



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Investment Management Terms of Business & General Policies

Bank J. Safra Sarasin Ltd., Guernsey Branch

April 2019

Content

Terms of Business relating to Discretionary Investment Management Services	1
Part A: Introduction	1
1. Interpretation	1
2. Definitions	1
3. Terms of Business	3
4. Summary of the Terms	3
5. Clients with financial advisors	4
Part B: Your Agreement With Us	5
6. About Bank J. Safra Sarasin Ltd, Guernsey Branch	5
7. About Sarasin & Partners LLP – the Sub-Advisor	5
8. Effective date of appointment	5
9. Amendments to Terms	5
10. Termination of the Client Agreement	6
Part C: Discretionary Investment Management Services	7
11. Delegation	7
12. Discretionary investment management services	7
13. Dealing	8
14. Notification, reports and valuations	9
15. Shareholder activism	10
16. Voting rights	10
17. Best execution	10
Part D: Management Fees and Charges	12
18. Our management fees & charges	12
Part E: Your Investments & Regulatory Protections	13
19. Your regulatory status	13
20. Anti-money laundering	13
21. Conflicts of interests	14
22. Complaints and compensation	14
Part F: Custody	15
23. Your custodian	15
Part G: Liability and Indemnity	16
24. Your representations and warranties	16
25. Your undertakings	16

Part A: Introduction

26. Your liabilities	17
27. Limitations to our liability	17
Part H: Portfolio Administration	19
28. Instructions and power of attorney	19
29. Communications	19
30. Joint accounts	20
31. Death of an individual account holder	20
32. Tax	20
Part I: General Information	22
33. Confidentiality	22
34. Data protection	22
35. Notices	24
36. Force majeure	24
37. Assignment and novation	24
38. Waiver and severability	24
39. Entire agreement and third parties	24
40. Governing law	25
Portfolio Risk Warnings	26
Conflicts Policy	38
Execution Policy of the Sub-Advisor	42
Online Reporting Terms of the Sub-Advisor	47

Part A: Introduction

1. Interpretation

1.1 In these Terms of Business (“Terms”), unless the context otherwise requires:

- (a) references to “you” mean you, the client to whom we provide services pursuant to the Client Agreement and references to “your” and “yourself” have the same meaning. If you are a private individual, such references include your personal representatives, successors and permitted assigns; and
- (b) references to “we”, “us”, “our” or “ourselves” means Bank J. Safra Sarasin Ltd, Guernsey Branch and such references include our successors and permitted assigns;
- (c) headings are for convenience only and do not form part of, nor shall affect the interpretation of the relevant clauses or sections of, these Terms;
- (d) in the event of an inconsistency between any provision in any other documentation and any provision of these Terms, these Terms shall prevail unless otherwise indicated in the other documentation;
- (e) any reference to a statute, statutory instrument or regulation should be read as including any re-enactment, replacement or modification; and
- (f) where the context requires words denoting the singular include the plural and vice versa and words denoting gender shall include all genders.

2. Definitions

2.1 Throughout these Terms, the following definitions shall apply to capitalised terms:

“**Action**” means any lawsuit, legal action, arbitration, mediation, government investigation or other proceeding by or before any court, government agency, securities exchange or Competent Authority:

- (a) by an individual shareholder, investor or other person; or
- (b) on behalf of a group of shareholders, investors, or other persons who have the same interests in the action or proceeding and whose rights or liabilities

are to be determined as a group rather than in a series of individual actions.

“**Agent**” means acting as your formally appointed representative to undertake such actions as you have given us permission to do in the Terms.

“**Applicable Regulations**” means all applicable laws, rules, regulations and guidance of binding effect, including but not limited to, as applicable, the FCA Rules, the GFSC Rules and FSMA.

“**Approved Bank**” means a bank appointed to hold client money in accordance with the applicable GFSC Rules.

“**Associate**” means a company or other entity or person connected to us or any member of the Bank J. Safra Sarasin Limited group.

“**Business Day**” means any day of the week that banks are open for business in the United Kingdom excluding Saturdays, Sundays and public holidays.

“**Client Investment Profile**” means the client profile and investment mandate completed by you separately. “Client Money Rules” means the rules set out in the Client Assets Sourcebook (“CASS”) of the FCA Rules.

“**Competent Authority**” means the GFSC or any authority in another EEA state exercising functions corresponding to those exercised by the GFSC.

“**Conflicts of Interest Policy**” means our and the Sub-Advisor’s policy (as updated from time to time) dealing with the identification and management of conflicts of interest in accordance with the FCA and the GFSC Rules. The Sub-Advisor’s policy can be found on their website www.sarasinandpartners.com or provided upon request.

“Connected Investments” means an investment issued or managed by us or an Associate.

“**EEA**” means the European Economic Area.

Part A: Introduction

“**Execution Policy**” means the Sub-Advisor’s policy (as updated from time to time) relating to the execution of orders and decisions to deal on your behalf as required by the FCA Rules. This is available from the Sub-Advisor’s website www.sarasinandpartners.com, or upon request.

“**FCA**” means the Financial Conduct Authority set up pursuant to FSMA to regulate the financial services industry in the United Kingdom or any successor or replacement regulatory body.

“**FCA Rules**” means the rules and guidance published from time to time by FCA as set out in the FCA’s Handbook of Rules and Guidance.

“**Force Majeure Event**” means an event that could not be predicted or if predicted its consequences are too drastic to plan for in a contract. In the Client Agreement it means, without limitation any:

- (a) act of God, fire, earthquake, storm, flood or other natural disaster;
- (b) explosion, nuclear accident or collision;
- (c) any change to the law, order or regulation of a governmental, supranational or regulatory body;
- (d) sabotage, riot, strikes, civil disturbance, insurrection, epidemic, national emergency (whether in fact or law) or act of war (whether declared or not) or terrorism;
- (e) requirement or restriction of or failure to act by any government, semi-governmental or judicial entity;
- (f) unavoidable accident;
- (g) loss of supply of essential services, including but not limited to electrical power, telecommunications and essential third party services;
- (h) any cyber-attack including but not limited to any 'denial of service', targeted network, malware or ransomware attack; and
- (i) any other event or circumstances that is beyond our reasonable control to avoid, as a consequence of which we can no longer provide the services for a given period.

“**FSMA**” means the Financial Services and Markets Act 2000.

“**Global Custodian**” means such person(s) as we may engage from time to time to assist us in the performance of our custody services which as at the date of these

Terms is The Royal Bank of Canada (Channel Islands) Limited.

“**GFSC**” means the Guernsey Financial Services Commission set up pursuant to the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 to regulate the financial services industry in the Bailiwick of Guernsey or any successor or replacement regulatory body.

“**GFSC Rules**” means the rules and guidance published from time to time by the GFSC as set out in the GFSC’s Handbook on Countering Financial Crime and Terrorist Financing.

“**HMRC**” means Her Majesty’s Revenue and Customs.

“**In-House Funds**” means collective investment schemes managed by us or an Associate.

“**Intellectual Property Rights**” means all patents, copyrights, rights in design, to photography rights, trademarks and service marks (whether registered or unregistered and including applications for registration of any of the foregoing) together with all trade secrets, rights in know-how, and all rights and forms of protection having a relevant or similar effect to any of the foregoing which may subsist in the world.

“**Management Fees**” means fees and expenses payable by you to us for the provision of discretionary investment management services as set out in the Client Investment Profile.

“**Multilateral Trading Facility**” means a multilateral trading system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments.

“**Online Reporting Terms**” means the terms and conditions as updated from time to time relating to the use of the Sarasin Reports website where your Portfolio valuation is available. This can be found on the Sub-Advisor’s website www.sarasinandpartners.com or provided upon request.

“**Organised Trading Facility**” means an organised trading system (a multilateral system which is not a regulated market or a Multilateral Trading Facility and in which mul-

multiple third party buying and selling interests in financial instruments are able to interact in the system in a way that results in a contract) operated by an investment firm, credit institution or market operator.

“**Outside Custodian**” means the person (if any), not being a party to the Client Agreement, charged with providing custody services for your Portfolio.

“**Portfolio**” means the portfolio or portfolios where you have more than one mandate of assets (including un-invested cash) entrusted from time to time by you to our management and if applicable, our custody.

“**Regulatory Risk Warnings**” means the document of that name as updated from time to time which enable you to understand the risks related to certain financial instruments. This can be found on the Sub-Advisor’s website www.sarasinandpartners.com or provided upon request.

“**Sub-Advisor**” means Sarasin & Partners LLP.

3. Terms of Business

- 3.1 We will manage the assets you have placed with us on a discretionary basis. In essence you entrust cash and investments to us which we manage at the Sub-Advisor’s discretion (without asking you first) in accordance with the investment mandate we have agreed with you in your Client Investment Profile.
- 3.2 The contract under which we provide discretionary investment management services to you comprises:
 - (a) these Terms (including interpretations and definitions provided for in the Terms);
 - (b) the Client Investment Profile;
 - (c) any supplemental terms referred to herein; and
 - (d) any other document which is in writing, signed and agreed between us concerning the provision of our services to you.

We refer to all of these documents together as “the Client Agreement” and the Client Agreement sets out the basis on which we will provide our services to you.

- 3.3 The Terms set out a description of the services, details of how your Portfolio will be operated and the duties and responsibilities owed by each of us to the other.

4. Summary of the Terms

- 4.1 The Terms are grouped by subject in the following order:

Part A Introduction: this part sets out how to interpret the Terms, the Client Agreement defined terms and a summary of the Terms to help you navigate the document.

Part B Your agreement with us: this part provides details about us, sets out the effective date of the Client Agreement and describes how the Client Agreement will come to an end. It also contains details of how amendments can be made to the Terms during the life of the Client Agreement.

Part C Discretionary investment management services: this part provides details of the Sub-Advisor’s services, how the Sub-Advisor buys and sells assets for your Portfolio, reports and valuations, the exercise of voting rights and the Sub-Advisor’s power to delegate certain responsibilities.

Part D Management Fees and Charges: this part sets out information about our management fees and charges. Please see Section 9 of the Client Investment Profile for full details for our fees and charges.

Part E Your investments and regulatory protections: this part describes key regulatory protections you benefit from including the safekeeping of your cash, conflicts of interest and your rights to complain and calculates certain rights of compensation.

Part F Custody: this part explains the way in which we administer the investments comprising your Portfolio from time to time held by us (or our delegate) and the arrangements that apply when a third party is a custodian appointed by you.

Part G Liability and indemnity: this part sets out a series of undertakings you make to us, provides for sums to be paid by you to us if you fail to comply with the undertakings and describes some exclusions and limitations to our liability.

Part H Portfolio administration: this part sets out how your Portfolio is administered in accordance with your authority. If you are a private individual it ex-

Part A: Introduction

plains what happens if you die during the term of the Client Agreement.

Part I General information: this part sets out a number of miscellaneous provisions including confidentiality and governing law.

4.2 You should read all of the Terms.

However the main provisions that impose liabilities on you are:

- **Part D** – Management fees and charges: it is of vital importance that you understand our fees and charges, how they are calculated and when they are payable by you; and/or
- **Part G** – Liability and indemnity: this contains a series of representations made by you and on which we rely. If you do not comply with these representations you may become liable to make payments to us.

4.3 You should also take into account Clause 27 - the limitations to our liability.

4.4 Please take the time to read carefully both the Terms and the Client Investment Profile. We recommend that you retain a copy of the Client Agreement for your reference. If you are unclear about anything concerning our services please do not hesitate to contact your account director.

4.5 You may like to consider seeking advice from a suitably qualified and regulated financial advisor in order to help you decide whether our services are suitable for you. Please note that we do not provide any financial planning, accounting, investment advisory or tax advisory services.

4.6 At the beginning of each part of the Terms you will see guidance boxes which contain a broad summary of the material which that part of the Terms covers. The summaries are intended to be helpful and provide guidance to the contents of each part. They are, however, not a substitute for reading the entire text of each part, all of which is binding on you.

5. Clients with financial advisors

5.1 If you are a private individual and are advised by a financial advisor at any time during our management of your Portfolio, the following terms apply:

- (a) the financial advisor must be authorised and regulated by a Competent Authority and permitted to advise clients on U.K. retail investment products (a "Permitted Advisor"); and

- (b) you, and not the Permitted Advisor, will be treated as our client for the purposes of the GFSC rules.

5.2 At the point you engage the Permitted Advisor, we may require you to provide us with a signed, written and binding undertaking from the Permitted Advisor about the nature of the advice they have given you and the suitability of our services taking into account your financial circumstances.

5.3 The investment services we provide where you use a Permitted Advisor are based on information provided to us on a timely basis and absence of such information may affect adversely the quality of the investment services we provide to you.

5.4 You undertake to let us know if the Permitted Advisor ceases to act for you.

5.5 Where you use a Permitted Advisor, you may instruct us to pay your Permitted Advisor's charges which you have agreed with them from your Portfolio in accordance with the GFSC's Rules. This service is only available where requested by you, signed and in writing, and agreed by us and may require additional documentation to be signed by you and your Permitted Advisor. We reserve the right at our sole discretion to decline to pay your Permitted Advisor's charges and cease to provide this service to you at any time during our management of your Portfolio.

Part B: Your Agreement With Us

Guidance Notes

This Part B of the Terms sets out the following information:

- information about us and our Sub-Advisor;
- when the Client Agreement will begin; and
- how the Client Agreement can be changed and terminated.

6. About Bank J. Safra Sarasin Ltd, Guernsey Branch

6.1 Our legal and regulatory information is as follows:

- (a) We are a branch of a Swiss limited liability company registered in Switzerland. We are regulated by the Guernsey Financial Services Commission (“GFSC”) and act as a Branch office of Bank J. Safra Sarasin Ltd, which is a Swiss private bank. Bank J. Safra Sarasin Ltd is owned by J. Safra Holding AG.
- (b) We are authorised and regulated by the GFSC. Our GFSC registration number is 2012840. The GFSC is an independent body that regulates the financial services industry in the Bailiwick of Guernsey and can be contacted at PO Box 128, Glatigny Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3HQ (telephone: 01481 712706). We will notify you as soon as reasonably practicable if we cease at any time to be authorised and regulated by the GFSC.

7. About Sarasin & Partners LLP – the Sub-Advisor

7.1 Their legal and regulatory information is as follows:

- (a) They are a limited liability partnership registered in England & Wales with registration number OC329859. The registered office of Sarasin & Partners LLP is at Juxon House, 100 St. Paul’s Churchyard, London EC4M 8BU.
- (b) They are authorised and regulated by the FCA. Their FCA registration number is 475111. The FCA is an independent body that regulates the financial services industry in the United Kingdom and can be contacted at 25 The North Colonnade, Canary Wharf, London, E14 5HS (telephone: 0800 111 6768). They will notify us as soon as reasonably practicable if they cease at any time to be authorised and regulated by the FCA.

8. Effective date of appointment

8.1 Subject to:

- (a) our receipt of your duly completed and signed Client Investment Profile;
- (b) all our client identification and anti-money laundering requirements having been satisfactorily completed; and
- (c) your initial deposit or transfer of assets being received by us and, if paid by cheque, cleared, the Client Agreement will be effective from the date the Client Investment Profile is or was signed by us unless otherwise agreed between you and us and stated in your Client Investment Profile (such date being referred to as the “Effective Date of Appointment”) and shall continue until terminated by either party in accordance with these Terms.
- 8.2 You appoint us as discretionary investment manager of your Portfolio and delegate to us all of your powers and discretions in relation to the management of your Portfolio subject to the terms and conditions of the Client Agreement.
- 8.3 We reserve the right in our absolute discretion at any time not to accept appointment under any Client Agreement without giving a reason and/or to stop providing services where to do so may lead to a breach of Applicable Regulations.

