – Client Account, and may be

- aggregated with monies held by the Plan Manager for other Investors. Such cash will be held in accordance with the FSA Regulations as may be amended from time to time. No interest will be paid to Investors on any cash balances held within the Plan. Any amounts credited by the bank to the Client Money Accounts in excess of that allocated to the Investors represented by multiple fractions will be appropriated for the sole benefit of the Plan Manager.
- 6.10 Money will not be borrowed on the Investor's behalf, nor will the Investor be committed to supplement funds in the Plan. The Investor will not be committed to underwrite any issue or offer for sale of securities.
- 6.11 Investors should note that where investments or cash are held in a pooled account with a third party that in the event of the default of the third party the Investor will have an equal claim with other Investors entitled to assets in the account and will share pro rata with these Investors in the proceeds from the account.
- 7. Transaction confirmations and periodic reports**
- 7.1 New Investors or Investors making top-up investments will receive written confirmation that the Plan Manager has received and is processing their application. Once shares have been purchased, the Plan Manager will send the Investor details of the transactions. For a new Private Investor Plan or ISA, Investors will receive information on their right to change their mind.
- 7.2 A report will be sent to the Investor within 25 Business Days of each Valuation Date in respect of each six-month period ending on a Valuation Date (or where the Plan has not been held for six months, the period starting on the commencement of a Plan and ending on the next Valuation Date) containing:
- a valuation of the investments (at mid-market prices) as at the most recent Valuation Date; and
 - to the extent required by the Regulations, details of all transactions and holdings relating to the Plan during the relevant period.
- 7.3 Investors should check transaction confirmations and statements and any discrepancies should be reported to the Plan Manager as soon as possible.
- 7.4 Copies of all contract notes and other statements of dealing will be retained by the Plan Manager and will be available for inspection by the Investor.
- 7.5 Replacement and additional statements are available on request although there may be a charge for this service.
- 8. Fees, commissions and expenses**
- 8.1 A dealing fee of 0.2% of the transaction value payable to F&C will normally be levied upon all purchases and sales of shares. In the case of a switch transaction, this fee will be payable on the sale of the existing Investment Trust shares and the purchase of the new Investment Trust shares.
- 8.2 In the case of purchases, a charge to cover Government stamp duty and any other applicable costs of acquisition will normally be made.
- 8.3 In the case of ISA Plans, an annual management charge of £60+VAT per annum. This amount which accrues on a daily basis will be payable six-monthly on 5 April and 5 October each year.
- 8.4 A transfer charge of £50+VAT per transfer out of the ISA to another ISA manager.
- 8.5 There are charges in respect of administration as follows:
- For each transfer of Plan investments out of the Plan into an Investor's own name or that of another person/nominee: (per Investment Trust) £12+VAT
 - VAT will be levied (where applicable) at the prevailing rate.
- 8.6 The Investor shall pay, or reimburse the Plan Manager in respect of the fees, commissions and expenses set out in the Terms and Conditions.
- 8.7 The Plan Manager shall be entitled to effect the sale of part or all of an Investor's investments and to use the proceeds of such sale in set-off (whether in part or in full) against any such liability. For the ISA any outstanding annual management fees will be settled by the sale of shares.
- 8.8 If the Investor has received financial advice they may elect to have commission deducted from their investment amount and paid to their adviser. Commission payments can be up to 3% of the investment amount. This will be deducted before shares are bought.
- 8.9 Such fees, commissions and expenses may supplement or abate other fees payable to the Plan Manager in connection with transactions effected hereunder. The Plan Manager may, insofar as permitted by the FSA Regulations, vary the amount of fees, commissions or expenses payable, the basis on which they are charged or reimbursed and/or the due date for payment on giving not less than seven Business Days written notice to the Investor.
- 8.10 Where an ISA has to be made void or repaired in accordance with Clause 11.5, the Plan Manager may charge an administration fee of £100+VAT.
- 9. Exercise of rights attaching to investments**
- 9.1 The Plan Manager will endeavour to forward all company circulars and offer documents or otherwise notify Investors on a timely basis of proposals concerning investments held in his or her Plan. Such arrangements as are in the opinion of the Plan Manager reasonably practicable will be made to enable the Investor to vote or to take up or decline entitlements or otherwise exercise rights attaching to such shares.
- 9.2 The Plan Manager will not exercise any rights on behalf of Investors without instructions and accepts no responsibility for any failure to act or refraining from acting.
- 9.3 Where Planholders have the right to vote their shares F&C has taken powers to vote shares for which no instructions are given. F&C will vote such uninstruced shares in the same proportions as the votes cast in respect of shares for which voting instructions are given. This scaling up of votes is subject to approval of the relevant trust and may be subject to minimum voting and maximum holding limits to ensure the voting reflects the wishes of Planholders. The notice of meeting will indicate whether scaling up applies to any resolution and each Planholder will have the opportunity to exclude their shares from scaling up.
- 10. Rights of the Plan Manager**
- 10.1 The Plan Manager may retain sufficient cash in the ISA Plan to pay future fees and this may result in some or all of the income arising in the ISA Plan not being reinvested, nor being paid to the Investor.

