

Schroders Personal Wealth (ACD)

Terms and conditions of the SPW (ACD)

Individual Savings Account (ISA)

This document explains the relationship between you and us. You can use your Schroders Personal Wealth (ACD) ISA to invest in one or more of the Solution Funds.

You should read these Terms and Conditions carefully together with the Key Investor Information Document (KIID) for the fund(s) you want to invest in.

1 Definitions

Certain words and expressions in these Terms and Conditions have particular meanings. This section explains what they mean.

Account: your total investment in your Schroders Personal Wealth (ACD) Individual Savings Account (ISA).

Accumulation Shares: shares which automatically retain any income they earn. Any tax we reclaim on Income Distributions will be used to buy additional accumulation shares.

Cancellation Notice Period: the number of days set out in the SIID during which you may cancel this agreement under the provisions of Section 8.

Client Money Account: means a current or deposit account at a bank that is in our name, in accordance with the FCA Rules. Its title will also include an appropriate description to indicate that it holds only clients' money in accordance with our regulatory responsibilities.

Data Protection Legislation: any law that applies from time to time to the processing of personal data by us under these Terms and Conditions.

ICVC: Investment Company with Variable Capital.

Income Distribution: income from your shares which is either paid to you or increases the value of the shares you hold.

Income Shares: shares which make payments of the income they earn to you, rather than retaining it.

ISA Manager: the manager of your ISA. In the case of the Schroders Personal Wealth (ACD) ISA this is Scottish Widows Schroder Personal Wealth (ACD) Limited.

ISA Regulations: The Individual Savings Account Regulations (1998) as amended or re-enacted from time to time.

Key Investor Information Document (KIID): there is a separate KIID for each of our Solution Funds. This contains information that will help you understand the nature and the risks of investing in the fund. This is intended to enable you to make an informed decision about making an investment.

OEIC: Open Ended Investment Company, being a collective investment that pools together investors' money to achieve a spread of investments. An OEIC is set up as a company and governed by specially written company law.

Prospectus: a document drawn up by us which contains information about the OEIC and its Sub-funds and which complies with the relevant rules of the Financial Conduct Authority.

Qualifying Individual: an individual who, in the case of a Cash ISA, is 16 years of age or over or, in any other case, is 18 years of age or over who is resident in the United Kingdom. Crown employees and their spouses/civil partners who are not resident in the United Kingdom may qualify.

Schroders Personal Wealth (ACD): Scottish Widows Schroder Personal Wealth (ACD) Limited, the ISA manager.

Solution Funds: Sub-funds of the Investment Portfolio ICVC.

Subscription: any payment you make to a Schroders Personal Wealth (ACD) ISA.

Supplementary Investor Information Document (SIID): information in respect of the funds and the Schroders Personal Wealth (ACD) ISA which we make available to you as required by the relevant rules of the FCA, which, in general terms, is intended to enable you to make an informed decision about making an investment.

person under Regulation S of the United States Securities Act 1933.

We/us/our: Scottish Widows Schroder Personal Wealth (ACD) Limited

You/your: the shareholder or his/her legal successor(s).

2 Your ISA

An ISA is an investment which qualifies for exemption from personal taxation under the ISA Regulations. This means you can currently invest in OEIC funds through an ISA and not have any personal liability to tax on any income or capital gains.

You and your partner can both take out an ISA each tax year providing you are eligible. There are a number of different types of ISAs available and you can choose to invest in some or all of them. The Schroders Personal Wealth (ACD) ISA is a Stocks and Shares ISA.

In the current tax year you can pay into all the different types of ISA.

If you pay into one type of ISA with one provider, you can also invest, within the subscription limit, into another type of ISA with either the same or a different provider.

You can invest in our OEIC funds via an ISA managed

by Schroders Personal Wealth (ACD). An ISA should be viewed as a Medium-to-long term investment (this is an investment held for at least five to ten years). Please remember that the value of an investment, and any income from it, is not guaranteed and can go up and down depending on investment performance (and currency exchange rate changes where a fund invests overseas).

If you become a US Resident you will not be able to continue holding your investment with us.

3 Subscription Limits

There are limits on the Subscriptions that you can make to an ISA in each tax year.

If you change your mind and exercise your cancellation rights (the SIID tells you how many days you have to do this) your ISA Subscription DOES NOT count as a Subscription to an ISA in that tax year. In addition, you are free to make another ISA Subscription with an ISA Manager within that tax year.