9. Amendments to Terms

- 9.1 You acknowledge and agree we will not be reissuing Terms each time there are changes made to these Terms. A full copy of the latest full Terms will be available on our website www.jsafrasarasin.gg and you consent to receiving such Terms via our website. If you would like a hard copy of the Terms you can request copies from us at any time.
- 9.2 We may make changes to these Terms from time to time in whole or in part (or issue replacement Terms in their place) and will give you thirty (30) days prior notice in writing of any changes we make before providing services to you under the changed Terms.

Part B: Your Agreement With Us

9.3 Changes to these Terms required as a result of a change in law or regulation will take effect as soon as such law or regulation comes into force. All other changes will take effect thirty (30) days from the date of our notification to you of the change. No change to the Terms will affect any outstanding order or transaction or any other legal rights or obligations which may have arisen before the date of the change.

9.4 If you do not agree with the change in Terms, you may terminate the Client Agreement without penalty by giving us signed written notice in accordance with Clause 10 below.

10. Termination of the Client Agreement

10.1 You may terminate the Client Agreement at any time by delivering a signed written notice to us. If you terminate the Client Agreement, you will pay our outstanding fees on a pro rata basis to the date of termination and any additional expenses necessarily incurred by us in terminating the Client Agreement. You will need to pay any costs or losses necessarily realised in settling or concluding outstanding obligations. Where we are providing custody services at the time you terminate, we reserve the right to charge you a reasonable administration fee to cover the costs of transferring assets out of your custody account and/or to maintain custody until the transfer takes place.

10.2 We may terminate the Client Agreement on three (3) months' written notice to you or may do so with immediate effect by signed written notice to you if so required by any Competent Authority or under Applicable Regulations.

10.3 Termination of the Client Agreement will not affect:

- (a) the completion of transactions already initiated which will be completed in accordance with our normal practice; and
- (b) either our or your accrued rights, indemnities, existing commitments or any contractual provision intended to be active beyond termination and will be without penalty.

10.4 On termination, we may retain and/or realise or, as the case may be, direct the relevant custodian to retain and/or realise any assets of your Portfolio as may be required to settle transactions already initiated, and to pay any of your outstanding liabilities including any fees which may be

outstanding. If there is a dispute as to the payment of fees to us you may require the disputed amount to be held in an independent third party account until the dispute is resolved.

10.5 Upon receipt of a notice of termination in accordance with this Clause 10, we shall take all reasonable steps to enable a satisfactory transfer of the Portfolio to a new investment manager or to you within a reasonable period of time specified by you but in any event no longer than 60 days (notwithstanding any external factors that are out of our control that prevent transfer completion within this time, including without limitation, late settlement due to registrar or unit trust manager). We shall:

- (a) where requested, deliver or cause to be delivered to you or issue you with direct copies of all those records, documents, data and correspondence still held by us and which under the provisions of the Client Agreement relate to you in a good and useful condition. For the avoidance of doubt, nothing in this Clause 10.5(a) shall limit or restrict our internal regulatory record keeping requirements;
- (b) provide any new investment manager or you with sufficient information and reasonable access to our employees as may be reasonably necessary to ensure continuity of services to you and the avoidance of disruption during any transitional or handover period; and
- (c) reasonably cooperate with any incoming new investment manager prior to the expiry or termination of the Client Agreement so as to ensure a smooth and proper transfer of the relevant services provided under the Client Agreement to you or to the new fund manager as the case may be.

Part C: Discretionary Investment Management Services

Guidance Notes

This Part C of the Terms sets out the following information:

- a description of the discretionary investment management services we will provide to you;
- details of how the Sub-Advisor will deal in investments on your behalf as Agent;
- what information we will provide to you about your Portfolio; and
- a summary of our key regulatory policies and where the full documents can be found.

11. Delegation

- 11.1 We may without your prior consent, delegate any of our services provided under the Client Agreement with you to third parties (including Associates) and may provide information about you and your Portfolio to any person to whom such activities have been outsourced but our liability to you for all matters so delegated shall not be affected by such delegation.
- 11.2 We will give you written notice of any delegation referred to in Clause 11.1 to the extent we delegate any function which involves the exercise of our discretionary investment powers and will not, without your prior written consent, delegate the whole or substantially the whole or part of such powers to any person who is not an Associate. If on receipt of this notice, you do not agree to consent to this delegation, you may terminate the Client Agreement in accordance with Clause 10 of these Terms.
- 11.3 We may employ and engage agents (including Associates) to perform any administrative, dealing, custodial or ancillary services to assist us in the performance of our services under the Client Agreement. We will act in good faith and with reasonable skill and care in the selection, use and monitoring of these agents.
- 11.4 You are hereby notified that the management of your investment Portfolio and any associated functions under this Client Agreement, is delegated to Sarasin & Partners LLP (the "Sub-Advisor") which is an Associated Company authorised and regulated in the UK by the Financial Conduct Authority.

12. Discretionary investment management services

- 12.1 We will manage your Portfolio on a discretionary basis. This means that we will have complete discretion to act on your behalf in making, realising or otherwise dealing in investments in your Portfolio without asking you, unless otherwise agreed in your Client Investment Profile. You confirm that you have read and understood the Regulatory Risk Warnings we are required to give you so that you have an understanding of the financial risk you may be exposed to. You confirm you consent to receiving the Regulatory Risk Warnings via the Sub-Advisor's website.
- 12.2 We will at all times act as your Agent and will manage your Portfolio:
- (a) with the standard of care that could reasonably be expected of a professional discretionary investment manager acting in good faith and with reasonable care and skill;
 - (b) in accordance with the investment objectives and applicable investment risk profile which you have specified or agreed with us in your Client Investment Profile; and
 - (c) subject to any restrictions and/or limitations agreed with you in your Client Investment Profile. Unless you specify such a restriction and/or limit, there will be no restriction on the value, type, transaction, geographical location or proportion of any investments in your Portfolio.
- 12.3 Your Client Investment Profile sets out the benchmark against which you may assess your Portfolio and its performance. If we need to change your benchmark, we will provide you with 30 days' written notice and use our reasonable discretion to

Part C: Discretionary Investment Management Services

determine whether such change requires your consent before becoming effective.

12.4 Any investment objectives, restrictions and limitations set out in your Client Investment Profile will not be breached as a result of any events or circumstances outside the Sub-Advisor's reasonable control including, but not limited to, changes in the price or value of assets of your Portfolio brought about solely through movements in the market.

12.5 As a regulated discretionary investment manager, we have an annual suitability obligation in relation to your Portfolio. This means that at least once a year we must make an assessment of whether the investments within your Portfolio (taken as a whole) are suitable for you based on all your financial circumstances as at the time of the assessment and ensure the information we hold about you is accurate and up to date. The reason for assessing suitability is to enable us to act in your best interests. You should notify us of any change to this information and we will need your written confirmation of any change to your Client Investment Profile.

12.6 Our investment services shall not include taxation, legal, or accounting services and you should take separate professional advice in relation to these matters.

12.7 We shall not be responsible or have any authority for assisting with, undertaking or participating on your behalf in any Action or any proposed settlement of any Action relating to any rights or interest in assets in your Portfolio howsoever arising. You shall at all times remain solely responsible for taking any action in relation to any Action or proposed settlement of an Action.

13. Dealing

13.1 Subject to any restrictions or limits set out in your Client Investment Profile, the Sub-Advisor will have complete discretion in managing your Portfolio to:

(a) buy, sell, retain, convert, exchange, or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers for sale of any investment, execute transactions in or relating to regulated and unregulated collective investment schemes (including in each case, for the avoidance of doubt, In-House Funds and Connected Investments), accept placings, underwriting and

sub-underwriting of any investments and effect transactions on any markets or exchanges, take all routine or day to day decisions and otherwise act as we judge appropriate in relation to the management of your Portfolio;

(b) select any broker or dealer to execute such transactions (including foreign exchange transactions with a counterparty other than your custodian) and to establish the price and trade conditions, including brokerage commissions, and to allocate such prices and at such commission rates so as to provide best execution for your Portfolio, taking into consideration in the selection of such brokers and dealers not only the available prices and rates of brokerage commissions, but also other relevant factors (including execution capabilities and the value of our ongoing relationship with such brokers and dealers);

(c) negotiate and execute counterparty, trading, collateral, account opening documents and such other documents as we consider appropriate and give all representations, warranties and undertakings to counterparties and others for and on behalf of your Portfolio which might typically be expected in the relevant market or required by law or regulation;

(d) effect transactions (including transactions in derivatives) on such terms as we consider appropriate and for any purposes including for both hedging and speculative purposes and may settle or close out such transactions without further reference to you; and

(e) debit your Portfolio with any sums required to pay or supplement any deposit or margin in support of any such transaction, provided that you shall not be required to pay any deposit or margin in cash beyond the amount of cash available in your Portfolio.

13.2 You agree that:

(a) transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and we may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice;

(b) we and the Sub-Advisor's respective agents (as the case may be) may trade outside a regulated market, Multilateral Trading Facility or Organised Trading

Part C: Discretionary Investment Management Services

Facility where we, in our discretion, consider it appropriate in the circumstances; and

- (c) you have instructed us not to make public any limit orders (an order to buy or sell at a specified price limit or better and for a specified size) in respect of shares admitted to trading on a regulated market, or traded on a Multilateral Trading Facility or Organised Trading Facility which are not immediately executed under prevailing market conditions.

14. Notification, reports and valuations

14.1 We will provide you with:

- (a) a statement setting out the value and composition of your Portfolio quarterly or such other frequency as may be required by Applicable Regulations. You have the right to request statements to be provided to you more regularly (although we may charge a fee for providing more regular reports); and
- (b) such other reporting as set out in your Client Investment Profile or as is otherwise agreed in writing with us.

14.2 We will not provide contract notes or other information about transactions executed by the Sub-Advisor on behalf of your Portfolio on a transaction by transaction basis, unless otherwise agreed in your Client Investment Profile. Where this is agreed, this information will however be provided automatically as part of our periodic valuation reports to you.

14.3 In the event that the overall value of your Portfolio (as evaluated at the beginning of each quarterly reporting period), depreciates by 10% (and thereafter at multiples of 10%) we shall notify you of this depreciation within a reasonable period of time and in accordance with time periods imposed on us by Applicable Regulations. You consent to us assessing any 10% depreciation in relation to the value of your entire Portfolio rather than on an instrument by instrument basis.

14.4 Where your Portfolio holds positions in leveraged financial instruments or contingent liability transactions and the initial value of each instrument (as evaluated at the beginning of each quarterly reporting period) depreciates by 10% (and thereafter at multiples of 10%) we shall notify you of this depreciation within a reasonable period of time and in accordance with time periods imposed on us by Applicable Regulations. You consent to us

assessing any 10% depreciation in relation to the global value of all leveraged financial instruments in your portfolio rather than on an instrument by instrument basis.

14.5 We will, as you may request from time to time, provide all reasonable assistance to you in the fulfilment of your obligations to disclose shareholdings required by Applicable Regulations to the extent that those regulations require reporting.

14.6 If you elect at any time to use the Sub-Advisor's online reporting service in relation to your Portfolio, the Online Reporting Terms shall apply. As part of this service, you will be able to provide access to information about your Portfolio to third parties as specified by you in your Client Investment Profile. You should note that if you permit third parties to have access to your Portfolio information, we shall not be responsible for their actions while using this service.

14.7 You consent to information in relation to your Portfolio and other communications between us (including information under Applicable Regulations we are required to disclose to you) being sent to you in electronic form, over a private internet site, by facsimile or by post or any combination of these methods. You may revoke your consent to this at any time by notifying us in writing. You may also request delivery of a paper copy of any information we send to you.

14.8 You acknowledge that an email from us is not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, interfered with or deleted without the knowledge of the sender or the intended recipient. We give no warranties in relation to these matters and will have no liability to you for breach of confidentiality if any person sees a communication sent to your email address. Please note that we reserve the right to intercept, monitor and retain email messages to and from our systems as permitted by Applicable Regulations. If you have any doubts about the authenticity of an email supposedly sent by us, any of our Associates or any of our authorised service providers, you should contact us immediately.

14.9 You agree that you will be solely responsible for notifying us in writing (which for this purpose shall not include email) of any change to your email

Part C: Discretionary Investment Management Services

address, and that under these circumstances, we are entitled not to seek to verify or confirm the email address provided.

14.10 We may be required to obtain certain information about your tax residence and status and to make disclosures about you and your Portfolio to Guernsey Income Tax. You consent to us obtaining such information and providing such information to Guernsey Income Tax and you hereby warrant to keep us up to date with any changes to information regarding your tax residence and status.

15. Shareholder activism

15.1 A copy of the Sub-Advisor's current policy on shareholder activism is available on their website www.sarasinandpartners.com. The Sub-Advisor's policy on shareholder activism may be updated from time to time and any policy updates will be published on the Sub-Advisor's website.

15.2 The Sub-Advisor will have due regard to their policy on shareholder activism in managing your Portfolio and in procuring the exercise of any voting rights attaching to the investments of your Portfolio. In drawing up this policy, the Sub-Advisor has set out how they will discharge, in accordance with the Statement of Principles relating to "The Responsibilities of Institutional Shareholders and Agents" (as defined in that document) drawn up by the Institutional Shareholders Committee, the responsibilities applicable to agents as set out in the Statement of Principles. The Sub-Advisor will consider any changes to such Statement of Principles from time to time.

16. Voting rights

16.1 You authorise the Sub-Advisor to exercise any rights (including, without limitation, voting rights) attached to investments held in your Portfolio at our discretion. Where we exercise such rights at our discretion, we will not seek your prior instructions before we exercise any relevant right on your behalf including, without limitation:

(a) exercising (or leaving unexercised) all conversion and subscription rights, privileges and options attaching to or in any way arising in connection with any of the investments in your Portfolio;

(b) proceeding on liquidations, take-overs, other offers or capital reorganisations, affecting any of the investments in your Portfolio; and
(c) exercising any voting rights.

16.2 Where you have appointed your own custodian, you shall ensure that we are able to fully exercise such rights through your custodian.

16.3 The Sub-Advisor may only acquire the exercise of any voting rights attaching to the Portfolio's holdings of In-House Funds and Connected Investments on your specific instructions or with your agreement, or otherwise in accordance with Applicable Regulations. However, the Sub-Advisor may count holdings in In-House or Connected Investments for the purpose of constituting a quorum at a general meeting of any In-House Fund or Connected Investments.

17. Best execution

17.1 The Sub-Advisor will at all times comply with their Execution Policy, details of which can be found on the Sub-Advisor's website, and in particular in accordance with their obligations under the FCA Rules regarding suitability and best execution. You confirm that you have read and agree to the Sub-Advisor's Execution Policy. We will notify you of any material changes to the Sub-Advisor's Execution Policy which will be updated from time to time. The current version of the Sub-Advisor's Execution Policy will be published on their website at www.sarasinandpartners.com and you consent to receiving such information via their website, or you may also request from us a copy of the Sub-Advisor's Execution Policy at any time.