10.2 The Plan Manager may, without prior notice to the Investor, apply any cash or sell or realise any Investments in payment of any taxes or fees, commissions and/or expenses payable by the Investor to the Plan Manager or HM Customs and Revenue. In the event such liabilities remain unsatisfied after such action, the Investor shall promptly on demand pay the Plan Manager any shortfall. The Investor shall indemnify the Plan Manager in respect of any loss, damage or cost which might be incurred or arise in respect of any such liability remaining unsatisfied.

10.3 The Plan Manager may employ agents in connection with the services it is to provide and may delegate all or any of its powers or duties to any delegate(s) of its choice. The Plan Manager will satisfy itself that any person to whom it delegates any of the Plan Manager's functions under these Terms and Conditions is competent to carry out those functions. The Plan Manager shall not be liable for the negligence or misconduct of any such agent or delegate, except where it has been negligent in its choice of such agent or delegate; provided that this clause shall not exclude or restrict any liability towards the Investor to which, by virtue of the ISA Regulations, the Financial Services and Markets Act 2000 or the Rules of the FSA, the Plan Manager may be subject.

11. Termination, transfer and withdrawal

11.1 The Investor wishing to withdraw some or all of the value from his or her Plan shall by means of the F&C Online Account Management Service or by written notice:

- (a) direct that the Plan Manager sell sufficient investments which after fees and charges shall realise a specified amount, subject to £250 per trust minimum withdrawal amount, and pay those net proceeds at the Investor's risk in the form of cash to him or her or as directed. Such instruction must specify the Plan type and the proportion of each Investment Trust held in that Private Investor Plan or ISA to be so realised. Where the investor requests a withdrawal and requires a particular amount be raised without specifying the holdings to be sold F&C will sell equally across the available holdings as far as possible and

consequently smaller holdings may be sold out completely.

- (b) terminate the Plan and require the Plan Manager to realise the value of the investments and pay the proceeds at the Investor's risk in the form of cash to him or her or as directed.
- (c) request a transfer of shares into his or her own name/nominee, or that of another person (subject to the necessary identity checks), onto the main share register at a cost of £12 +VAT per Investment Trust, to be paid with the investors written instruction. If a cheque for the total charge amount is not received with the written instruction the Plan Manager will sell sufficient investments to realise the required amount. The investor must also arrange for the other Plan Manager to send written acceptance of the transfer for the request to be valid.

