



Terms and Conditions

for the Collective Investment Bond

These **terms and conditions** only apply to Collective Investment Bonds that are on Charge Basis 3. If your bond is on Charge Basis 1 or 2, please refer to the Charge Basis 1 and 2 terms and conditions.

*This product is provided by
Quilter Life & Pensions Limited.*

These terms and conditions (including the schedules mentioned below) and the online Customer Centre terms and conditions (if you have agreed to those terms) together form a legally binding agreement between you, the bond holder (or joint bond holders), and us, Quilter Life & Pensions Limited for the Collective Investment Bond (the bond).

Please read this **agreement** carefully. If there is anything that you do not understand, please ask for further information. Our contact details are below.

Terms that appear in bold are explained in the Glossary on pages 22 and 23.

The following schedules also form part of your **agreement** with us:

- the **Charges, fees and rebates guide**
- the **Bond eligibility and requirements guide**.

The following documents also provide important information about your **bond**:

- Key Information Document
- the **Key Features Document**
- the Funds List. There is a separate Funds List for each Charge Basis.

If you would like this **agreement** or any future correspondence in Braille, Moon Braille, Audio, Translation, Open Dyslexic font or large print, please contact us at:

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Quilter Life & Pensions Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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Opening a bond

1. Eligibility

- 1.1 The requirements for opening a **bond**, including the minimum investment requirements and eligibility criteria, are set out in the **Bond eligibility and requirements guide**.

2. Application

- 2.1 To open or top up a **bond**, our current application form must be completed and sent to us. This must be sent online by your **financial adviser** using our **adviser extranet**, unless we allow it in any other format such as a paper application.

- 2.2 Your application must be accompanied by a valid payment for your investment in pounds sterling. Valid payment methods are: a cheque, a bank transfer made to us or (for online applications only) a debit card authorisation from a **UK** bank/building society.

See terms 21, 22, and 23 for more information about the **instructions** we accept. Please be aware that if you are sending payment for more than one application you need to send separate payments for each application, rather than sending us a single payment to be split.

- 2.3 We will not be able to accept your application until we receive proof of your identity and address and any other information we may reasonably need. For example we may ask you to provide evidence of the source of the money for your investment and confirm your tax residency status and nationality.

We may ask you to provide evidence of the source of the money for your investment.

- 2.4 If we accept your application, we will send you an **acknowledgement**. If your application was made online, your **financial adviser** can provide you with details of the information sent to us on your behalf. You should check this information to make sure it is correct and you must tell your **financial adviser** or us if any corrections need to be made. Your **financial adviser** can also give you a form to sign, to provide us with a specimen of your signature. Without it, there could be a delay in carrying out your **instructions** in the future.

- 2.5 If your application is unclear or incomplete or we need more information from you, we will let you or your **financial adviser** know. You must provide the additional information or clarification we ask for; in the meantime we will hold your payment in our bank account. If we have not received the additional information or clarification within ten **working days**:

- a) if we are just waiting for a revised **fund** choice, we will open your **bond** and the relevant amount of your payment will be placed into the **default cash fund** until we receive valid **instructions** to **switch** it into one or more **funds**
- b) in any other case, we may return the sum paid to us as part of your application.

- 2.6 We do not have to accept your application or give you a reason if we reject it. If we reject your application, we will refund any payment you have made.

- 2.7 Your **bond** start date will be the **working day** on which we accept your first application to open a **bond**. We will notify you of your **bond** start date in our **acknowledgement**. Your **bond** start date may be earlier than the date on which we invest your payment.

- 2.8 If we have been asked to pay an initial fee to your **financial adviser**, we will only do this if we have first received confirmation of your authorisation in the format that we require. If we do not have confirmation of your authorisation to pay the initial fee, the fee will not be paid. The fee will be held in our bank account until we receive the authorisation. If we do not receive valid authorisation within ten **working days** we will return the sum paid to us in full.


We require a new fee authorisation if:

- a) a monetary initial fee is requested
- b) the amount of a fee is increased; or
- c) a change is made between monetary and percentage fees.