17.2 Specific instructions from you in relation to the execution of orders may prevent the Sub-Advisor from following their Execution Policy in relation to such orders in respect of the elements of execution covered by the instructions. They may refuse to act upon any specific instruction you provide if we reasonably believe that doing so will cause us or the Sub-Advisor to be in breach of any Applicable Regulations. If they do proceed on your instructions, you should be aware that:

(a) you may be exposing yourself to risks that fall outside your knowledge and experience and/or which you may not have the knowledge and

Part C: Discretionary Investment Management Services

- experience properly to assess and/or control to try to mitigate their consequences for you; and
- (b) We and the Sub-Advisor will have no responsibility for the action so requested, including the outcome.
- 17.3 The Sub-Advisor may aggregate transactions for your Portfolio with those of other clients and with those of their staff and of Associates and their staff, subject at all times to the Sub-Advisor's compliance with all Applicable Regulations including, without limitation the FCA Rules regarding the management of conflicts of interest and treating clients fairly. Wherever the Sub-Advisor aggregates transactions the Sub-Advisor will allocate such transactions on a fair and reasonable basis in accordance with the requirements of the FCA Rules and the rules of any other applicable regulator. You recognise that each individual aggregated transaction may operate to your advantage or disadvantage.
- 17.4 If any counterparty fails to deliver any necessary documents or to complete any transaction, the Sub-Advisor will take all reasonable steps on your behalf to rectify such failure or obtain compensation in lieu. All resulting reasonable costs and expenses properly incurred by the Sub-Advisor shall be paid by you.
- 17.5 If you instruct us, and the Sub-Advisor agrees to undertake transactions in advance of the relevant funds and/or assets being deposited by you with your Outside Custodian for the benefit of your Portfolio, you shall indemnify us and hold us harmless from any losses, liabilities, expenses and damages, resulting directly or indirectly from your failure to deposit such funds and/or assets with your Outside Custodian during the required period and/or as a result of any trade settlement failure.

Part D: Management Fees and Charges

Guidance Notes

This Part D of the Terms sets out the details of our management fees and charges.

18. Our management fees & charges

- 18.1 Management Fees shall be based on the actual value of your Portfolio (including cash) and calculated quarterly in arrears in accordance with the fee schedule which we provide to you from time to time, unless otherwise agreed in writing with us. Management Fees for the first quarter will be pro-rata from the Effective Date of Appointment.
- 18.2 The fees applicable at the Effective Date of Appointment, including the rate of interest (if any) payable on overdue Management Fees, will be set out in the Client Investment Profile.
- 18.3 We may change our fee schedule by giving you written notification. Any such change in our fee schedule will be effective thirty (30) days from the date of the notification to you. If you do not agree with the change to our Management Fees, you may terminate the Client Agreement without penalty.
- 18.4 In respect of your Portfolio you will also be liable for the payment of:
- (a) any applicable taxes or stock exchange duties and levies;
 - (b) any brokerage and dealing costs, custody charges, administration fees, commission, transfer fees, registration fees, other fiscal liabilities or government charges; and
 - (c) any other reasonable costs or expenses properly incurred by us or our Associates in the performance of our obligations and duties under the Client Agreement or the administration of your Portfolio.
- 18.5 Any Management Fees and applicable charges and expenses payable by you will be automatically debited from the assets of your Portfolio on a quarterly basis unless otherwise agreed with us in writing. Where we are entitled to debit your Portfolio, we may instruct the relevant custodian to make payment from cash held in your Portfolio or to sell any investments held in your Portfolio to meet any Management Fees, charges and expenses payable by you under the Client Agreement.
- 18.6 We may retain or, as the case may be, we may direct the relevant custodian to retain (on our behalf) a right of retention or sale over any assets of the Portfolio to the extent that any properly incurred Management Fees and other charges or expenses arising from our provision of services to you under the Client Agreement remain unpaid.

Part E: Your Investments & Regulatory Protections

Guidance Notes

Whether you are a retail or professional client, the GFSC is there to provide for certain regulatory protections and we are obliged to operate within their rules and make you aware of how we are required to treat you when we provide services to you. For more information about the GFSC, please visit the dedicated consumer pages on the GFSC website: <https://www.gfsc.gg/consumers>. Other useful websites and resources are below and explained in more detail in this Part E.

- Channel Islands Financial Ombudsman: www.ci-fo.org
- Guernsey Banking Deposit Compensation Scheme: www.dcs.gg

This Part E also includes details about the GFSC's Client Money Rules, commonly known as "CASS".

Please note that where you have appointed your own custodian (see Clause 32), in certain circumstances the CASS rules will not apply and your chosen custodian will be able to advise you about this.

19. Your regulatory status

19.1 Unless otherwise stated in your Client Investment Profile, we will treat you as a "retail client" for the purposes of the GFSC Rules and will provide our services to you on this basis. Under the GFSC Rules, you have the right to request a different categorisation (such request to be made by you in writing and signed), however, this may limit the level of protection you receive.

19.2 We will not usually accept a request from a "retail client" to be treated as a "professional client" for the purposes of the GFSC Rules, except in the most exceptional circumstances. Where an election to be treated as a "professional client" is accepted by us, new documentation may be required to be signed by you. If this is the case, this Client Agreement will automatically terminate when you sign the new documentation.

19.3 It is your responsibility to inform us about any change in your circumstances which might affect our determination of the appropriate categorisation for you.

20. Anti-money laundering

20.1 To comply with anti-money laundering requirements, we are required to verify your identity when we open your Portfolio account. Our checks include obtaining documents from you confirming your name and home address.

20.2 If we are unable to verify your identity using the method described in Clause 20.1 we may verify your name and address with an online reference agency. Where an online check is carried out, the agency will verify your identity against public records and it will also check whether you have a credit history. It will not disclose any information about your actual borrowings to us. The agency will also supply us with both public and shared credit and other fraud prevention information. The agency will add a note to show that an identity check was made to your credit file, but this information will not be available to any third parties. If the online check does not confirm your identity, we will carry out a manual check and we may need to contact you for further information.

20.3 We may also undertake such other identity checks as we may in our discretion decide to use from time to time.

20.4 You agree that you will comply with all reasonable requests we make from time to time in order to comply with all Applicable Regulations and anti-money laundering requirements and that if you do not comply with such requests, that this may prevent us from providing all or some of our services to you.

For example, this may mean we are unable to accept instructions from you or pay away cash or income from your Portfolio.

Part E: Your Investments & Regulatory Protections

21. Conflicts of interests

- 21.1 The Sub-Advisor's Conflicts of Interest Policy sets out the types of actual or potential conflicts of interest which affect our business, and includes details of how these are managed and any conflicts they are unable to manage effectively. The Sub-Advisor may update the policy from time to time and the current version of their Conflicts of Interest Policy will be published on their website at www.jsafrasarasin.com and you consent to receiving such information via their website or you may also request from us a copy of this policy at any time.
- 21.2 Where permitted by Applicable Regulations, the Sub-Advisor or any Associate may effect transactions in which they or any Associate has, directly or indirectly, a material interest or a relationship of any description with another party which involves or may involve a potential conflict with our duty to you. In particular, the Sub-Advisor may exercise our discretion to invest in In-House Funds or Connected Investments. The Sub-Advisor will ensure that such transactions are effected on terms that are not less favourable to you than if the conflict or potential conflict had not existed.
- 21.3 Neither the Sub-Advisor nor any Associate shall be required to account to you for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will our fees, unless otherwise provided, be abated.
- 21.4 The Sub-Advisor will act as your Agent when undertaking transactions as contemplated under the Client Agreement. You will therefore be bound by their actions under the Client Agreement. To the extent that any fiduciary or equitable duties arise as a result of the services to be provided under the Client Agreement such duties shall not prevent or hinder them, or any Associate, in effecting transactions with or for you.
- 21.5 The Sub-Advisor's policy regarding their dealing arrangements, including the details of the goods and services that relate to the execution of trades and those which relate to the provision of research is set out in their Execution Policy.
- 21.6 We are required by the GFSC Principles of Conduct of Business to avoid conflicts of interest with our clients whereby a licensee should either avoid any conflict of interest arising or, where a conflict

arises, should ensure fair treatment to all its customers by disclosure, internal rules of confidentiality, declining to act, or otherwise. A licensee should not unfairly place its interests above those of its customers and, where a properly informed customer would reasonably expect that the firm would place his interests above its own, the firm should live up to that expectation.

22. Complaints and compensation

- 22.1 We have an established complaints procedure which conforms to the GFSC Rules for the proper handling of complaints. A copy of our current complaints handling procedure is available on request and will be provided by us in accordance with the GFSC Rules. A copy of the Sub-Advisor's current complaints handling procedure is available from their website at www.sarasinandpartners.com. All formal complaints should be directed either to your relationship manager or made in writing to "The Managing Director" at the address stated below:

Bank J. Safra Sarasin Ltd, Guernsey Branch
PO Box 348
1st Floor, Frances House
Sir William Place
St Peter Port
Guernsey
GY1 3UY

Subsequently, you may have a right to complain directly to the GFSC.

- 22.2 Complaints may be referred to the Channel Islands Financial Ombudsman ("CIFO"). The CIFO is an ombudsman scheme that allows private individuals, microenterprises and, subject to consultation, smaller charities access to an independent complaints adjudicator. Further information about CIFO may be found at www.ci-fo.org.

Part F: Custody

Guidance Notes

Custody of your assets comprises a number of services. The custodian's principal duties are:

- (as normal practice) registering your investments in the name of a nominee company owned by the custodian or one of its sub-custodians;
- arranging, on our instructions, for the sale and purchase of investments in your Portfolio and for payment of the purchase price or collection of the proceeds of sale as appropriate; and
- collecting income and other entitlements accruing to investments in your Portfolio.
- **This Part F of the Terms sets out your choice of a third party custodian:**
- **You appoint a third party custodian directly – you are responsible for signing a contract for custody services with a third party custodian.**

23. Your custodian

Please note: The following clause 32 only applies where you have appointed a third party to be your custodian.

23.1 If you appoint an Outside Custodian for the whole or part of your Portfolio, you will ensure that the Outside Custodian:

- (a) enters into arrangements with regard to the provision of custody services for the whole or relevant part of your Portfolio which are satisfactory to us and enable us to provide services to you under the Client Agreement; and
- (b) is obliged to comply with any of our instructions given in accordance with or consequential upon our obligations to you under the Client Agreement.

23.2 We will not be responsible for supervising or paying the fees of an Outside Custodian or for ensuring that you comply with any terms and conditions you have agreed with an Outside Custodian.

23.3 In certain circumstances, we will arrange for the accounts stated in your Client Investment Profile to be opened in your name and on your behalf, and we may give instructions to the relevant Outside Custodian regarding such accounts.

23.4 All assets purchased or otherwise held for the benefit of your Portfolio shall be held by the Outside Custodian. All certificates and other documents of title relating to securities and other instruments of your Portfolio shall be retained and kept safe by the Outside Custodian which shall be solely responsible for settlement of all transactions undertaken on your Portfolio's behalf.

23.5 Subject to your specific written instructions (if any), set out in your Client Investment Profile, we may exercise through the Outside Custodian, all voting and other rights of whatever nature attaching to or in any way arising in connection with your Portfolio and may make payments on your behalf in respect of any such rights in each case without prior reference to you. You shall ensure that we are able to fully exercise such rights through the Outside Custodian.

23.6 You agree to seek our prior written consent to the appointment of a new Outside Custodian.

Part G: Liability and Indemnity

Guidance Notes

Please read this Part G with particular care as it explains what you will be liable for in the event we suffer losses during the management of your Portfolio. This Part G of the Terms sets out the following information:

- a list of important confirmations that you need to give to us and that we will rely on;
- some activities or tasks you agree that you will do on an ongoing basis;
- what you will be responsible and liable to pay for above and beyond our management fees and charges; and
- an explanation of what we will be liable for in the event there are losses to your Portfolio.

24. Your representations and warranties

24.1 You represent and warrant to us at all times while the Client Agreement is in force that:

- (a) if you are a natural person, you have full power and ongoing capacity to enter into the Client Agreement with us and the ability to perform all activities set out in it. These create a valid and binding obligation enforceable in accordance with these Terms;
- (b) if you are not a natural person, you are duly authorised to execute and deliver the Client Agreement and the execution of the Client Agreement and any obligation set out in it does not conflict with any provision of your memorandum, articles of association, trust deed or other governing document, any applicable law, rule or regulation, contract or other instrument by which you may be bound;
- (c) other than as described in your Client Investment Profile (or separately notified to us in writing), your Portfolio is free from all liens and charges and that no liens or charges will arise from you acting or not acting during the term of the Client Agreement; and
- (d) any information (including information in relation to your status, financial circumstances, residence and domicile for taxation purposes) which you have provided to us or to any Competent Authority is complete and correct. You will notify us and, where relevant, any Competent Authority promptly if there is any material change to the information.

You must tell us immediately if any of the statements in this paragraph are or become untrue or incorrect.

25. Your undertakings

25.1 We have an obligation to ensure that the Client Investment Profile you have asked us to provide is suitable within your wider financial circumstances.

You undertake that you will keep us informed of any material changes to your financial circumstances.

25.2 You will provide us promptly, upon request, with such information about you or documentation relating to you that we may reasonably require:

- (a) in order to enable us to comply with Applicable Regulations and with our regulatory and contractual obligations or as is required by any Competent Authority; and
- (b) for disclosure to a counterparty, potential counterparty or to any Associate, delegate or agent in connection with the provision of our services under the Client Agreement.

You acknowledge that a failure to provide such information requested by us may affect adversely our ability to provide the services to you under the Client Agreement and the quality of the services that we may provide.

25.3 Except with our prior written consent, you undertake not to deal, except through us, with any of the assets in your Portfolio and not to authorise anyone else to deal in any of them.

25.4 If you move tax jurisdiction at any time during our management of your Portfolio you will notify us in writing prior to such move. If after moving tax jurisdiction, you would like us to continue providing our investment services in respect of your Portfolio, you shall provide us if requested (at your own expense) with a written report from a qualified tax advisor as to the potential tax consequences relevant to your Portfolio arising from your move. We will be entitled to rely on this report and any additional information you may provide. You understand that failure to notify us or to provide information may affect adversely your Portfolio. In such circumstances, we reserve the right to

immediately terminate the Client Agreement upon written notice to you.

26. Your liabilities

26.1 We act on your behalf and enter into the transactions as your Agent but you remain liable as principal at all times to all those transactions. You will, if called on by us to do so, ratify and confirm any act or thing lawfully and properly done or caused to be done by us in the proper performance of our duties or under or in connection with the Client Agreement.

26.2 Except where incurred as a result of our negligence, wilful default or fraud or that of our staff, or delegates or their employees, you agree to reimburse us for all direct costs (including solicitor/client costs), losses, claims and expenses which we suffer, incur or which are made against us either:

- (a) as a result of any party claiming to be entitled to investments which form part of the Portfolio at the time when we first assume management of the Portfolio;
- (b) arising out of, or in connection with, our proper performance of the Client Agreement; or
- (c) as a consequence of any breach by you of the Client Agreement.

You will not be liable for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost which we may suffer or incur, howsoever the loss, liability or cost is caused and regardless of whether it is foreseeable or not.

26.3 If you are a trustee, your liability under the Client Agreement shall be limited, in the absence of fraud, to the assets of the trust that are managed by us from time to time unless otherwise agreed with us and signed in writing.

27. Limitations to our liability

27.1 There is no contract between you and any employee or consultant of ours. Any services provided to you, or any other work done for you, by one of our or consultants is given or done by that person on our behalf and not in his or her individual capacity. No such person assumes any personal responsibility to you for the services they provide to you.

27.2 You agree that if, as a matter of law, any of our employees or consultants would otherwise owe you

a duty of care, that duty is excluded from the Client Agreement with you. It is a condition of our providing services to you that you agree that you will not bring any claim against any of employees or consultants for any matter arising in any way out of providing the services to you. Accordingly, any claim you wish to make can only be made against us and not against an employee or consultant of ours. Each such employee or consultant shall be entitled to enforce and have the benefit of this provision.