Provided that in the case of 11.1(a), if the value of assets remaining in the Plan as a consequence falls below £500 per trust and there is no monthly savings instruction in place, the Plan Manager may treat the notice as if it were given in accordance with Clause 11.1(b) and terminate the whole of the Plan. Such instructions, when received in full, shall be executed on the next regular dealing day and the net proceeds of sale in the form of cash will normally be sent, at the Investor's risk, within five Business Days of settlement. Provided valid instructions are received by 5pm or if online by 10pm, sales will normally be made on the following dealing day. Faxed sale instructions will be executed in accordance with the above, but the proceeds will not be issued until receipt by the Plan Administrator of an original written instruction. Payments will be sent at the Investor's risk to the registered address of the Investor by first class post unless sufficient proof is received to remit such proceeds by direct credit into the Investor's bank account.

- 11.2 The Investor wishing to transfer the whole or part of the management of any ISA Plan held to another ISA manager shall give written notice to the ISA Plan Manager quoting the relevant account number(s) specifying the following information:

- (a) during the tax year in which subscriptions are being made to the ISA, require the ISA Plan Manager to transfer to another ISA manager a cash amount equal to the total subscriptions made to the ISA in that current tax year, except that if the current year is the only tax year in which subscriptions have been made the amount transferred shall be the current value of the ISA;
- (b) after the tax year during which subscriptions were made to the ISA, require the ISA Plan Manager to transfer the cash value of specific investments to another ISA manager;
- (c) at any time terminate the ISA Plan Manager's appointment and require the ISA Plan Manager to realise the value of the investments and to transfer the proceeds thereof together with the ISA to another ISA manager.

The investor must also arrange for the other Plan Manager to send written acceptance of the transfer for the request to be valid. Please note until this acceptance is received, shares in your ISA will not be sold. Provided that in the case of notice given in accordance with Clause 11.2(b), if the value of assets remaining in the ISA in aggregate as a consequence falls below £500 the ISA Plan Manager may treat the notice as if it were given in accordance with Clause 11.2(c) and transfer the whole of the ISA. Note that any transfer will occur up to 30 calendar days after the receipt of a valid transfer request and will be transferred as cash only. We do not undertake in-specie transfers.

- 11.3 Any tax benefits under an ISA shall terminate automatically on the death of the Investor. Upon instructions from the Executors or Administrators, the Plan Manager shall realise the shares and other securities held as investments and pay over the net proceeds of any sale and any other cash held to or as directed by the Investor's Executors or Administrators.
- 11.4 The Plan Manager may retire as manager of the Private Investor Plan or ISA Plan by giving not less than 30 calendar days notice in writing to the Investor. For ISAs, on such retirement, the Investor may either elect for a transfer to another ISA manager in accordance with Clauses 11.2(c) or a withdrawal in accordance

with Clause 11.1(b). For Private Investor Plans the Plan Manager will provide the Investor with options for withdrawal in accordance with clause 11.1(b) or (c).

- 11.5 If: (a) due to an invalid application; or (b) due to the Investor already having subscribed to another ISA of the same type in the current tax year; or (c) for whatever other reason there is a failure to satisfy the Regulations or HM Revenue and Customs requirements; or (d) due to the Investor being a US person (as defined by Regulation 5 of the Securities Act 1933) or is investing in a plan for the account or benefit of a US person, the Plan Manager may require the ISA or part thereof, to be treated as void. In these circumstances the Plan Manager will notify the Investor that the ISA or part thereof, has not qualified or will no longer qualify for tax relief. The Plan Manager will then void the ISA or part thereof, realise the value of the relevant Investments and, subject to Clauses 8.10 and 11.5, pay the proceeds to the Investor.
- 11.6 Notwithstanding Clauses 11.1-11.5, the Plan Manager may withhold and retain from any such withdrawal or transfer an amount sufficient to satisfy: (a) any sums due to the Plan Manager under these Terms and Conditions; (b) tax liabilities of the Investor (or his or her estate if deceased) for which the Plan Manager may be accountable.