3. Changing your mind

- 3.1 You have 30 days to cancel your initial application to open your **bond**, starting from the date you receive our **acknowledgement**. You can do this by writing to us at our **postal address** or by communicating in any other format that we reasonably accept.

- 3.2 We will refund any Product Charge deducted from your **bond**. No deduction will be made for any Product Charge calculated but not yet applied.

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- 3.3 We cannot repay any fees we have paid to your **financial adviser** or **discretionary investment manager (DIM)** if you cancel your application. If the value of your investment has fallen during the cancellation period, you will only get back the fallen value of your investment, less any adviser and **DIM** fees already paid. If the value of your investment has increased during the cancellation period, you will only get back the amount that you invested, less any adviser and **DIM** fees already paid and we will keep any increase in value. You should speak to your **financial adviser** or **DIM** about whether repayment of fees is appropriate in these circumstances.
- 3.4 If you cancel your application and your **bond** is invested in a suspended **fund**, we will process your **instruction** to cancel but will only be able to return your investment in the active **funds** subject to term 3.3. Once the suspension has been removed we will send you any amount owed subject to term 3.3.
- 3.5 If you have authorised an **adviser fee** or **DIM fee** but choose to cancel your application before payment of the fee is made you may be liable to pay the outstanding amount directly to your **financial adviser** or **DIM**.
- 3.6 Cancellation rights do not apply where you top up your **bond**.

Please refer to the **Charges, fees and rebates guide** for information about **adviser fees**.

Your bond

4. How your bond works

- 4.1 Your **bond** is made up of 1,000 identical **life policies**. The number of **life policies** will reduce if you choose to withdraw money from your **bond** by selling any of those **life policies**.
- 4.2 The investments you make into your **bond** (less any applicable charges and **adviser fees**) are used to purchase **units** in **funds** (including those within **model portfolios** and **Managed Portfolios**), as you **instruct** us.
- 4.3 The value of your **bond** at any time is equal to the value of the **units** in the **funds** that you have chosen at their **bid value** plus any balance in **transactional cash** (less any applicable charges). However, you do not own the **units**, the **funds** or any underlying assets, or **transactional cash** which remain our property.

5. How your life policies work

- 5.1 Each investment into your **bond** is spread evenly across all your **life policies**. This means that each **life policy** is identical in terms of the amount of investment and the number of **units** allocated to it.

Please refer to the **Key Features Document** and speak to your **financial adviser** if you require further information.

6. Payment of death benefit

- 6.1 If your **bond** is established on a single life basis, then the **death benefit** will be payable upon the death of the **life assured**. If your **bond** is established on a joint life basis, then the **death benefit** will be payable on the death of the last surviving **life assured**. Payment of the **death benefit** ends all of our obligations under this **agreement** and closes your **bond**.
- 6.2 If you have chosen capital protected **death benefit**, the **death benefit** is calculated as the greater of:
- the total investment paid into the **bond** prior to the date we receive written notification of the death of the **life assured**, less all withdrawals including **adviser** and **discretionary management portfolio fees**, and applicable charges
 - 101% of the value of your **bond**.
- 6.3 If you have not chosen to add capital protected **death benefit**, the **death benefit** is 101% of the value of your **bond**.
- 6.4 The value of your **bond** for the purpose of calculating **death benefit** is equal to the latest available **bid value** of the **funds** in your **bond**, less any applicable charges. Our receipt of notification of the death of the last **life assured** will be deemed to be an **instruction** to sell the **funds** within your **bond**.

Please see the **Key Features Document** for information regarding tax charges on death.

- 6.5 It is important to report the deaths of any of the **lives assured** as soon as possible. A claim for the **death benefit** will need to be accompanied by the death certificate and any other documentation we may reasonably request.