27.3 Subject to the paragraphs below we accept responsibility for losses you may suffer to the extent that those losses are due to our negligence, wilful default or fraud or those of our appointed delegates. Nothing in the Client Agreement excludes or restricts our liability to you under the GFSC Rules, for fraud or for death or personal injury caused by our negligence. Where we are liable to you under this paragraph, our liability shall be limited to direct losses as an immediate result of our action or failure to act. Other than as set out in this paragraph, we will not be liable for any loss to you.

27.4 We will not be liable for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost which you may suffer or incur arising out of our acts or omissions, howsoever the loss, liability or cost is caused and regardless of whether it was foreseeable or not. For example, we will not be liable for any loss, liability or cost which you may suffer or incur arising from you not being able to sell investments where the prices of the investments are falling or from not being able to purchase investments where the price of the investments are rising, or from you not being able to enter into or complete another transaction which requires you to have disposed of or purchased the investments which you are trying to dispose of or acquire.

27.5 We will not be liable to you for:

- (a) our failure to perform any obligation or discharge any duty owed to you under the Client Agreement or for any breach of your investment objectives or restrictions if the failure or breach results from any cause, events or circumstance beyond our reasonable control, including, but not limited to, changes in the price or value of the investments and assets of your Portfolio brought about solely through movements in prices in the market or a Force Majeure Event; or

- (b) any loss arising from any act, omission or default of any nominee, any custodian, any broker or dealer, market maker or any agent used by us for the purposes of or in connection with the Client Agreement or the carrying out of our duties provided we have not been negligent in the selection and use of the foregoing; or
- (c) any loss arising as a result of any failure by the Outside Custodian in the settlement of any transaction where proper instruction has been given by us to the Outside Custodian.

27.6 No representation or warranty is given by us as to the performance or profitability of your Portfolio or any part of it or the success of any investment strategy recommended or used by us. Similarly, any benchmark or objectives specified in the Client Investment Profile are intended as targets only and not as an assurance or guarantee of performance of your Portfolio or any part of it.

Part H: Portfolio Administration

Guidance Notes

This Part H of the Terms sets out the following information:

- **28) what happens if you appoint a third party to give instructions to us in relation to your Portfolio;**
- **29) the method of communications between us;**
- **30) how we manage accounts that you hold jointly with someone else;**
- **31) about your Portfolio in the event of your death; and**
- **32) issues relating to tax and your Portfolio.**

Clauses 30 and 31 relate to private individuals only.

28. Instructions and power of attorney

28.1 Subject to these Terms, we will accept written instructions from you by post, email, and/or fax. Instructions from you to us will be acknowledged by us acting upon them. You will be promptly advised if we believe such action may not be practicable or might involve a breach of any Applicable Regulations. We reserve the right to verify by telephone, any instructions received in relation to the transfer of cash and/or securities or any other instructions where we have grounds to suspect the integrity of the source.

28.2 We may rely and act on any instruction or communication which purports to have been given (and which is reasonably accepted as having been given) by you or on your behalf by such person notified by you to us from time to time as being authorised to instruct us in respect of your Portfolio and, subject to any specified requirements set out in your Client Investment Profile, by whatever means transmitted and, unless we shall have received written notice to the contrary, whether or not the authority of any such person has been terminated. In the absence of negligence on our part, we will not be liable for any actions taken or omitted to be taken in good faith pursuant to any instruction.

28.3 Where we act upon your instructions you agree:

- (a) not to make any claim against us by reason of or on account of us having acted or not acted wholly or in part accordance with such instructions;
- (b) that in the event we receive any ambiguous or conflicting instructions regarding your Portfolio, we shall be entitled to act or decline to act as we see fit without incurring any liability to you or to defer acting until the instructions are clarified. For the

avoidance of doubt you agree not to make a claim against us for acting upon your instructions not to carry out an action where we have acted wholly or in part in accordance with such instructions not to carry out that action; and

- (c) to indemnify us from all claims, costs, expenses and losses we may suffer, incur or sustain as a result of acting or not acting wholly or in part in accordance with such instructions.

For the avoidance of doubt, nothing in Clause 28.3(a) prevents you from making a claim in the event that we fail to carry out an entire instruction.

28.4 Any instruction or communication to be given to us by you under the Client Agreement must comply with Applicable Regulations and, where applicable, shall be sent to the contact person and address stated in the Client Investment Profile (or otherwise as may be notified in writing by you to us) and will take effect upon its actual receipt.

28.5 In the case of a Portfolio where a power of attorney is put in place or any other change as a result of incapacity occur, we will ask you to let us have sight of the original documentation. Once we have received this, and the attorneys have been through the relevant anti-money laundering checks, we will be able to accept signed written instructions from you or your appointee in accordance with the documentation provided.

29. Communications

29.1 All communications between us and documents provided will be in English.

29.2 You agree that our telephone conversations with you may be recorded by us and may, to the extent permitted by law, be used by us in evidence. We will

Part H: Portfolio Administration

record all telephone conversations and electronic communications that result or may result in transactions and hold these for at least six years.

29.3 Unless you instruct us in writing to the contrary, where you have provided an email address, we will use ordinary email to communicate with you and send you documents, information and reports in relation to your Portfolio. You accept that communications sent by email are not secure and consent to our use of this method of communication.

29.4 In the interests of the proper management and administration of your Portfolio and in order to bring new services to your attention, we, our representatives or staff may wish to call upon or communicate with you by telephone, email or personal visit or otherwise communicate with you without express invitation. You consent to such communications unless we are notified otherwise.

30. Joint accounts

30.1 Your Portfolio may be held in the joint names of two or more individuals. In this situation, all joint account holders are bound by these Terms and your obligations under the Client Agreement will be joint and several and any reference in the Client Agreement to you as the Client shall be construed (where appropriate) as a reference to any one or more of you. Where there is a change of joint holders other than as a result of death, you will notify us as soon as practicable signed in writing; we may then require additional information and documentation from you as applicable

30.2 Unless we received a signed written instruction otherwise:

- (a) any notice given to any one of you will be deemed to be given to all of you;
- (b) we will treat each joint account holder as having the right to all of the assets in your Portfolio and will not be concerned with the actual division or ownership of the assets between you and the other joint account holder(s); and
- (c) we will be entitled to accept and act on the instructions from any one of you. In certain circumstances we may require instructions to be given in writing signed by all joint account owners. This includes instructions to change account or

address details or to register assets into a single name.

30.3 In the event of a dispute between you and any of the other joint account holders, we may freeze your Portfolio until we receive further clear written instructions signed by all joint account holders or a court order.

30.4 If you or one of the other joint account holders no longer wishes to continue with the operation of a joint Portfolio account, upon receipt of written notice signed by all account holders, we will close the joint Portfolio account and transfer the assets into a new portfolio(s) in the name of the individual account holder(s).

30.5 Upon the death of any individual joint account holder the Client Agreement will not terminate and we may treat the surviving joint account holder(s) as the only person(s) entitled to or interested in the Portfolio.

31. Death of an individual account holder

31.1 Upon receipt of written notification of your death we will close any open positions and then cease to actively manage your Portfolio in accordance with the Client Investment Profile. Unless otherwise agreed and signed in writing, we will suspend your Portfolio and it will not be managed on a "care and maintenance" basis.

31.2 Unless otherwise agreed with us, we will not accept any instructions in relation to the Portfolio in your name until a grant of probate (or its equivalent) has been issued and we have received a certified copy of the original. Following the grant of probate, in accordance with the Client Agreement your executor(s) or personal representative(s) may issue us instructions to manage the Portfolio, including without limitation, sell, transfer or materialise the investments subject to payment of our management fees and charges. Our Client Agreement will be binding on your executor(s) or personal representative(s).

32. Tax

32.1 You, and your professional tax advisor remain entirely responsible for the management of your affairs for tax purposes and for advising us of any matter which you wish us to take into account in managing your Portfolio.

- 32.2 Subject to Clause 32.1 above, we shall not take or omit to take any action, which to the reasonable professional knowledge of the individual taking or omitting to take such action would prejudice your tax position as stated in your Client Investment Profile or otherwise notified in writing to us.
- 32.3 All payments made to you related to income arising from investment and all monies and assets contained in your Portfolio shall be subject to deduction of any applicable taxes or other levies and we may account for the same to the appropriate authorities as required by law or practice.
- 32.4 All fees and charges charged by us to you are exclusive of any tax duty or levy which may arise on them and in particular are exclusive of any value added tax (if applicable) which will be levied and payable by you in accordance with legal requirements.

Part I: General Information

Guidance Notes: This Part I of the Terms includes the following information:

- **33) details on how we will keep information about you confidential;**
- **35) how we will give you notices; and**
- **40) if we have a dispute that we cannot resolve, what laws will apply.**

33. Confidentiality

33.1 We both undertake to each other that we shall not, except as set out in this Clause 33, disclose information of a confidential nature belonging to the other party acquired as a consequence of the Client Agreement, except for information which we may be entitled or bound to disclose by Applicable Regulations, or which is requested by regulatory, taxation or fiscal authorities or a court of competent jurisdiction, or which is disclosed to our advisors or auditors or service providers where reasonably necessary.

33.2 We may disclose information relating to you or your Portfolio to:

- (a) our Associates, to any of our delegates and other agents appointed in accordance with these Terms provided they agree to keep such information confidential to the same extent and use it only for permitted purposes; and
- (b) to any depository, stock exchange, clearing or settlement system, market counterparty, custodian, broker or other similar party in relation to transactions undertaken for your Portfolio, in all cases only to assist or enable the proper performance of our services under the Client Agreement, the operation of your Portfolio or any trading arrangements or to comply with Applicable Regulations.

33.3 Information of a confidential nature excludes:

- (a) information which at the time of disclosure is or subsequently becomes readily available from publicly available sources, except where the party making the disclosure is aware that the information has come to the public domain through a breach of confidence by such party or its agents or affiliates; and
- (b) information which can be demonstrated to have been lawfully in the possession of a party free of any duty of confidence prior to its disclosure.

34. Data protection

34.1 “Applicable Data Protection Law” shall mean (a) The Data Protection (Bailiwick of Guernsey) Law, 2017 read in conjunction with and subject to any applicable UK national legislation that provides for specifications or restrictions of the General Data Protection Regulation (“GDPR”)’s rules; or (b) from the date of implementation, any applicable legislation that supersedes or replaces the GDPR in the UK or which applies the operation of the GDPR as if the GDPR were part of UK national law.

34.2 Under the Client Agreement we are the Data Controller as defined in the Applicable Data Protection Law.

34.3 We may collect, use and store the personal information which you may provide to us from time to time (including, without limitation, via the Client Investment Profile) or in correspondence with us, including information relating to our services you have acquired from us, transactions that we carry out on your behalf and your relationship with us and our Associates, in accordance with the Applicable Data Protection Law (“Personal Information”).

34.4 If you contact us we may keep a record of that correspondence and we may keep copies of any documents that you provide to us including any documents provided for verifying your identity such as your passport or driving licence in accordance with our record retention policy set out in Clause 34.9. Your data may be shared with the Sub-Advisor and/or Custodian as detailed in their Terms of Business.

34.5 You acknowledge that we may use and process the Personal Information that we collect:

- (a) to process and implement your Client Investment Profile and open your Portfolio account and related trading arrangements;
- (b) to supply the services in accordance with our Client Agreement;

- (c) to meet our obligations under Applicable Regulations;
 - (d) for client service, analysis and our own marketing and market research purposes;
 - (e) to undertake credit and reference checks and/or to recover a debt or for the purposes of legal proceedings; and/or
 - (f) for general account administration purposes.
- 34.6 You acknowledge that we may share your Personal Information in the following circumstances:
- (a) where we use your Personal Information to assess your eligibility for our services and to verify your identity;
 - (b) we may share your Personal Information with our Associates and with third parties who we use to assist us in administering and operating your Portfolio. We will always take appropriate measures and meet our legal obligations to ensure that any Personal Information transferred to such third parties is kept securely;
 - (c) if we restructure our business or the whole or any part of our business is sold then we may transfer your information to another division or part of the group (if there is a restructuring) or to the buyer of our business (if the business is sold);
 - (d) we may share your Personal Information with law enforcement agencies, regulatory authorities, fiscal or tax authorities or other relevant bodies for crime prevention purposes or to fulfil any legal or regulatory obligation in the United Kingdom and overseas (including outside the EEA); and
 - (e) we may also share your Personal Information with our Associates.
- 34.7 Your request for products or services that necessitates us processing your Personal Information in order to perform our contract with you (or that necessitates us processing your Personal Information before entering into such contract) is our primary legal ground for the processing of your Personal Information. However, there may be circumstances where we also rely on other valid legal grounds for processing your Personal Information. These include, for example:
- (a) compliance with a legal obligation to which we are subject (in the case of Clause 34.4(c), 34.5(a) and 34.5(d)); and
 - (b) our legitimate interests as a business (in the case of Clause 34.4(d), 34.5(b) or 34.5(c)) (except where such interests are overridden by your interests or rights).
- 34.8 Where you have given us permission to do so, we may share your Personal Information to provide you with information about other similar services provided by us which we think may be of interest to you. We may provide this information by telephone, post, email, text message and other means. If you would like to stop receiving this information you should notify us.
- 34.9 Our record retention policy requires us to keep records for a period stipulated by us in accordance with Applicable Regulations from the date of termination of the Client Agreement. All client hard copy Personal Information may be destroyed securely after six (6) years from the termination date of this Client Agreement. We scan and retain all hard copy documentation including client Personal Information within our data storage system for as long as we have a legitimate and lawful purpose for doing so. Data retained by us may be archived by us on or off-site. Where data is archived off-site, third party providers may be used.
- 34.10 Under applicable Data Protection Law you have certain rights in relation to your Personal Information. You may:
- (a) check whether we hold and ask to see a copy of the Personal Information we hold about you;
 - (b) under certain circumstances, ask us to rectify any inaccurate and/or complete any incomplete Personal Information we hold about you;
 - (c) under certain circumstances, ask us to provide certain of your Personal Information to you in a structured, commonly used and machine readable format and have it transferred to another provider of the same or similar services;
 - (d) under certain circumstances, ask us to stop processing your Personal Information;
 - (e) under certain circumstances, ask us to erase your Personal Information; or
 - (f) decline to provide information we may request.
- You should note that exercise of the rights in (d), (e) or (f) above may result in certain products or services being made unavailable to you.
- 34.11 If you have a complaint about our handling of your Personal Information this should be made in

Part I: General Information

accordance with our Complaints and Compensation procedure set out in Clause 22 of this Client Agreement. You may also contact the relevant regulatory authority directly. To contact the Guernsey regulatory authority (the Office of the Data Protection Authority) please visit www.odpa.gg for instructions.

34.12 If any Personal Information concerning other individuals (which may include your family members) is provided to us, you represent to us that you have obtained their consent to the use of such data and that you can demonstrate this to us, if requested.

35. Notices

35.1 Any notice given shall be in writing and may be delivered by email, hand, or sent by facsimile, (confirmed by email or telephone), post or other electronic communication method. Any notice shall be sent to you using the information set out in your Client Investment Profile.

35.2 Any notice given by us:

- (a) by post will be deemed given two (2) Business Days after posting to you, at an address in the Bailiwick of Guernsey, and five (5) Business Days after posting to an address abroad;
- (b) by delivery or by telecommunications will be deemed given upon delivery or successful transmission; and
- (c) by email will be deemed to have been received one (1) Business Day after being transmitted.

35.3 We can be contacted at the address below:

Bank J. Safra Sarasin Ltd, Guernsey Branch
PO Box 348
1st Floor Frances House
Sir William Place
St Peter Port
Guernsey
GY1 3UY

36. Force majeure

36.1 The performance of our obligations under the Client Agreement may be interrupted and shall be excused by the occurrence of events beyond our control, known as Force Majeure Events affecting us or any of our delegates or agents.