A request to sell your shares and close your Stocks and Shares ISA other than by exercising your cancellation rights, will, even if received within the cancellation notice period, be treated as a normal request to sell your shares. This means that you will not be able to make any payments into a Stocks and Shares ISA (with us or any other ISA Manager) until the following tax year. Closing a Stocks and Shares ISA will not affect your right to invest in a different type of ISA with another ISA Manager.

4 To qualify as an ISA investor

For you to be eligible to invest in an ISA, you must be a Qualifying Individual (see definition in Section 1).

5 Statements and reports

Every 6 months we will send you a statement and valuation of your ISA.

6 Title – Ownership of your ISA and security

When you invest in an ISA your fund holding will be registered jointly in your name and ours (or that of our nominee), but you are and must remain the sole beneficial owner of the shares. This means that you must not use the shares as security for a loan.

It is not Schroders Personal Wealth (ACD) practice to issue share certificates.

We must act on your instructions or those of your personal representatives. As a holder of a Schroders Personal Wealth (ACD) ISA you are entitled to attend any shareholder meetings, to vote and to receive any other information issued to shareholders of the fund(s) you are invested in. If you would like to exercise any of these rights, please contact us.

We reserve the right to request additional information or proof of identity, or any other relevant information in

line with requirements on us under any applicable money laundering regulations and in order to validate elements of the sales transaction. Please see Section 7 for further details. Such requests are designed with security of clients' investments in mind and may delay the dispatch of any sale proceeds.

When withdrawing monies, it is possible for you to state the time period between your initial request to withdraw and completion of the withdrawal process, from an immediate withdrawal up to a maximum time period of 30 days. Please contact us for more details.

You authorise us to give HM Revenue & Customs (HMRC) information it reasonably requests, and to make claims, conduct appeals and agree the tax position in respect of your ISA.

7 Your right to change your mind

You will be given a number of days (your Cancellation Notice Period) to cancel the agreement if you are not completely satisfied with your investment. The Cancellation Notice Period starts from the day you receive your cancellation notice. If

you decide to cancel and you have made monthly payments, we will give you your money back. If you decide to cancel and you have made a single payment we will send you a cheque for the lower value of either:

- Your original payment; or
- The value of your investment calculated using the next price released after we receive your written instructions to cancel.

using the next price released after we receive your written instructions to cancel.

If the price of the shares has fallen between the dates of your original payment and cancellation, you will receive less than you paid for them. If you change your mind within the Cancellation Notice Period, you'll be free to make another ISA Subscription in the same tax year.

If you have transferred another ISA to us and you decide to cancel within the Cancellation Notice Period you have the following three options:

- The ISA can be closed, and the proceeds returned to you; or
- The ISA can be transferred back to the original manager, although the original manager may not accept it; or
- The ISA can be transferred to any other ISA Manager.

The proceeds returned to you or transferred on cancellation will be the lower value of either:

- Your original transfer amount; or
- The value of your investment calculated using the next price released after we receive your written instructions to cancel.

If the price of the shares has fallen between the dates of your original transfer request and cancellation, you will receive less than you initially transferred.

If you don't cancel your investment, it will continue.

If you are in any doubt as to whether an ISA is suitable, you should seek financial advice.

8 Charges

Details of the charges that apply for each of the funds can be found in the relevant KIID together with information about any exit charges that may apply. Please contact us if you require further information.

9 Transfer of an ISA

There will be no personal liability to UK income tax on any income your ISA produces and no capital gains tax to pay when you transfer your ISA.

The value to an investor of the tax benefits of an ISA will depend on personal circumstances, which may change. Please be aware tax rules can change.

a. Transferring an existing ISA to us

If you have an ISA with another company, you can transfer it into a Schroders Personal Wealth (ACD) ISA. The minimum amount we will accept for the fund you select will be in the Prospectus. We will invest the amount transferred, less any charges, into one or more of our Solution funds available through a Schroders Personal Wealth (ACD) ISA. We will not charge for arranging the transfer but the ISA manager of the existing account may make a charge.

b. Transferring your Schroders Personal Wealth (ACD) ISA to another ISA Manager

You may request that your ISA be transferred to another ISA manager subject to the deduction of any amounts

due under these Terms and Conditions. To do this you must first contact the ISA manager that you wish to transfer to and request that they send us the relevant documentation in order for us to be able to complete the transfer. Following receipt of this documentation, we will sell your shares and pay the proceeds to your chosen ISA manager. (Please note shares will be sold in accordance with the provisions of the Prospectus for the fund you are transferring from. This may involve the application of a dilution adjustment which could reduce the amount transferred).