Assets

7. Funds

- 7.1 You can invest into **funds** from our published Funds List.
- 7.2 If you select a **fund** which is not available, we will invest this amount into the **default cash fund**, until such time as we receive a valid **instruction** from you to **switch** to a different **fund**.
- 7.3 If you have invested in a **fund** that generates income, that income will be automatically used to buy more **units** in that **fund**. If the **fund** that generated the income is part of a **model portfolio** or **Managed Portfolio** which has been closed then the income will be held in **transactional cash**.

8. Adviser and discretionary managed model portfolios

- 8.1 Your **financial adviser** and **discretionary investment manager (DIM)** may provide **model portfolios** into which you can invest.
- 8.2 Your **financial adviser** and **DIM** may use any combination of **funds** from our Funds List to build these **model portfolios**.
- 8.3 For providing **model portfolios**, your **DIM** may apply an additional fee to your **bond**. This is described as a **discretionary management portfolio fee**. Your **financial adviser** will be able to confirm the amount of any applicable **discretionary management portfolio fee**.
- 8.4 Once invested into a **model portfolio**, any additional investments made into the **model portfolio** follow a preference set by your **financial adviser** or **DIM**. This will either be to invest in **funds** within the model to bring the model back to its target allocation (or closer to it) or to invest into **funds** in line with the target allocation.
- 8.5 Once invested into a **model portfolio**, any sales from the **model portfolio** to cover withdrawals, fees and charges follow a preference set by your **financial adviser** or **DIM**. This will either be to sell **funds** within the model to bring the model back to its target allocation (or closer to it) or to sell **funds** in line with the current proportions within the **model portfolio**.

Your **financial adviser** may agree with you to or your **discretionary investment manager** may choose to rebalance your **model portfolio** regularly. Rebalancing is the process of periodically buying or selling assets in a **model portfolio** to maintain an original desired level of asset allocation.

9. Transactional cash

- 9.1 **Transactional cash** is held within your **bond** to simplify buying and selling of **funds**. This **transactional cash** is also used for payment of **financial adviser** and **DIM** fees as well as our Product Charge as described in the **Charges, fees and rebates guide**. **Transactional cash** may also be held within a **model portfolio**, described under term 8 or **Managed Portfolio**, described under term 42. **Transactional cash** cannot be selected as an investment option for your **bond**.
- 9.2 Any balance of **transactional cash** is an asset within your **bond**. Balances are held by us with our external banking partners.
- 9.3 Interest will not be credited for any balance of **transactional cash**.
- 9.4 In exceptional circumstances, where the balance held in **transactional cash** exceeds a level required to enable buying and selling of **funds** and the payment of fees and charges, we may ask you to **switch** some of the balance into **funds**. If after 30 days the balance, in our opinion remains excessive, we will **switch** some of the balance into the **default cash fund**.

10. Investing in your bond

- 10.1 You can **instruct** us to invest in your **bond** by making a single investment by cheque, bank transfer (or for online applications only) debit card payment to us.
- 10.2 We use your investments (less any applicable charges and **adviser fees**) to buy **units** on your behalf in the **funds** you have selected, by liaising with the **fund manager(s)** to transmit your **instructions** to them on your behalf. The number of **units** allocated to each **fund** will be determined by dividing the value of the investment allocated to that **fund** by the **offer price** of the **units** in that **fund** on the day they are bought.

For details of the charges please see the **Charges, fees and rebates guide** later in this document.

- 10.3 We may process your **instruction** to make an initial or top-up investment before your payment has cleared. If your payment does not clear, the bank does not honour your payment or your payment is cancelled for any reason, we will cancel any investments we have made and you will be liable to us for our losses if the value of your investment has fallen. In the case of top-up investments, we can recover the value of our loss from your **bond**. We will keep any increase in the cancelled investment value.