37. Assignment and novation

37.1 Subject to Clause 37.2 below, neither you nor we may novate or assign or transfer any of your or our

respective rights or obligations under the Client Agreement without the prior signed written consent of the other.

37.2 We may, after not less than thirty (30) days prior written notice to you, novate the Client Agreement to another company or firm which at the time of such novation is authorised and regulated by the GFSC or another Competent Authority and you hereby give your irrevocable consent to such novation. On such novation occurring, we shall be released from all obligations and liability to you under the Client Agreement and you agree to be bound by the Client Agreement as if the other company or firm had originally been named in the Client Agreement as a party to the same instead of us.

37.3 To the extent required by, or consequential to, any such novation you agree to enter into such further documentation (including new terms of business) as we or any other company or firm may reasonably require solely in order to make or facilitate the action envisaged in Clause 37.2 above.

38. Waiver and severability

38.1 No waiver by us or you of any provision of the Client Agreement shall be deemed to be a waiver of any subsequent breach of that or any other provision of the Client Agreement and any forbearance or delay by us or you in exercising any of our or your rights under the Client Agreement shall not be construed as a waiver of such rights. Any waiver under this Clause 38.1 will only be effective if made in writing.

38.2 Each provision of the Client Agreement is severable and the invalidity, illegality or unenforceability of any provision shall not affect the validity or enforceability of any other part of the Client Agreement.

38.3 If any such provision is held to be or becomes illegal or unenforceable in any respect it shall have no effect in that respect and the parties shall use all reasonable efforts to replace it with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

39. Entire agreement and third parties

39.1 The Client Agreement forms the entire agreement between us relating to the investment services we provide to you in respect of the Portfolio and supersedes any prior representations,

understandings or implications whether written or oral.

39.2 Save as expressly provided in the Client Agreement, the Client Agreement does not create any right or benefit enforceable by any person or persons not party to it, except that our Associates may enforce rights as expressed in the Client Agreement. Both parties shall remain free to terminate the Client Agreement without the consent of any Associate.

40. Governing law

40.1 The Client Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Guernsey law.

40.2 We each agree that the courts of the Island of Guernsey shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Client Agreement or its subject matter or formation (including non-contractual disputes or claims).

Portfolio Risk Warnings

Part 1 Introduction

Summarised below is a general description of the nature of and some of the risks associated with specific types of investment that the Sub-Advisor may deal in and the transactions they may carry out, on behalf of your Portfolio, as part of the discretionary investment management services being carried out by us.

This statement cannot disclose all the risks and other significant aspects of investments and transactions we may undertake on your behalf but is intended to give you information on and a warning of the risks associated with them so that you are reasonably able to understand the nature and risks of the specific types of investments and transactions being entered into on behalf of your Portfolio and consequently, to take investment decisions on an informed basis.

All financial products carry a certain degree of risk and even low risk investment strategies contain an element of uncertainty. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any investment. You should be aware of the nature of these investments and the extent of your exposure to risk. You should also

be satisfied that the relevant investment is suitable for you in the light of your circumstances and financial position and be prepared that you may sustain a loss of the money you have invested. Past performance is not necessarily a guide to the future and the value of investments, as well as any income derived from them, can fall as well as rise. Some of these investments may be unsuitable for certain investors and where necessary, you should seek appropriate advice in advance of any investment decisions. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

All of the types of investments that we may choose for your Portfolio are generally intended for investment by retail clients except where explicitly stated below.

Unless otherwise defined in this document, the definitions in the agreement for discretionary investment management services signed by you (the 'Client Agreement') apply.

Part 2 Investment and Product Risks

Set out below is an outline of the risks associated with certain generic types of investments, which should be read in conjunction with Part 4 (Generic Risk Warnings) below.

2.1. Shares

A share is a security representing a shareholder's rights in a company. Shares may be issued in bearer or registered form. One share represents a fraction of a company's share capital. Dividend payments and an increase or decrease in the value of the security are both possible. The shareholder has financial and ownership rights which are determined by law and the issuing company's articles of association.

The price of shares and income from them may go down as well as up and it is possible that you may not get back the full amount invested on disposal of the shares. The dividend per share mainly depends on the issuing company's earnings and on its dividend policy.

In case of low profits or even losses, dividend payments may be reduced or not made at all.

There may be a greater risk associated with buying shares in some smaller or unquoted companies (including penny shares), than is customarily associated with investment in larger, more established companies. There may be a big difference between the buying and selling prices of these shares and the market for stock in small-

er companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Proper information for determining their value or the risks to which they are exposed may not be available. If the shares have to be sold immediately, you may get back less than you originally paid for them. The prices may change quickly and it may get down as well as up.

2.2. Collective Investment Schemes

A collective investment scheme ("fund") is an investment vehicle into which investors can make an investment by purchasing a unit, share or interest in the fund ("unit").

There are many different types of fund available including investment trusts, unit trusts, open-ended investment companies with variable capital ("OEICs" or "ICVCs"), Société d'Investissement à Capital Variable ("SICAV"), Sociétés d'Investissement en Capital à Risque ("SICARs"), limited liability partnerships, exchange-traded funds ("ETFs"), real estate investment trusts ("REITs"), venture capital trusts ("VCTs"), property funds, hedge funds and private equity funds. They may be onshore or off-shore, regulated or unregulated. Depending on the legal structure of the fund, units in the fund may be listed on a stock exchange and the fund may be either open ended (being, generally, a fund that confers on investors a right to redeem their interests in the fund with the value of the fund being determined by the value of underlying assets) or closed ended. Some fund structures are more exposed to risk than others due to, amongst other things, the markets they invest in, the nature of their assets and the extent of their leverage.

In each case, the fund is managed by the investment manager or a third party which invests the fund's cash and assets. The units represent the investor's interest in the fund and the value of the units purchased is often determined by the value of the underlying investments made by the fund (although where the units in the fund are listed or traded on a market, the units may trade or be sold at a discount to net asset value).

Some funds charge an annual management fee. Usually this will be taken from the income generated. If insufficient income is generated by the fund to cover the management fee, the balance may be deducted directly from the capital of the fund which will reduce capital growth.

Dealing in any type of fund may involve the following risks:

(a) Transferability and Withdrawal

Units in funds may not be readily redeemable or transferable or there may not be a market for such units. In such cases, an investor may have to hold his interest until such time as the fund is wound up or a secondary market develops for those units and this may involve the investor holding his interest for a substantial period of time. If the fund is an open ended fund, restrictions may apply to the redemption of the units that may result in an investor being unable to liquidate his investment in the fund at the time of his choosing. There may also be fees payable on redemption of units. The units in some funds may be listed on a stock market. As a result, the unit price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the units.

(b) Regulation

Some funds may not be regulated in the jurisdiction of their establishment, or elsewhere, meaning that certain investor protections or restrictions on activity applicable, in a given jurisdiction, to a regulated fund may not apply to such funds.

(c) Leverage

Some funds may borrow funds under credit facilities in order to satisfy redemption requests, pay certain organisational expenses and finance the acquisition of investments. As such, leverage exposes the fund to capital risk and interest costs that may reduce the value of an investor's investment in the fund.

(d) Rights of Participation

Investors in funds, generally, have very limited rights of participation in respect of their units and the power to make all decisions, with the consent of investors, is usually delegated to the investment manager of the fund.

(e) Strategy

Some funds specialise in particular asset classes or geographical sectors, meaning risk may be concentrated in the relevant asset classes or geographical sectors. Some funds choose strategies which the market would regard as high risk. The investment strategy of a fund may be such that the fund faces strong competition for the purchase of assets from other investors, thereby reducing the investment opportunities available to the fund.

Portfolio Risk Warnings

(f) Valuations

It may be difficult to determine the net asset value of a fund which has invested in illiquid underlying assets, and therefore it may be difficult to value the underlying units of the fund.

(g) Underlying Assets

The underlying assets of a fund can be diverse and cover both long and short positions and a full range of assets, including derivatives. A fund may be exposed to market risks and risks associated with particular trading activities - for example, off-exchange trading, short selling, leveraged trading, frequent portfolio turnover and speculative position limits which may result in losses for the fund or periods of fund underperformance. The risks associated with a direct investment by an investor in the underlying asset are also relevant in determining the risks associated with an investment by the fund in the underlying asset.

(h) Management of the Fund

The operation and performance of a fund will be dependent upon the performance of the fund's investment manager. Generally a fund will rely upon the investment manager to make investment decisions consistent with the fund's investment objectives and the investment manager, in turn, will be dependent upon its key personnel carrying out their roles with due care and skill. The investment manager and its affiliates (if any) may be in a position to provide services to other clients which conflict directly or indirectly with the activities of the fund and could prejudice investment opportunities available to, and investment returns achievable by, the fund. If the agreement between the fund and the investment manager is terminated, the fund may not be able to find a suitable replacement for the investment manager, potentially leading to losses for the fund and periods of fund underperformance.

(i) Unregulated Collective Investment Schemes

These are schemes that are non ICVC, authorised unit trust or a recognised scheme. Unregulated collective investment schemes are not authorised under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "POI Law") and may not be subject to the rules and regulations made under the POI Law for the protection of investors. Compensation will not be availa-

ble under the Guernsey Financial Services Compensation Scheme in the event that there is a default in respect of your investment in the scheme and investors may not have any rights of cancellation. Units in such schemes may represent an illiquid investment. The value of units, and the income deriving from them, may fall as well as rise, and you may not get back the amount invested. The GFSC considers that unregulated collective investment schemes are not generally suitable (or intended) for the average retail investor.

2.3. Investment Trusts

As shares in investment trusts are traded on a stock market, the share price will fluctuate in accordance with supply and demand and may not necessarily reflect the underlying net asset value of the shares. Depending on market conditions the spread between the purchase and sale price can be wide.

2.4. Highly Geared Investment Trusts

Highly geared investment trusts are collective investment schemes where we can use techniques including borrowing to enhance the volatility of return. As such the value of these schemes can be subject to large movements and can become worthless. Gearing through borrowing can be achieved either directly or indirectly or by investing in the scheme so one party participates in the capital gain or loss, while another party provides the borrowing.

2.5. Money-Market Instruments

A money-market instrument is a borrowing for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see 2.6 below), money-market instruments are exposed to the major risk types in Part 4 below, including credit and interest rate risk.

2.6. Debt Instruments/Bonds/Gilts

All debt instruments are potentially exposed to the major risk types in Part 4 below, including credit risk and interest rate risk.

Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to

such factors as interest rate sensitivity, duration, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Corporate bonds are subject to credit, liquidity and interest rate risks. Adverse changes in the financial position of an issuer of corporate bonds or in general economic conditions may impair the ability of the issuer to make payments of principal and interest or may cause the liquidation or insolvency of an issuer.

A fixed interest bond or gilt is a security or stock which carries a fixed rate of interest, normally payable for a set period. Issuers of such investments can be governments, local authorities and companies. Gilts normally have set redemption dates on which the nominal value is repaid. Bonds and gilts can be bought and sold daily.

Bonds are rarely bought on issue and held until redemption. Thus the purchase and sale prices can vary in unpredictable ways. They carry price risk, driven by the evolution of interest rate markets, and the terms and conditions of the bond. All bonds also carry credit risk. This is the risk that an issuer may default on payments. G7 government bonds have an implied credit risk that is very low, due to tax raising powers, and lack of default historically. Emerging market government bonds, corporate bonds and funding instruments

issued by special purpose vehicles carry material credit risk. This can affect prices even if default does not occur, merely that the chance of default has changed. Typically, large stable companies carry little credit risk, and high yield bonds display high yields explicitly to attract investors to companies that might very well default.

2.7. Debentures

Debentures are loans that are usually secured and have either fixed or floating charges with them. Debenture holders have the right to receive their interest payments before any dividend is payable to shareholders and, most importantly, even if a company makes a loss, it still has to pay its interest charges. If the business fails, the debenture holders will be preferential creditors and will be

entitled to the repayment of some or all of their money before the shareholders receive anything. These are considered to be low to medium risk.

2.8. Commodities

The primary commodities that are traded are oil, gold, other precious metals and agricultural products. Due to the costs and effort required to transport these commodities, what is actually traded are exchange traded commodity securities or commodities futures contracts or options, which are agreements to buy or sell at an agreed upon price on a specific date and are considered to be high risk.

2.9. Structured Products

Structured products are financial instruments that provide the potential opportunity to earn a higher return and may enable us to implement investment strategy more cheaply and efficiently. These products have returns that can be linked to the performance of an underlying benchmark such as interest rates, equity markets, commodities, corporate credits or foreign exchange markets. For example, an S&P 500 equity-linked note has a return linked to the performance of the S&P 500 index. The greater the return of the S&P 500 over the life of the note, the better the return on the S&P 500 equity-linked note, however the opposite will apply in the event of a fall in the S&P 500.

2.10. Structured Capital at Risk Products (“SCARP”)

SCARPs are financial instruments that aim to return the original money invested at the end of the term unless the index or asset price to which the product is linked has fallen below a predetermined threshold. However, the return of initial capital invested at the end of the investment period for a SCARP is not guaranteed and therefore you may get back less than was originally invested. The amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount paid out to you. Redeeming a SCARP early may result in redemption penalties and a poor return. Any maximum benefit advertised for a SCARP may only be available after a set period. The rate of income or growth advertised may depend on specified conditions being met. The initial capital invested may be placed into high risk investments such as non-investment grade bonds or invested with organisations that may become insolvent with the resulting loss of

Portfolio Risk Warnings

some or all of the value. In addition to these risks relating to the nature of the product, there is the further risk that a counterparty may default on its obligations under the terms of a SCARP. Due to the complex nature of these products you should ensure that investment into these products is appropriate for your financial circumstances. SCARPs are not generally intended for retail clients, but we may invest in SCARPs on your behalf when we feel they are suitable for you.

2.11. Derivatives

(a) Derivatives Generally

A derivative is a financial instrument derived from an underlying asset's value. Rather than trade or exchange the asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the underlying asset. There are many types of derivative, but options, futures and swaps are among the most common.

An investor in derivatives often assumes a great deal of risk, and therefore investments in derivatives must be made with caution, especially for smaller or less experienced investors. You should not deal in these products unless you understand their nature and the extent of their exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Derivatives are not generally intended for retail clients, but we may invest in derivatives on your behalf if we feel they are suitable for you and complement the Portfolio as a whole.

Derivatives have high risk connected with them, predominantly as there is a reliance on other underlying assets, which can be unpredictable. Options or futures can allow a person to pay only a premium to bet on the direction in an asset's price, and while this can often lead to large returns if right, it could lead to a 100% loss (the premium paid) if wrong. Options or futures sold "short" (i.e. without the seller owning the asset at the time of the sale) may lead to great losses if the price of the derivative rises significantly.

If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated off-exchange derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

On-exchange derivatives are subject, in addition, to the risks of exchange trading generally. Off-exchange derivatives are contracts entered into with a counterparty and, like any contract, subject to credit risk and the particular terms of the contract (whether one-off or a master agreement) should be considered in all cases.

Derivatives can be used for speculative purposes or as hedges to manage other investment risks. In all cases the suitability of the transaction for the particular investor should be considered. Certain strategies, such as a 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position.

You should therefore consider the terms and conditions of the specific derivatives and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying asset.

Normal pricing relationships between the underlying asset and the derivative may not exist in all cases. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to assess 'fair' value.

The points set out below in relation to different types of derivative are not only applicable specifically to these derivatives but are also applicable more widely to derivatives generally. All derivatives are potentially subject to the major risk types in Part 4 below, especially market risk, credit risk and any specific sector risks connected with the underlying asset.