12. General

- 12.1 To the extent permitted by the Regulations, the Plan Manager shall be entitled to make tax claims, conduct appeals and agree on the Investor's behalf liabilities for and relief from tax in respect of the ISA Plans.
- 12.2 Subject to duties or liabilities under the Financial Services and Markets Act 2000 or the regulatory system (as defined in the Regulations), the Plan Manager shall not be liable to the Investor for any losses arising from any depreciation in the value of the Investments (including, without limitation, depreciation resulting from capital loss or taxation liability) or for the acts or omissions of any third party whether or not such third party is acting as the Plan Manager's agent except insofar as the same arises as a result of the Plan Manager's fraud, wilful default or negligence either in the management of the Plan or in the selection of any third party. Save

to the extent provided for in the Regulations, the Plan Manager shall not be liable for any default by any nominee appointed by it in connection with the Plan to be the registered holder or custodian of investments.

- 12.3 Nothing in the Terms and Conditions shall restrict the Plan Manager's right to provide investment services to others.

13. Alterations

- 13.1 Save to the extent that other provisions are made in the Rules of the FSA, the Plan Manager may for valid reasons, amend, alter or add to the Terms and Conditions from time to time by giving not less than 28 calendar days' notice in writing to the Investor.

14. Restricted communication

- 14.1 In making investment decisions, the Plan Manager and/or its agents will not have access to information which is privileged or confidential and, in the event that such information comes to the knowledge of any of them, they shall not be under any duty to use or attempt to use such information on the Investor's behalf.

15. Confidentiality

- 15.1 The Plan Manager will not disclose confidential information obtained by it relating to the affairs of the Investor to any third party (excluding any agent appointed by the Plan Manager who will be bound by the same duty of confidentiality) except with the prior written consent of the Investor or where the Plan Manager is under a legal or regulatory obligation to do so.

16. Data protection

- 16.1 The Data Protection Act 1998 regulates the use of data. F&C is required to obtain consent from individuals before using their personal data. Personal data provided to F&C is used solely for the purposes of administration, direct marketing and business analysis. On occasion, Investors may be contacted (either by mail, telephone or email) by F&C for the above purposes. Investors may decline to receive direct marketing material from F&C by giving written notice to that effect to the F&C Group Data Controller at F&C Management Limited, 80 George Street, Edinburgh EH2 3BU. By signing or submitting electronically via the F&C Online Account Management Service,

the Investor consents to the provision to, and use of, his or her personal data by F&C for the above purposes and further agrees that he or she may, on occasion, require to be contacted as set out above.

17. Complaints

- 17.1 Complaints should be referred to the Investor Relations Manager at F&C Management Limited, 80 George Street, Edinburgh EH2 3BU. If the complaint has not been resolved to the Investor's full satisfaction, the Investor may have the right to refer his or her complaint to the Financial Ombudsman Service. This service is independent to the Plan Manager and is available to all eligible complainants. Full details of the Investor Services team's policy on the handling of complaints and details of the Financial Ombudsman Service are available on request from the Plan Manager.
- 17.2 In the event of default by the Plan Manager, the Investor may be entitled to compensation under the Financial Services Compensation Scheme. Information about the Scheme is available on request from the FSA and the Financial Services Compensation Scheme itself.

18. Notices and instructions

- 18.1 Any notice or instructions to be given to the Plan Manager should be sent to the F&C Plan Administration Centre, Block C, Western House, Lynch Wood Business Park, Lynch Wood, Peterborough, PE2 6BP or to such other address as may be notified to the Investor. The F&C Online Account Management Service also permits certain notices and instructions to be given via the Internet at F&C's website www.fandc.co.uk. Notices to be given to the Investor will be sent by post, at the Investor's risk, to the address last notified to the Plan Manager, and will be deemed duly given two Business Days following the day of posting.
- 18.2 The Plan Manager will acknowledge in writing and comply with the Investor's proper written or electronic instruction as soon as is practicable.
- 18.3 All written communications to the Investor will be sent to the address shown on the application, or to the latest address notified in writing to the Plan Manager. The Investor will be deemed to have received any notice sent to them within two days of issue.