11. Phased investment

- 11.1 You can **instruct** us to **phase** a lump-sum investment in your **bond** or any value held in the **default cash fund** into **funds** (excluding the **default cash fund**), **model portfolios** and **Managed Portfolios**. We will hold your investment in the **default cash fund** then **phase** your investment into your chosen **funds** over 3, 6 or 12 months as specified in your **instruction**.
- 11.2 You can choose the month in which you want the **phasing** to start. We will calculate your first instalment on the first **working day** of that month. However, if we receive your **instruction** less than 10 **working days** before the required start date, we cannot guarantee that it will take effect for that month.
- 11.3 If you do not specify a start month, we will calculate your first instalment on the first **working day** of the month after we receive your **instruction**. However, if we receive your **instruction** less than ten **working days** before the first **working day** of the next month, we cannot guarantee that your **instruction** will take effect for that month.
- 11.4 We will calculate each **phased investment** instalment by dividing the investment by the number of months you specify at the time of giving the **instruction**. If the calculation results in more than two decimal places each instalment will be rounded down to two decimal places. Any excess from this rounding will be held in the **default cash fund** in your **bond**. Where deductions have been made from the **default cash fund** since giving the **instruction** to **phase**, for example to cover fees and charges, the final instalment of your **phased investment** may be less than other months.
- 11.5 We will process **phased investment** instalments on the **dealing day** we have calculated them.
- 11.6 When your **phasing instruction** is completed, any growth achieved within the **default cash fund** during the **phasing** period will remain invested in the **default cash fund** until we receive a **switch instruction** from you or your **financial adviser**.
- 11.7 Your **instruction** to **phase** will continue until completed or cancelled. You can cancel an **instruction** to **phase** at any time. However, if we receive your **instruction** less than ten **working days** before the next calculation date, we cannot guarantee that your cancellation will take effect for that month.
- 11.8 Your **instruction** to **phase** will also be cancelled if:
- there is no value in the **default cash fund** when **phasing** is due to occur
 - you **switch** your entire **bond** (including the **default cash fund**) into different **funds** from those selected for your **phased investment**
 - the **model portfolio** selected for your **phased investment** is closed
 - we are notified of the death of the sole or last surviving **bond holder**
 - you assign 100% of your **bond** to a new owner.

12. Distributions of income

- 12.1 If you have invested in **income units** of a **fund**, any related income received will be **reinvested** into your **bond** under this term 12. You can choose one of the following income **reinvestment** options:
- reinvest** the income into the **fund** from which it was paid, up to ten working days after we receive it, or
 - hold the income as **transactional cash** within your **bond**.
If the **fund** is part of a **model portfolio** or **Managed Portfolio**, and 12.1(a) is chosen by your **financial adviser** or **DIM** then the income will be **reinvested** into the **model portfolio** or **Managed Portfolio** in line with term 8.4. If the **model portfolio** or **Managed Portfolio** has been closed by your **financial adviser** or **DIM** then the income will be held as **transactional cash** within your **bond**.
- 12.2 We may **reinvest** income into a **fund** within your **bond** after we have processed an **instruction** to **switch** all of your **units** out of that **fund**. If this happens, the **units** bought with the **reinvestment** will remain in the original **fund** until you instruct us to **switch** it.
- 12.3 Where we are unable to **reinvest** income into the **fund** from which it was paid it will be held as **transactional cash** within your **bond**.

Making changes to your bond

13. Adding/removing lives assured

- 13.1 Once your **bond** has started you cannot change the individuals who are the **lives assured**.

Please see the **Bond eligibility and requirements guide** for the maximum number of **lives assured** you may have for your **bond**.



14. Switching

14.1 You can **instruct** us to **switch** either:

- a) a percentage of your investment in a **fund** (including a **model portfolio** and **Managed Portfolios**)
- b) a specified monetary amount held in a **fund** (including a **model portfolio** and **Managed Portfolios**)

We will carry out your **instructions** by communicating them to the **fund manager(s)** on your behalf.

Please refer to the **Bond eligibility and requirements guide** for more information about the restrictions on **switching**.
Please refer to term 29 for what happens if a **fund** is closed or suspended.