(b) Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless. A warrant is potentially subject to all of the major risk types referred to in Part 4 below. You should not buy a warrant unless you are prepared to sustain a total loss of the money invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant). For these instruments, see paragraph 2.11(f) below.

(c) Off-Exchange Warrant Transactions

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

(d) Securitised Derivatives

Securitised derivatives are derivative products, such as covered warrants and certificates that are freely traded and may be listed on stock exchanges. They enable investors to have exposure to a wide range of underlying products such as shares, indices, commodities and interest rates without investing directly in the underlying product. An investor's return is always linked to the performance of the underlying instrument which could include shares, indices like the FTSE 100, foreign exchange, commodities and interest rates.

These instruments may give a time limited right (in the case of covered warrants), or an absolute right (for linked notes) to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Or they may give rights under a contract for differences, which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred

to as the "underlying instrument". These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.

These instruments have a limited life, and may (unless there is some form of guaranteed return to the amount invested in the product) expire worthless if the underlying instrument does not perform as expected. You should only buy this product if you are prepared to sustain a total loss of the money invested plus any commission or other transaction charges.

(e) Futures/Forwards

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures and forwards trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of the investment, and this can work against you as well as for you.

Futures and forwards transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements associated with these products, which are set out in paragraph 3.2 below.

With all exchange-traded (and most OTC off-exchange) futures and forwards, you will have to pay over in cash, losses incurred on a daily basis to meet margin requirements. If you fail to lodge margin, the contract concerned may be terminated. See further, paragraphs 3.1 and 3.2 of below.

(f) Options

There are many different types of options with different characteristics subject to the following conditions.

(i) Buying options

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any

Portfolio Risk Warnings

commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under the headings “Futures” and “Contingent Liability Investment Transactions”.

(ii) Writing options

If you write an option, the risk involved is considerably greater than buying options.

You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against it, however far the market price has moved away from the exercise price. If you already own the underlying asset that you have contracted to sell (when the options will be known as “covered call options”) the risk is reduced. If you do not own the underlying asset (“uncovered call options”) the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

(iii) Traditional options

Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a “traditional option”. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

(g) Contracts for Differences

Futures and options contracts can also be referred to as a “contract for differences”. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike

other futures and options (which may, depending on their terms, be settled in cash or by delivery of the underlying asset), these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these as set out in paragraphs 2.11(e) and 2.11(f) respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 3.1 below.

(h) Off-Exchange Transactions

It may not always be apparent whether or not a particular derivative is arranged on exchange or in an off-exchange derivative transaction. While some off-exchange markets are highly liquid, transactions in off-exchange or “non-transferable” derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

(i) Swaps

A swap is a derivative where two counterparties exchange one stream of cash flows against another stream.

A major risk of old off-exchange derivatives (including swaps), is known as counterparty risk. If a party, A, wants a fixed interest rate loan and so swaps a variable rate loan with another party, B, thereby swapping payments, this will synthetically create a fixed rate for A. However, if B goes insolvent, A will lose its fixed rate and will pay a variable rate again. If interest rates have gone up a lot, it is possible that A will struggle to repay.

The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents using standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance.

(j) Combined Instruments

Any combined instruments, such as a bond with a warrant attached, is exposed to the risk of both those prod-

ucts and so combined products contain a risk which is greater than those of its individual components generally, although certain combined instruments may contain risk mitigation features, such as principal protected instruments.

The value of a basket of products (such as shares, indices etc.) may be affected by the number and quality of reference assets included in such basket. Generally, the value of a basket that includes reference assets from a number of reference asset issuers or indices will be less affected by changes in the value of any particular refer-

ence asset included therein than a basket that includes fewer reference assets, or that gives greater weight to some reference assets included therein. In addition, if the reference assets included in basket are concentrated in a particular industry, the value of such a basket will be more affected by the economic, financial and other factors affecting that industry than if the reference assets included in the basket are in various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

Part 3 Transaction and service risk

3.1. Contingent liability investment transactions

Contingent liability investment transactions which are margined require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Except in specific circumstances under the FCA rules, the Sub-Advisor may only carry out margined or other contingent liability transactions with or for you if they are traded on or under the rules of a recognised or designated investment exchange. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

3.2. Collateral/Margin

If you deposit collateral as security with your custodian, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether it is trading on a recognised or designated investment exchange, with the rules

of that exchange (and associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on its behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash. You should ascertain from your custodian how its collateral will be dealt with.

3.3. Limited Liability Transactions

Before entering into a limited liability transaction, you should obtain from us a formal written statement confirming that the extent your loss liability on each transaction will be limited to an amount agreed by you before the transaction is entered into.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

3.4. Commissions

You should be aware that charges are not expressed in money terms (but, for example, as a percentage of contract value), so if you do not understand the effect of such charges in specific money terms you should seek clarification. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of the initial payment.

Portfolio Risk Warnings

3.5. Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

There may be insufficient published information on which to base a decision to buy or sell such securities.

3.6. Deposited Cash and Property

You should familiarise yourself with the protections accorded to you in respect of money or other property you deposit with us for domestic and foreign transactions, particularly in the event of us or a counterparty becoming insolvent or bankrupt. Cash or other property that you deposit may be held by a third party on our behalf. In the event of a third party's insolvency, you may not recover all of your cash or other property. Certain property may be held with a third party in an omnibus account and, in the event of such third party's default, if there is a shortfall in that omnibus account, you may not recover all of your property.

Certain property may be held by a third party outside the United Kingdom (which may also be outside the European Economic Area ("EEA")), and as such, the legal and regulatory regime applying to (and therefore your rights relating to) any such property may be different from that of the United Kingdom (or elsewhere in the EEA). It may not be possible for that property (other than cash) to be separately identifiable. For this reason, you may not get back the same assets which you deposited. The extent to which you may recover your cash or other property may also be governed by specific legislation or local rules. In some jurisdictions, property, which had been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

Your cash or other property may be deposited with a third party who may have a security interest, lien or right of set-off in relation to that property.

3.7. Stabilisation

Transactions may be carried out in securities where the price may have been influenced by measures taken to stabilise it.

Stabilisation enables the market price of the security to be maintained artificially during the period when a new issue of securities is sold. This may affect the price of the new issue and the price of other securities relating to it. The FCA permits the use of stabilisation to help counter the effect of a new issue coming to the market and the price of the security dropping before buyers are found. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

Subject to strict rules a "Stabilisation Manager" (normally the firm chiefly responsible for bringing a new issue to market) is permitted to buy back securities that were previously sold to investors or allotted to investors which have decided to keep them. The FCA limit the period when the Stabilisation Manager may act to stabilise a new issue, fix the price at which he can stabilise and disclose that he may be stabilising. The fact that a new issue or related security is being stabilised should not be taken as an indication of the level of interest from investors including the price they are prepared to pay.

3.8. Non-Readily Realisable Investments

Both exchange listed and traded and off-exchange investments may be non-readily realisable. These are investments in which the market is limited or restricted or could become so. Accordingly, it may be difficult to deal in such an investment or to obtain reliable information about its value and/or to liquidate your position.

3.9. Foreign Exchange

Foreign exchange is the exchange of one country's currency for another. All foreign exchange is determined by a rate of exchange, or a ratio valuing one currency against another. On the foreign exchange market, foreign currency is bought and sold for immediate (spot) or forward delivery.

3.10. Currency Hedging

This is designed to reduce the effect of the movement of exchange rates on investments in the Portfolio, denominated in a currency other than the currency in which your investments are valued. If an asset in the Portfolio is denominated in a currency other than the currency in which your investments are valued a movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gain or loss otherwise experienced on your Portfolio.

3.11. Short Selling

Short selling is a strategy in which an investor sells a commodity or security that it does not own in order to profit from a falling market. The investor will borrow the commodity or security from a third party and then immediately

sell on to the buyer. At a later date, the investor must make good on the loan by buying back the commodity or security from the market to close the position. If the value of the commodity or security has fallen during this period the investor's profit will be the difference between its original sale price and the buyback price (minus interest charges and fees). However, if the market moves against the investor there is the potential for limitless losses.

3.12. Hedging

Hedging is a strategy designed to reduce investment risk using call options, put options, short-selling or futures contracts. A hedge can help lock in profits or reduce the risk of loss. Its purpose is to reduce the volatility of a portfolio.

Part 4 Generic Risk Warnings**4.1. General**

The price or value of an investment will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance.

The nature and extent of investment risks varies between countries and from investment to investment. These investment risks will vary with, inter alia, the type of investment being made, including how the financial products have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the Issuer, the diversification or concentration in a portfolio (e.g. the amount invested in any one currency, security, country or issuer), the complexity of the transaction and the use of leverage. The below risk types could have an impact on each type of investment.

4.2. Liquidity

The liquidity of an instrument is directly affected by the supply and demand for that instrument. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to intended

amounts, because market conditions may make it impossible to execute such an order at the stipulated price. In addition, with the off-exchange products, unless the contract terms so provide, the counterparty does not have to terminate the contract early or buy back the product.

4.3. Credit Risk

Credit risk is the risk of loss caused by borrowers, bond obligors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating.

4.4. Market Risk(a) General

The price of investments goes up and down depending on market supply and demand, investor perception and the prices of any underlying or allied investments or indeed, sector and economic factors. These can be totally unpredictable.

(b) Foreign Markets

Any foreign investment or investment with a foreign element can be subject to the risks of foreign markets which may involve different risks from UK markets. In some cases the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

Portfolio Risk Warnings

(c) Emerging Markets

Emerging markets are less developed countries which may have less stable economic and/or political conditions than larger more mature western economies. Emerging market investing is generally characterised by higher levels of risk than investing in fully developed markets. Accounting, corporate governance and financial reporting standards that prevail in certain countries are often not equivalent to those in countries with more developed markets. Tax and legal regimes may be subject to uncertainty and to significant and unpredictable changes and repatriation of investments and profits may be restricted by exchange controls. There may also be less well developed regulation of markets, issuers and intermediaries. Markets may lack liquidity of those in developed countries, leading to difficulty in valuing assets. Instability in such markets has previously led to and may continue to lead to investor losses. Settlement of transactions carried out on such markets may be lengthier and less secure than in developed markets.

Price volatility in emerging markets, in particular, can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. For example, these markets might not have regulations governing manipulation and insider trading or other provisions designed to “level the playing field” with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by political risk. It may be difficult to employ certain risk management practices for emerging markets investments, such as forward currency exchange contracts or derivatives.

In some international markets and particularly in developing and emerging markets the marketability of quoted shares may be limited due to foreign investment restrictions, wide dealing spreads, exchange controls, foreign ownership restrictions, the restricted opening of stock exchanges and a narrow range of investors. Trading volume is lower than on more developed stock markets, and equities are less liquid. Volatility of prices can also be greater than in more developed stock markets.

The infrastructure for clearing, settlement and registration on the primary and secondary markets of many emerging markets may be undeveloped.

Many developing and emerging markets, and the companies quoted on their stock exchanges, are exposed to the risks of political, social and religious instability, expropriation of assets or nationalisation, rapid rates of inflation, high interest rates, currency depreciation and fluctuations and changes in taxation.

4.5. Clearing House Protections

On many exchanges, the performance of a transaction by us (or the third party with whom we are dealing on your behalf) is “guaranteed” by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover you, and may not protect you if the broker or another party defaults on its obligations. On request, we will explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, or normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

4.6. Insolvency

Your custodian’s insolvency or default, or that of the firm you are dealing with or any other brokers or counterparty involved with your transaction, may lead to positions being liquidated or closed out without your consent or, indeed, investments not being returned to you. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payment in cash. There is also insolvency risk in relation to the investment itself, for example of the company that issued the bond or of the counterparty to the off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

4.7. Currency Risk

If an asset in the Portfolio is denominated in a currency other than the currency in which your investments are valued a movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gain or loss otherwise experienced on your Portfolio.

In respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a currency other than that in which your Portfolio is denominated, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions. The weakening of a country's currency relative to a benchmark currency or the currency of your Portfolio will negatively affect the value of an investment denominated in that currency.

Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency.

Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

4.8. Interest Rate Risk

Interest rates can rise as well as fall. A risk exists with interest rates that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other investments.

4.9. Commodity Risk

The prices of commodities may be volatile, and, for example, may fluctuate substantially if natural disasters or catastrophes, such as hurricanes, fires or earthquakes, affect the supply or production of such commodities. The prices of commodities may also fluctuate substantially if conflict or war affects the supply or production of such commodities. If any interest and/or the redemption amount payable in respect of any product is linked to the price of a commodity, any change in the price of such commodity may result in the reduction of the amount of interest and/or the redemption amount payable. The reduction in the amount payable on the redemption of an investment may result, in some cases, in you receiving a smaller sum on redemption of a product than the amount originally invested in such product.

4.10. Regulatory/Legal Risk

All investments could be exposed to regulatory or legal risk.

Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors. For this reason, this risk applies everywhere but is greater in emerging markets where there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets

The laws and regulations governing investments in securities may not exist in some places and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

4.11. Operational Risk

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products, but in particular for holders of shares, which equate to a part of the ownership of the company. Business risk, especially the risk that the business is run incompetently or poorly, could also impact on this. Personnel and organisational changes can severely affect such risks and in general, operational risk may not be apparent from outside the organisation.

Conflicts Policy

1. Overview

A conflict of interest is a situation in which someone in a position of trust has competing professional or personal interests. Such competing interests can make it difficult to fulfil his or her duties impartially. A conflict of interest may exist even if no unethical or improper act results from it. We deal with conflicts on a case-by-case basis.

We are committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between us, our clients and funds we manage and between clients of all areas of the Sarasin business.

2. Corporate Structure

2.1 Corporate Structure – Manager

Bank J. Safra Sarasin Ltd, Guernsey Branch is regulated by the GFSC and acts as a Branch office of Bank J. Safra Sarasin Ltd, which is a Swiss private bank. Bank J. Safra Sarasin Ltd is owned by J. Safra Holding AG.

2.2 Corporate Structure – Sub-Advisor

Within Sarasin there are four regulated entities:

- Sarasin & Partners LLP (Regulated by the FCA)
- Sarasin Investment Funds Limited (Regulated by the FCA)
- Sarasin Asset Management Limited (Regulated by the FCA and registered with the SEC as an Investment Advisor under the Investment Advisors Act 1940)
- Sarasin Funds Management (Ireland) Limited (Regulated by the Central Bank of Ireland)

Sarasin is majority owned by Bank J. Safra Sarasin Ltd, which is a private bank headquartered in Switzerland. Bank J. Safra Sarasin is owned by the J. Safra group, which is ultimately privately owned by Safra family members.

The main business of Sarasin & Partners (“S&P”) is the provision of discretionary investment management services to private investors, charities, trusts and institutions. It also acts as investment manager for a number of Sarasin group collective investment schemes. Sarasin Investment Funds (“SIF”) is the Authorised Corporate Director for the Sarasin UK collective investment schemes (“Sarasin UK Funds”) and the Manager of the Alpha

Common Investment Funds. Sarasin Fund Management (Ireland) Limited (“SFMI”) is the Manager of the Sarasin Irish collective investment schemes (“Sarasin Ireland Funds”). SIF and SFMI have appointed S&P as investment manager to the Sarasin UK Funds and Sarasin Ireland Funds (“the Funds”).

Sarasin Asset Management Limited (“SAM”) provides discretionary investment management services to US clients.

3. Regulation

3.1 Regulation - Manager

We are required by the GFSC Principles of Conduct of Business to avoid conflicts of interest with our clients:

- Principle no. 3 - Conflicts of Interest

A licensee should either avoid any conflict of interest arising or, where a conflict arises, should ensure fair treatment to all its customers by disclosure, internal rules of confidentiality, declining to act, or otherwise. A licensee should not unfairly place its interests above those of its customers and, where a properly informed customer would reasonably expect that the firm would place his interests above its own, the firm should live up to that expectation.