19. Cancellation and cooling off

- 19.1 For new Investors, except new ISA Investors who have received advice, an application to open a Plan will be accepted on the day of receipt and the money invested on the next available dealing day. The Plan Manager will send the Investor a Notice of the Right to Cancel after the application has been accepted. If the Investor wishes to cancel, they must complete the cancellation form attached to the Notice and return it to the Plan Manager within 14 days of receiving it.
- 19.2 Cancellation rights are not available for ISA transfers. Details of the options open to the Investor, should he or she change their mind, are available from the Investor Services team and are detailed in the 'Key Features' part of this document under the heading "Can I change my mind after I have sent in my application".
- 19.3 If an Investor indicates they have received financial advice in connection with opening a new ISA the Plan Manager will not make the investment until the 8th day after receipt. The Investor has a seven-day cooling off period in which to inform the Plan Manager of their wish to change their mind.

20. Confirmation of identity

- 20.1 In accordance with The Money Laundering Regulations 2007 (SI 2007/2157), the Plan Manager is required to verify the identity of Investors in the course of processing applications and instructions. This may involve checking Investors' name and addresses electronically through a reference agency. However, we will use any information we obtain in this way only for verification of Investors' identity and not for any other purpose. If any further or additional information is required, the Plan Manager will write to the applicant as soon as possible after receiving the application. In these circumstances, the Plan Manager will proceed with the investment or other instruction, but there will be a delay in issuing the proceeds of any sale or transfer effected prior to the completion of the verification process.

21. Notice to Investors who are not resident in the UK or subject to UK tax (Private Investor Plan only)

- 21.1 Only sterling payments (drawn on a UK bank account) may be received into the Private Investor Plan. Payments in foreign currency, including payments made in the Euro, will therefore be returned to the Investor. All payments made out of the Private Investor Plan (dividends and sale proceeds) will only be paid in sterling. Investors who do not maintain a sterling bank account may experience difficulties in banking sterling payments and may wish to consider opting to have their dividends reinvested.
- 21.2 All correspondence (including annual reports if applicable, statements, dividends, advices, etc.) will be in English and will be posted by airmail to the address given on the Investor's application form or to the last address notified in writing to the Plan Administrator (as appropriate).
- 21.3 All references to tax benefits in the brochure relate to UK taxation and Investors are advised to seek advice on any local tax implications associated with investing in the Private Investor Plan.
- 21.4 Please note that the six monthly valuation referred to in clause 7.2 of the Terms and Conditions is denominated in sterling, and the value of your shares may fall or rise in relation to your base currency.
- 21.5 We are required to verify the identity of Investors before we can complete the processing of applications. If any additional information is needed, we will write to you as soon as possible after receiving your application. In such circumstances, we will proceed with your investment as directed, but if you wish to sell prior to providing us with the necessary proof of identity or if the verification process remains incomplete for whatever reason, there may be a delay in issuing the proceeds of such sale to you.

- 21.6 The shares in the Investment Trusts have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("the US Securities Act"), or the securities laws of any state or political subdivision of the United States, and may not be offered or sold, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories and possessions and other areas subject to its jurisdiction (the "United States"), or to, or for the account of, US Persons except in certain transactions exempt from the registration requirements of the US Securities Act and such other securities laws. Due to the extensive restrictions on transactions exempt from the aforementioned registration requirements, we do not accept applications for the purchase or subscription of shares in any Investment Trust available through the Plans from any person that is resident, or any entity that is domiciled, in the United States of America.

22 Terms of the Investor's contract with the Plan Manager

- 22.1 Once the Investor has completed the application form and it has been accepted by the Plan Manager, it will constitute a legally binding agreement between you and the Plan Manager.
- 22.2 The Key Features and Terms and Conditions set out how an Investor's instructions will be processed and how their investments are administered. Additional terms may apply to holdings in Legacy Plans.
- 22.3 The Terms and Conditions are subject to English Law and the exclusive jurisdiction of the English Courts. All documentation will be provided in English.

These Key Features and Terms and Conditions are based on our understanding of current legislation and HM Revenue and Customs practice as at March 2011.

F&C Management Limited

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F&C1728 03/11