You may request a whole or partial transfer in respect of that part of the investment in your Account which was acquired with Subscriptions made in earlier tax years. Investments held in your Account which were acquired with Subscriptions made in the then current tax year must be transferred out in whole.

In the case of ISA transfers any income or growth received may be reduced. This can happen if, for example, the markets rise while the transfer is awaiting completion.

10 Management and administration of your ISA

We act as the ISA Manager of your ISA and have been approved to do so under the ISA Regulations. We have the right to appoint another company to act as the ISA Manager in our place. However, any new ISA manager must also be approved under the ISA Regulations.

We may delegate some or all of the administration of your ISA to a third party, but we must first satisfy ourselves that the proposed party is competent to carry out the administration in accordance with the ISA Regulations.

11 The end of your ISA

We have the right to give reasonable written notice (at least 30 days) to end your ISA if legislation or regulations make it impractical to carry on or if you are in material breach of any of these Terms and Conditions (provisions).

Your ISA will come to an end automatically if it becomes void under the ISA Regulations.

We will notify you if, by any reason of failure to follow the ISA Regulations, your ISA has or will become void.

If you are making monthly payments, subject to any concessions we may offer from time to time, we will bring your ISA to an end by reasonable written notice if you decide to stop making regular payments and at that time the value of the shares in your Account of any one fund is less than £500. We may also bring your ISA to an end if you have invested a single payment and the value of the shares in your ISA of any one fund is less than £500.

No additional payment shall be required to be made to the ISA Manager in respect of termination, save that the ISA Manager shall receive:

- i. All sums, owing or accrued, due to it under these terms; and
- ii. Any additional expenses which it necessarily incurs in terminating the account due to the sale of investments or otherwise; and
- iii. Any losses necessarily incurred in settling or concluding outstanding obligations.

The ISA Manager may also retain an amount, if any, representing tax which is or may become payable in respect of the Account.

For deaths before 6th April 2018, the tax benefits of your Schroders Personal Wealth (ACD) ISA will cease immediately upon your death and your investment will no longer be treated as an ISA.

For deaths on or after 6th April 2018, your Schroders Personal Wealth (ACD) ISA will get designated as a continuing account of a deceased investor. Investments held within a continuing account of a deceased investor continue to benefit from ISA tax advantages until it ends. If, after a period of three years, the administration of the account is ongoing and the account has not been closed, the account will cease to be a continuing account. In these circumstances, on the next working day following the third anniversary of your death, the ISA wrapper will be removed from the account and all subsequent income or gains will then become taxable in the hands of the estate.

Your investment value will still be subject to the performance of the fund(s) as normal until further instructions are received from your legal personal representatives. We may then, on receipt of a death certificate relating to you, and subject to such other formalities as we may specify, either transfer the investments to your legal personal representative(s) or sell all of the investments held within the Account. You agree that the provisions of these Terms and Conditions shall bind your legal personal representative(s).

12 Conflicts of interest

In accordance with FCA regulations we have established and implemented procedures for identifying, and preventing or managing, conflicts of interest. Conflicts of interest can occur in our day to day business activities, for example, where one of our clients could make a gain at the direct expense of another client, or we might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of our clients.

Depending on the exact nature of the conflict of interest involved, we may take certain actions to lessen the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of

information, and/or involve the appropriate management of staff activities and segregation of duties.

In instances where such controls would not be enough to eliminate the potential risk of damage to clients from specific conflicts, we will disclose the general nature and/or source of those conflicts of interest to you and the steps taken to lessen the potential risk, before we take on the relevant business.

Our procedures for dealing with conflicts of interest may be revised and updated from time to time. If you would like more information on the procedures, or on any specific conflict of interest that you think might affect you, please contact us.

13 Buying Shares

Amounts that you invest in the Schroders Personal Wealth (ACD) ISA will be used to buy shares in the fund(s) of your choice. The SIID for the fund(s) you are considering for investment will tell you if you can invest with single payments, regular payments, or both and what the minimum and maximum payment amounts are.

We reserve the right to add to or remove the funds offered via an ISA. Please contact us to find out which funds are currently available.

14 Switching

You may sell your shares in your chosen fund(s) and invest the proceeds in one or more of our other funds currently offered via an ISA (subject to minimum requirements).

To instruct a switch, please complete and return our ISA fund switch form. Once we have received and accepted your instruction, your shares will be sold and new shares purchased at the next price after your request is received.

The entry charge and the ongoing charge for the fund you switch into might be different to those for the fund from which you are switching. For further details, please refer to the relevant KIID. Please contact us for details of any discounts that may apply to the entry charge of the fund you are switching into.