3.2 Regulation – Sub-Advisor

In accordance with FCA, Central Bank of Ireland and SEC rules we are required to establish, implement and maintain an effective conflicts of interest policy (Conflicts Policy) encompassing the Sarasin UK group of regulated companies. This document provides you with a summary of our Conflicts Policy which describes our approach to handling conflicts. We deal with conflicts on a case-by-case basis but the policy sets the general framework within which we operate and we take all reasonable steps to treat our clients fairly. Examples of the type of conflict of interest that may arise include, but are not limited to, the following:

- we could make a financial gain or avoid a financial loss at the expense of a client
- we may have an interest in the outcome of a transaction or service carried out for a client which is

- distinct from the client's interest in that outcome
- we may have a financial or other incentive to favour the interest of one client or group of clients over the interests of another client
 - we may carry on the same type of business as a client or another UCITS manager
 - there may be a conflict of interest between the interests of the different UCITS schemes that SIF or SFMI operates
 - there may be a conflict of interest between a third party service provider and a Sarasin entity or a third party service provider and a client
 - we may receive from a person other than the client an inducement in relation to a service provided to a client, in the form of monies or goods and services other than the standard commission for that service

4. Conflicts Policy - Identifying, recording and managing conflicts

4.1 Conflicts Policy – Manager

(a) Employee Dealing

We recognise that this can create a conflict with the duties owed to our clients. It is a term of employment that all of our employees and connected parties are required to comply with our Personal Account Dealing Policy. Employees are subject to the firm's insider dealing policy. We do not as a financial institution undertake deals on behalf of our employees.

(b) Gifts and Hospitality

On occasions our employees may give gifts or receive them from clients, counterparties, companies or other service providers in recognition of services provided or to cement relationships. We take care through our Gifts Hospitality and Anti-Bribery Policy ("Gifts Policy") to ensure that these gifts are not excessive and do not create an obligation or debt. A gifts and hospitality log is maintained and reviewed by the Compliance Department. When receiving hospitality to and from such parties, our employees are only permitted to accept or provide hospitality of reasonable value.

(c) Inducements

We have relationships with third parties that are remunerated via Commission Sharing Arrangements ("CSA"). We have processes in place to ensure that any fees or non-monetary benefits provided by these

third parties do not impair our duty to act in the best interests of our clients.

4.2 Conflicts Policy – Sub-Advisor

Sarasin has a conflicts management group (the CMG) which includes representatives from senior management across the business. The CMG's purpose is to review and manage conflicts arising either generally or from time to time. The specific areas of conflicts set out below are all subject to the rules and regulations of the FCA, the Central Bank of Ireland and SEC, where applicable to the firms, staff or client base.

4.2.1 Employee dealing

We permit employees to undertake deals on their own behalf and recognise that this can create a conflict with the duties owed to our clients. Therefore it is a term of their employment that all of our partners, executive directors and employees (together, "Staff") and their connected parties are required to comply with our personal account dealing policy which amongst other matters prohibits dealing ahead of client orders. Staff are subject to the firm's market abuse and insider dealing policy and an insiders' register is maintained and managed by the Compliance Department.

4.2.2 Inducements - Gifts and hospitality

On occasions our employees may give or receive gifts or hospitality to or from clients, in recognition of services provided or to cement relationships. We take care through our gifts, hospitality and inducements policy (Gifts Policy) to ensure that these gifts or hospitality are not of a nature or value that would in any way affect the individual's behaviour in relation to the business we do for that client. In certain circumstances, and subject to FCA rules on acceptable minor non-monetary benefits we may give or receive gifts or hospitality to or from counterparties, companies or other service providers. A gifts and hospitality log is maintained and reviewed by the Compliance Department.

4.2.3 Inducements - Research

S&P consumes research from external research providers. This research is invoiced to and paid for by S&P. In limited circumstances S&P may receive free research that is considered to be an acceptable minor non-monetary benefit such as material commissioned and paid for by a corporate issuer and which is made available to the gen-

Conflicts Policy

eral public, or material that is provided for a trial period so that we can evaluate the provider's research service. Research provided by S&P's analysts is impartial and is provided for use within our investment process only. Sarasin does not publish or disseminate research documents. Where we publish or disseminate our investment strategy externally we would have deemed these documents not as investment research as defined under the FCA rules.

4.2.4 Staff remuneration

The remuneration of investment professionals at Sarasin usually consists of a salary and a performance related discretionary incentive bonus scheme.

Under our remuneration scheme we strive to ensure that our staff remains motivated whilst at the same time ensuring that the remuneration scheme does not encourage inappropriate behaviour or excessive risk-taking. We recognise this conflict and through our monitoring mechanisms remain alert to any potential abuse. The methodology and payment of all elements of remuneration is subject to scrutiny from our Remuneration Committee and CMG.

We have a formal written Remuneration Policy and a remuneration policy disclosure is published on our web site.

4.2.5 Dealing for your portfolio and transactions with Bank J. Safra Sarasin group (BJSS Group) companies

Where Sarasin deals for our discretionary clients or for funds we may buy or sell an investment in which a member of our wider group has a proprietary long or short position.

Sarasin may transmit orders and carry out various transactions in the course of its business through an associate, therefore generating revenue within the Sarasin group. Counterparties used for trades are carefully assessed in accordance with our execution policy. Transactions with associated companies form a very small proportion of the total and associates are treated in the same way as any other counterparty.

Sarasin group companies may also receive profits derived from business introduced to it by associates.

4.2.6 Sarasin funds

Funds are excluded from the calculation of our discretionary clients' portfolio management fee unless there is an offset arrangement, as the annual management fees on Funds are already included within the Funds' charging structure. Where a UCITS scheme operated by SIF or SFMI invests in units in another collective investment scheme managed or operated by Sarasin or an associate of Sarasin there is no double charging. Sarasin funds have a range of share classes for discretionary clients with differing AMCs and FOCs. The Sarasin pricing procedures provide written instruction as to their use.

4.2.7 Commissions from third party fund managers

In some cases we buy third party collective investment schemes for our clients and the Funds. These may include funds operated by a J. Safra Sarasin group company. We buy institutional classes of units or shares which carry a lower annual management charge and pay no renewal commission.

4.2.8 Business interests and suitability

Where we use our discretion to make investment decisions or provide any advice to non-retail clients we are required to ensure that our actions are suitable for our clients.

However, we or some other person connected with us may have an interest, relationship or arrangement that is material to the service, transaction or investment concerned.

This may include matters such as:

- the retention of commissions which we receive from a third party;
- recommending that you buy or sell an investment in which one of our other clients has given instructions to buy or sell;
- we may be acting in relation to investments where an associated company is involved in a new issue, rights issues, takeovers or similar transactions.

Sarasin prohibits its Staff from serving on the boards of publicly traded companies except in cases where such service is not inconsistent with the best interests of our clients or Sarasin. In this case the approval of our executive committee is required. The executive committee is required to approve all outside business activities and positions within charitable or public organisations. If out-

side activities could pose a real or perceived conflict of interest with our clients or interfere with the partner or employee's responsibilities to Sarasin this activity may be prohibited. In addition partners and employees may not accept a position as an executor, trustee or power of attorney for a client without the prior approval of the executive committee unless such position is for a family member.

To manage such conflicts, we require our partners and employees to comply with our conflicts management policy obliging them to disregard the interest, relationship or arrangement concerned when acting on your behalf.

4.2.9 Order aggregation and allocation

We may combine ("aggregate") a transaction for you with our own orders and orders of other clients and the Sarasin Funds, since we believe that over time this results in improved performance of client assets. However, the effect of aggregation may on some occasions work to your disadvantage. In the vast majority of cases before any order is executed, securities will have been pre-allocated to individual clients and the Sarasin Funds.

If we make an application on your behalf for a new issue you should be aware that if the allocation is scaled back it will be applied pro rata across all our clients. If we receive less than 50% of our intended allocation and pro-rata allocation would result in unnecessary charges and or de minimis holdings we will reconsider each client and may revise the allocation. The Compliance Department monitors the effectiveness and fairness of the operation of any reallocation.

4.2.10 Proprietary trading

SIF and SFMI may undertake proprietary trading in limited situations such as required on the manager's box for the Funds or to correct an administrative error. Such dealing is infrequent and is only conducted to the extent required to correct the relevant fund's position.

Proprietary trading may also be undertaken by an associate to correct an error in respect of Sarasin & Partners and/or SAM's activities.

4.2.11 Stewardship

We seek to act in the interests of all of our clients when considering engagement and voting.

Conflicts of interest may arise from time to time, such as voting on matters affecting other firms within our wider group or a client or where our clients are shareholders in two companies involved in both sides of a deal or dispute. Where a significant conflict arises the CMG may be asked to opine. For further information on our commitment to responsible stewardship please see the Responsible Stewardship page on our website.

4.2.12 Other issues

The following activities and services are not undertaken within Sarasin but may be undertaken by a related entity:

- Corporate Finance;
- Finance arrangements;
- Market maker;
- Investment research (No proprietary research is undertaken. Research information is compiled based on freely-available market information).

There are no other material risks identified as arising from potential conflicts of interests which remain unmanaged.

Execution Policy of the Sub-Advisor

Scope

This document contains the execution policy of the Sarasin UK Group of companies which are Sarasin & Partners LLP., Sarasin Asset Management Limited and Sarasin Investment Funds Limited and Sarasin Funds Management (Ireland) Limited (in their capacity as fund management companies of a number of authorised funds), together “Sarasin”. Sarasin Investment Funds Limited and Sarasin Funds Management (Ireland) Limited have appointed Sarasin & Partners LLP (S&P) as investment manager to the funds. As your investment manager we will be exercising full discretion in the way in which we transact trades on your portfolio subject to and in accordance with your investment objectives, and in the case of the funds, the investment objectives and policies of the funds.

The Sarasin execution policy sets out the measures under which Sarasin meets its responsibilities to ensure the best possible result is obtained for clients when executing orders. The policy is derived from the Financial Conduct Authority’s (FCA) rules on best execution (contained in Chapter 11.2A of the FCA’s Conduct of Business Sourcebook “COBS”) which implements the EU Markets in Financial Instruments Directive (“MiFID”). COBS 11.2A.2R of the Financial Conduct Authority (FCA) Handbook of Rules and Guidance (the “FCA Rules”) requires that a firm ensures that all sufficient steps are taken to ensure the best possible result is obtained for clients when executing orders. COBS 11.2A.20 requires that Sarasin implements effective arrangements to ensure compliance with the requirement to take sufficient steps to obtain best execution.

The execution policy applies to any financial instruments which are covered by MiFID including; transferable securities, money market instruments, and units in collective investment undertaking, financial derivatives and contract for differences. The policy and oversight of best execution is owned by the Best Execution Committee who are responsible for the annual review along with ensuring the policy is fit for purpose in meeting our obligation to clients.

1. Introduction

Sarasin provides portfolio management services investing in various asset classes including equities, bonds, FX and derivatives on behalf of our clients. In carrying out these activities, we act in accordance with the best interest of our clients. Dependent on asset class we will either be placing orders with a broker for execution, or will be executing orders against an execution venue, market maker or other liquidity provider. In the latter case we will not receive a duty of best execution from the venue but will take all sufficient steps to obtain the best result for you.

1.1 Execution Criteria

When executing orders we take into account a variety of execution criteria to determine the relative importance of the execution factors. These include the characteristics of the client, the characteristics of the client order, the characteristics of the financial instruments in which we are dealing, and the characteristics of the execution venue for that type of order.

1.2 Execution Factors

We believe that price and cost are the most important factors; therefore the best possible result is typically determined in terms of total consideration. Other factors such as speed, likelihood of execution, market impact and size are also taken into account. These may be given precedence over the immediate price and cost, but only if they help to deliver the best possible results in terms of the total overall price and cost to the client. We have listed these factors below, together with examples of when they may be a key factor in getting the best result:

- Price – for the majority of transactions this is the key factor, subject to available liquidity.
- Cost – we will take into account the explicit costs for example, commission, stamp duty and fees along with the implicit cost such as market impact.
- Size – where orders are larger than normal market size we may not be able to deal at the price we would if the order were smaller. In this case the completion of the order whilst minimizing market impact may take precedence.

- Speed – there may be instances where speed becomes an important factor such as meeting a deadline such as a redemption of shares or units in a fund, or a portfolio liquidation.
- Likelihood of execution – may become important in illiquid/large orders, where the trading venue is not obvious and there is a need to execute on a timely basis.
- Nature of the Order / Instrument – the characteristics of a particular instrument may determine the available venues. As an example in OTC derivatives, we are obligated to trade with those counterparties with whom we have appropriate ISDA documentation.
- Credit Risk and Exposure – for OTC transactions we may be limited to the number of venues we transact with due to credit limits and exposure thresholds.

If you provide us with a specific client instruction in relation to an order in whole or in part, including selection of a particular broker or venue, we will execute the order on the basis of those instructions. As a result of following those instructions this may prevent us from being able to provide best execution as outlined within this policy. For this purpose, if you give us specific instructions in respect of one part or aspect of an order this will not release us from our best execution obligations in respect of any other parts or aspects of the order that are not covered by such instructions.

1.3 Execution Venues

In meeting our regulatory obligation to take all sufficient steps to obtain the best possible results, we may use one of the following Execution Venues:

- Regulated broking firms, which may transact clients' orders on or off regulated markets
- Algorithmic trading
- Direct Market Access products
- Multilateral Trading Facilities
- Organised Trading Facilities
- Systematic Internaliser

The execution venues used will be determined with the goal of implementing the best strategy to get the best possible result taking into account the characteristics of the financial instrument being traded.

1.4 Centralised Dealing Desk

We operate a centralised dealing desk that is responsible for implementing the investment decisions made for our clients, with the exception of certain funds and mandates, where orders are executed directly by the fund manager. The same level of controls is placed on fund managers who execute orders directly, to ensure, they achieve the best possible results. The dealing desk is located in close proximity to the asset management team to ensure a high level of collaboration and communication.

1.5 Approved Brokers

Sarasin can only trade with counterparties who are on the approved list of brokers and every broker must undergo a thorough assessment to ascertain whether they meet the criteria for approval, using both quantitative and qualitative data. We ensure that all counterparties have execution arrangements in place that will allow us to comply with our obligation to take sufficient steps to provide the best possible result for our clients when executing orders. We also ensure that all counterparties treat us as a Professional Client. Once this process is complete, the final sign off is given by the risk committee and the counterparty is added to our approved list. Commissions paid to counterparties are subject to regular review by the dealing desk.

1.6 Allocations and Aggregation of Orders

All client orders are pre allocated on our order management system before they are sent to the dealing desk for execution. Where trades are partially filled, fills are allocated on a pro rata basis by the order management system. If an order is being traded and a subsequent order arrives, then the dealing desk will allocate the fills to the existing order and aggregate the new order with remaining balance from the existing order.

2. Order Execution

2.1 Equities

In meeting our best execution for equity transactions, the venue and type of execution strategy is of importance. When executing equity trades, we use approved brokers only. We also use a variety of avenues when executing orders; from placing the order with a broker, algorithmic trading, program trading and Direct Capital Access (DCA). Each order is assessed on its own merit to assess the optimal trading avenue.

Execution Policy of the Sub-Advisor

If the order is a small percentage of ADV, then we will either trade via a DCA or algorithm, depending on the region. DCA requires an order to be routed to a broker and completed immediately inside the bid offer spread, up to a pre agreed ADV and nominal value. If DCA is not available then we may use algorithms from third party providers. Execution quality is monitored and reviewed on a quarterly basis by the Best Execution Committee. In addition there are agreed parameters set by the dealing desk to mitigate the risk of error.

Where orders are a large percentage of ADV, either due to the size or the illiquid nature of the stock, then in this instance, we will either try to source natural liquidity from an MTF or explore broker activity. If this does not yield a positive outcome then the dealer may place the order with either a broker that has recently been trading the stock or decide to use an algorithm. In both scenarios the dealer will control the parameters.

Program trades are used when a large group of trades are bulked together generally in the case of redemption, inflow and a change in asset allocation. Program trades allow a large number of orders to be executed in a low cost efficient manner. All Program Trades are conducted on an agency basis with an agreed commission rate. The orders are traded via specific instruction from the dealer.

Where permitted by the client, we may participate in IPOs and primary placings. Orders are placed on the order management system and run through pre trade compliance. If we do not get our full allocation then we will pro rata using the order management system.

There may be instances where we cross your order with another client via the market. This will be done at the prevailing mid-price.

2.2 Fixed Income

All fixed income transactions are traded over Bloomberg's MTF, using TSOX. For transactions in the liquid government bond market, we utilise a Request For Quotation ("RFQ") mechanism. This means simultaneously asking a minimum of three brokers for a quote. In selecting which counterparties to ask we will assess a number of factors such as axes, indicative prices and execution hit and miss rate. If the order is deemed large in nature, then the number of counterparties we request a quote from might

be reduced to minimize information leakage. If a dealer does not select at least 3 counterparties the Order Management System will prompt an explanation of the rationale for the decision.

In less liquid bond markets, where liquidity and market impact are greater factors, we will try to source natural liquidity and will refrain from seeking multiple quotations so as to limit adverse price impact.

2.3 Derivatives

Derivatives are only used if specifically sanctioned in a client's Investment Management Agreement. When and where appropriate they are used for efficient portfolio management and to express a variety of investment views.

Exchange traded derivatives are centrally cleared and provide considerable flexibility when seeking price transparency and liquidity. Depending on the size of the order, we may choose to execute via an RFQ where we would ask a minimum of 3 counterparties. If the order is below block size, then we may give the order to a broker to work in the market.

When trading OTC, we must have industry standard legal documentation before we can trade (an ISDA). Therefore when trading instruments OTC we are limited to a small number of counterparties.

2.4 Unit Trusts

Where we transact on your behalf in collective investment schemes, we will execute these trades via the Authorised Corporate Director. We set internal deadlines for receipt of Unit Trust orders (never longer than an hour before the fund's valuation point) to ensure that there is sufficient time to process the trade on the intended trade date. We also perform various post trade checks, to ensure there is time for resolution of queries in case this in turn could cause a delay to the trade.

2.5 Cash Deposits

We use interbank brokers to assess the best rates for client money. Counterparties must firstly go through a counterparty approval process before money can be deposited. Internal exposure limits are placed on such counterparties on both an individual and aggregated basis which are reviewed on a daily and monthly basis by the risk department.

2.6 FX

We trade foreign exchange spot transactions in settlement of securities in non-base currencies and also when instructed by portfolio managers, which are dealt and settled through clients' custodial banks. Forward foreign exchange transactions conducted as currency hedges are made with approved, regulated banks. These include, but are not limited to, clients' custodial banks. Except where clients have appointed our majority shareholder Bank J. Safra Sarasin as custodian, associate companies are not normally used.

3. Monitoring Best Execution

To measure best execution we use independent Transaction Cost Analysis (TCA) reports and data, along with in-house data to measure best execution and adherence with the policy.

First line

Equities: For Equity orders we operate an exception based approach. Trades that fall outside of tolerance are flagged on a T+1 basis. These tolerance levels have been agreed by the Best Execution Committee. For any exception, the Dealing Desk will provide a rationale for the underperformance, which is evaluated on a quarterly basis, by the Best Execution Committee.

Bonds and Listed Derivatives: For derivatives and bonds, we use internal data to ensure competing quotes have been obtained where relevant and that any trades whereby 3 brokers were not selected is flagged and discussed on a quarterly basis at the best execution meeting.

OTC products (Swaps/CFDs): To ensure best execution we request for a quote from four different counterparties and select the cheapest financing rate. Details of these quotes are stored and reviewed by compliance. Orders and quotes are communicated with brokers by email and therefore an audit trail is maintained.

Second Line

The second line Compliance and risk monitoring teams also perform independent monitoring according to a risk-based monitoring plan or on an ad hoc basis when necessary, to verify the adequacy and effectiveness of the measures and procedures put in place to ensure that we comply with our obligations under this policy.

4. Reporting To Clients

To comply with our reporting obligations, we will publish data on our website disclosing our top five execution venues, in terms of trading volume, per asset class. Where relevant we will publish the top five entities (brokers) where we have placed orders on behalf of clients for execution.

5. Glossary

Algorithm Trading: Algorithmic trading relies on computer systems to buy shares automatically when predefined market conditions are met.

ADV, Average Daily Volume: is the amount a security has traded on average over a specific period of time.

IPO: Initial Public Offering

ISDA: An ISDA Master Agreement is the standard document that is commonly used to govern over-the-counter derivatives transactions. The Agreement, which is published by the International Swaps and Derivatives Association (ISDA), outlines the standard terms to be applied to a derivatives transaction between two parties.

MTF: A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of MiFID.

OTC: Over the Counter

OTF: Organised Trading Facility: A multilateral system that is not a Regulated market or MTF. Within an OTF, multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in a way that results in a contract. Equities are not permitted to be traded through an OTF.

Program Trading: A basket of securities traded together, which are all executed vs a defined benchmark,

Regulated Market: A multilateral system, operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly and in accordance with the provisions of Title II of MiFID.

Execution Policy of the Sub-Advisor

RFQ; Request For Quote: A trading protocol available in certain asset classes where a number of counterparties are asked simultaneously for a price.

Systematic Internaliser: An investment firm which, on an organised, frequent and systematic basis, deals on its own account by executing client orders outside a Regulated Market or MTF.

TSOX: Bloomberg's Execution Management System for fixed income.

Online Reporting Terms of the Sub-Advisor

Guidance Notes: If you choose to use our online reporting services, these Online Reporting Terms will govern your use of those services provided by us to you. You should read these together with the Client Agreement that contains the general terms which govern our relationship.

1. Definitions

The definitions in the Client Agreement apply to these Online Reporting Terms, together with the following:

Client Agreement means the discretionary client agreement signed by you

Service means the service which we are able to provide you or a duly authorised person through the use of the Website which enables you to view details of investments held by you including the value of the Portfolio or the complete reporting and valuation package

Website means www.sarasinreports.co.uk;

Except as defined in these Online Reporting Terms, capitalised terms used in these Online Reporting Terms shall have the meaning given to them in the terms of the Client Agreement.

2. Basis of Provision of the Service

2.1 This Service is only available to you or those that have been duly authorised by the signatories to the Portfolio, to access the Service.

2.2 You are not entitled to use or continue to use, and must not attempt to use, the Service when your authorisation has been terminated either by the authorised signatories or at our discretion, or if you have ceased being a client.

2.3 In consideration of us granting a non-exclusive, non-transferable licence to use the Service subject to these Online Reporting Terms, you agree to be bound by them.

3. Access to client's information

3.1 The Service provides you with facilities to view details of your holdings and/or the complete reporting and valuation package for your Portfolio.

3.2 You must not access, or attempt to access, information other than that to which you are entitled under Clause 2.1 above.

3.3 You must notify us immediately of any changes or if you no longer wish to access your Portfolio information in accordance with Clause 13.1 below.

3.4 You hereby agree to indemnify us, our Associates and our and their respective members, partners, employees, and our agents and their employees, against any loss or expense suffered or incurred arising from your breach of any term, condition, representation or warranty set out in provision of these Online Reporting Terms.

3.5 You agree and acknowledge that you shall comply with the security procedures relating to access as specified within these Online Reporting Terms and provided by us from time to time.

4. Activating your account

4.1 The procedure for activating the Service will be detailed in an email to you.

5. Security

5.1 You must keep all security information such as username and passwords confidential and must not disclose it under any circumstances to anyone, including our members of staff. You agree to indemnify us against any loss of whatever kind and howsoever arising out of the unauthorised use or disclosure of such information.

5.2 You must take all reasonable precautions to prevent unauthorised or fraudulent use of the Service.

5.3 You must not keep a record of your account name and password (on a computer or on paper) in any form, which could be accessed and understood by any unauthorised person.

5.4 We will not be liable for any losses or costs incurred by you as a result of unauthorised access or usage of your account or for any transactions resulting from such access or usage.

5.5 You must notify us immediately if you suspect someone knows your account name and password or if you suspect someone has accessed your account without your permission.

Online Reporting Terms of the Sub-Advisor

5.6 If your account is not accessed for 200 days, it may be deactivated. This is to prevent unauthorised access.

6. Usage of the Service

6.1 You must not, and must not attempt to:

- (a) gain unauthorised access to the Service;
- (b) bypass or breach the security of the Service;
- (c) alter, change or modify the Service; or
- (d) copy any parts or the whole of the Service.

6.2 You should note that if you do any of the above, it may be a criminal offence as well as being a breach of these Online Reporting Terms.

6.3 You must not do anything which may impair or damage the Service or the reputation of the Service.

6.4 Where you are aware of any discrepancies of Intellectual Property Rights subsisting in the details displayed in the Website, you shall inform us immediately.

7. Provision of the Service

7.1 We will use reasonable endeavours to ensure that the Service is available. However, we do not make any representations or warranties as to the availability of the Service and do not accept liability for any failure to provide the Service at all or failure to provide the Service temporarily or restrict the provision of the Service for administrative or other reasons. If the Service is unavailable, you may contact us during normal business hours.

7.2 We reserve the right to suspend or withdraw operation of the Service at any time. We will try to inform you of any such occurrence as soon as is practicable after such suspension or withdrawal, unless the Service has already been resumed or restored. We reserve the right to suspend immediately and without notice the operation and/or usage of the Service in whole or in part where we consider this to be appropriate as a result of any suspected or actual unauthorised access to the Service by anybody, whether or not such unauthorised access is believed to have affected your account.

7.3 You acknowledge that your access to the Service may be prevented by certain factors outside of our control including without limitation the unavailability, in-operation or interruption of internet services or the in-operation or inefficiency or unsuitability of the

computer hardware that you use to access the Service. We shall not be liable for any loss or damage in respect of this.

7.4 Where the online valuation is not available for any extended time or terminated for any reason whatsoever, if you have opted for online reporting in your Client Investment Profile in lieu of the hard copy valuation being sent via normal mail delivery, the normal delivery method by normal post will be reinstated by us.

7.5 We shall not be liable for errors, omissions or inaccuracies regarding any of your details displayed on the Website which arise out of data transmission or which take place due to machine or software error or which originate from information or data obtained from third parties.

7.6 In no event will we be liable for special, indirect, incidental or consequential loss and for damages arising from loss of use, data or profits arising out of or in connection with the Service. Notwithstanding the foregoing our liability shall only be limited to the extent permitted by law.

7.7 The Service is currently provided free of charge. We reserve the right to levy charges in the future should we determine circumstances so require. If and when we decide to levy any charges for the Service, we will inform you in writing and you will have the opportunity to terminate the Service under these Online Reporting Terms with immediate notice.

7.8 We reserve the right from time to time to make changes or enhancements to the Service and to cease providing the Service or any part thereof. We will, where appropriate and at our discretion, inform you of any such changes or enhancements prior to their implementation, either by e-mail or by post to your last recorded address.

7.9 Whilst we will use our reasonable endeavours to ensure that the information provided by the Service is accurate, we will not be liable to you for any losses you may incur as a result of any errors or omissions caused by third parties or (except so far as it arises from our own gross negligence, fraud or wilful default) ourselves.

7.10 These Online Reporting Terms are available and may be viewed from within the Service. We reserve the right from time to time to vary these Online Reporting Terms governing the usage of the Service and such variations or changes shall be effective

immediately any notice thereof will be furnished to you by inclusion within the Service or otherwise.

8. Warranties and disclaimers

- 8.1 We make no express or implied warranties or representations, whether statutory or otherwise, regarding the Service or any part thereof including without limitation with regard to your information displayed on the Website, except to the extent that any such warranties or representations cannot be excluded by law.
- 8.2 The Service consists of a viewable unaudited interim valuation and also downloadable audited monthly, quarterly, half yearly valuation (where applicable). It is important for you to note that the holdings and prices reflected in the online unaudited interim valuation report have not been reconciled or checked for accuracy and therefore the figures should be treated as indicative only. You should not treat the information you see for the unaudited interim valuation within the online valuation service as conclusive. We cannot be held liable for any losses or damages (including consequential losses or damages) whatsoever from the use of, or reliance on, the information within the overview of the unaudited interim valuation.
- 8.3 We reserve the right to amend the facts and figures on the Website without providing notification to you.
- 8.4 The Website is published solely for informational purposes and has no regard to the specific investment objectives, financial situation or particular needs of any person.

9. Title

- 9.1 You agree and acknowledge that you have no title in the Website and any information concerning you may be displayed on the Website and any rights you have in respect thereof is strictly as granted to you and/or authorised and solely limited to these Online Reporting Terms.

10. Links to other website and services

- 10.1 The Website may contain internet addresses, links and/or hyperlinks to other websites, which are not operated or monitored by us. The links to other sites are for your convenience and we do not accept any responsibility or liability for enabling you to link to any other website, for the contents of any other website, for the security of any other website, or for

any consequence of your acting upon the contents of such website. No endorsement or approval of any third parties or their advice, opinions, information, products or services is expressed or implied by any information on the website. It is your responsibility to check the terms and conditions and privacy policies which are applicable to such other third party sites.

11. Cookies

- 11.1 By agreeing to these Online Reporting Terms you accept that we will place a cookie on your computer to recognise you each time you log in to the Service. A "cookie" is a small data file of letters and numbers that we store on your browser or the hard drive of your computer. Cookies cannot be programmed, carry computer viruses or install malware on your computer and they do not retrieve information stored on your hard drive or corrupt or damage your computer or any of its files. Please note that your browser needs to accept "cookies" in order to use the Service. If it is not the case at the moment, you may need to make the necessary changes to your browser settings to accept the "cookies" required to use the Service. You can block cookies by activating the setting on your browser that allows you to refuse the setting of all or some cookies. However, if you use your browser settings to block all cookies you may not be able to access all or parts of the Service.

12. Incorporation

- 12.1 If you have elected to use our online reporting service by completing the relevant section of your Client Investment Profile, you agree that these Online Reporting Terms form an integral part of the Client Agreement and by signing the Client Investment Profile you agree to be bound by these Online Reporting Terms in relation to your use of the Service.

13. Termination

- 13.1 If you wish to stop using the Service, please notify us in writing by post or email and we will deactivate your account. Upon deactivation, you will not be able to access the Service and these Online Reporting Terms shall no longer apply.

Online Reporting Terms of the Sub-Advisor

13.2 These Online Reporting Terms will automatically terminate when the Client Agreement is terminated.

13.3 The rights granted to you to use the Service will terminate immediately upon any violation by you of these Online Reporting Terms. We in our sole discretion, reserve the right to temporarily or permanently terminate your access to, and use of, the Website at any time and for any reason whatsoever, without notice or liability. Neither we nor any member of Bank J. Safra Sarasin Limited group will be liable to you or any third party for any termination of your access to or use of the Website.

14. Governing law

14.1 These Online Reporting Terms and your use of the Service and Website shall be governed by and construed in accordance with the laws of England and Wales and any disputes will be decided only by the courts of England and Wales.

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April 2019