A switch between funds within an ISA is not subject to Capital Gains Tax.

It may be possible for you to switch shares you hold as a Schroders Personal Wealth (ACD) GIA investment into a Schroders Personal Wealth (ACD) ISA. Please contact our Customer Services Team for more details of this service. Please note a switch from a GIA to an ISA is regarded as a disposal for Capital Gains Tax purposes.

15 Invalid ISAs

Notification

You may be notified directly by HMRC if it appears that your ISA is invalid. Alternatively, we shall notify you that you should contact HMRC regarding your ISA if we identify any failure to satisfy the provisions of the ISA Regulations which may mean your ISA is invalid. In either case, no steps will be taken to repay any invalid payments until full instructions on the treatment of any invalid payments are provided by HMRC.

Treatment of Invalid Payments

If HMRC instructs us that any payments must be removed from your ISA we will do this by removing the investments that these payments have bought. We will normally do this by transferring the invalid amounts to a standard GIA investment in the same fund. Where for any reason this proves impossible we will sell the investments purchased with the invalid payments and send the proceeds to you.

Treatment of Income Distributions on Invalid ISAs

We may also remove from your ISA the income amount, whether it has been paid or is payable. We may also cancel shares equivalent to the value of any tax paid.

In every case, the amounts to be removed will be removed in a manner that will leave the highest possible value of shares within the Account as at the date of notification from HMRC. Any cancellation of shares will be carried out using the share price at the next valuation point after we receive such notification.

16 Residual Tax Amounts

If, after termination of your ISA, a small balance (£5 or less) accrues due to payment of residual tax amounts reclaimed from HMRC, we shall have absolute discretion to sell this balance and pay the proceeds to a registered charity.

17 Complaints

Should you ever need to complain about your Schroders Personal Wealth (ACD) ISA, details about how to complain are shown in the SIID.

18 Law

The law of England and Wales will apply to these Terms and Conditions.

19 Delegation and Assignment

We will satisfy ourselves that any person to whom we may delegate any of our functions or responsibilities under this Agreement is competent to carry out those functions or responsibilities.

20 Liability

You and your personal representative(s) shall indemnify Schroders Personal Wealth (ACD) against all proceedings, actions, costs, claims or demands and any other liabilities whatsoever (including any demands or claims by HM Revenue and Customs) incurred by Schroders Personal Wealth (ACD) in connection with your Schroders Personal Wealth (ACD) ISA,

unless the same arise by virtue of negligence, willful default, fraud or breach of the FCA Rules or these Terms and Conditions by Schroders Personal Wealth (ACD) or its respective employees.

21 Amendments to the Terms and Conditions

We may vary any of these Terms and Conditions to reflect changes in law or regulations or any changes in the scope and nature of the services we provide under these Terms and Conditions (provided that no variation shall be made which results in the Schroders Personal Wealth (ACD) ISA ceasing to qualify under the ISA Regulations). We may from time to time make non-material alterations to the Terms and Conditions to improve clarity or any ambiguities, of which you will not be notified. You can always view the most up to date version of the Terms and Conditions on our website.

We will comply with any legal requirements in connection with giving you notice about a change. If there are no legal requirements in force, we will still give you reasonable

IMPORTANT NOTES

These Terms and Conditions apply to the Schroders Personal Wealth (ACD) ISA and will come into effect on receipt of your fully completed and signed application. If an application is received and this is not fully completed and does not have all of the details required by the regulations, it may be returned to you and the ISA will not be opened. However, in some circumstances we will still be able to open your ISA and will write to you for the missing information.

These Terms and Conditions are based on the ISA Manager's understanding of current tax law and HMRC practice (as at date of publication) which may change in future.

Please note that when an investment is taken out the contract is between you (the applicant) and Scottish

Widows Schroder Personal Wealth (ACD) Limited (Schroders Personal Wealth (ACD)). The terms of the Contracts (Rights of Third Parties) Act 1999 and any other third party legal rights are specifically excluded. This means that only parties to the contract (or their legal successor(s)) will have contractual rights.

Charges, limits and terms may change.

Important investor information including full details of the risks that apply to each of the funds can be found in the relevant KIID which should be read together with these Terms and Conditions.

You should read these Terms and Conditions along with any other ISA documentation

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Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

Calls may be monitored and recorded and call costs may vary depending on your service provider.

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Registered Office: 25 Gresham Street, London EC2V 7HN. Eligible investments with us are protected by the Financial Services Compensation Scheme. We are covered by the Financial Ombudsman Service.

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