14.2 If you are **phasing** an investment into a **fund**, an **instruction** to **switch** from that **fund** only applies to the **units** you hold in that **fund** at the time of the **instruction** and not the **phased investment** itself. We will continue to use the **phased investment** to buy **units** in the original **fund**, by liaising with the **fund manager(s)** to transmit the **instructions** on your behalf, unless you **instruct** us otherwise.

14.3 If you **instruct** us to **switch** to, or from, multiple **funds** (including a **model portfolio** and **Managed Portfolios**), we will treat this as one **instruction**. This means that if we cannot complete any part of that **instruction** we will delay processing it until all of the **switches** can be completed.

14.4 Where you **instruct** us to **switch**:

- a) a percentage from **funds** (including a **model portfolio** and **Managed Portfolios**), we will buy the new **units** on the first **dealing day** after all of the sales have been confirmed as completed and we receive confirmation from the **fund managers** of the price for each sold **fund**. It may take up to five **dealing days** to complete your **instruction**
- b) a specified monetary amount held in a **fund** (including a **model portfolio** and **Managed Portfolios**), we will send **instructions** to the **fund managers** to buy the new **units** at the same time as we send **instructions** to the **fund managers** to sell the existing **units**.

Please refer to term 23 for information about when we process your **instructions**.

Withdrawals

15. Regular withdrawals

15.1 You can **instruct** us at any time to pay you regular withdrawals from your **bond**, specified as a monetary amount. Each withdrawal will be paid proportionally from all the **life policies** in your **bond**.

15.2 We will raise the money to pay your regular withdrawal in one of the following ways as specified in your **instruction**:

- a) by selling **units** from all of your **funds** (including **transactional cash**, the **default cash fund** and **model portfolios** and **Managed Portfolios**) proportionally (unless a **fund** makes up 2% or less of the **bond** value) based on the value of your **bond** at the time of sale
- b) by selling **units** from specific **funds** (including **model portfolios** and **Managed Portfolios**).

15.3 We will sell **units** proportionally from all your **funds** if:

- a) you do not tell us how you would like us to raise the money to pay for your regular withdrawals
- b) the value of any of your specified **funds** is insufficient to meet the payment required.

15.4 Where the withdrawal would mean taking more than the maximum percentage amount allowed from a specific **fund**, we will sell all **units** within the **fund(s)** to ensure we can pay your regular withdrawal. Any residual money following the regular withdrawal payment will be held **as transactional cash**.

Please refer to the **Bond eligibility and requirements guide** for details of our maximum amount.


15.5 We will sell **units** to pay for regular withdrawals up to ten **working days** before the payment date.

15.6 Each regular withdrawal must be at least the minimum regular withdrawal amount.

Our minimum regular withdrawal amount is set out in the **Bond eligibility and requirements guide**.

15.7 We will pay regular withdrawals to a bank account nominated by you on your chosen payment date each month specified in your **instruction**. You can choose any payment date from the 1st to the 28th.

15.8 You can choose the start month for your regular withdrawals and we will make your first payment on your chosen payment date of the first month specified in your **instruction**. However, if we receive your **instruction** less than ten **working days** before your chosen payment date, we cannot guarantee that it will take effect for that month. If you do not specify a start month we will start your withdrawals on the next available of the payment months you have chosen.

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- 15.9 Where your chosen payment date is not a **working day**, we will pay your regular withdrawal on the last **working day** before that date.
- 15.10 You can cancel or change a regular withdrawal **instruction** at any time. If we receive your **instruction** less than ten **working days** before your next regular withdrawal we cannot guarantee that it will take effect from that month.
- 15.11 Regular withdrawals will be cancelled if your **bond** value falls below your regular withdrawal amount. Where this happens we will not make a part payment to you.
- 15.12 Regular withdrawals will be cancelled if the only **fund** held in your **bond** is suspended as described in term 29.2. If you wish to recommence after the suspension has been removed, you will need to **instruct** us to do so. This term will also apply where the value in active **funds** falls below your regular withdrawal amount. Where this happens we will not make a part payment to you.

16. Single withdrawals

- 16.1 You can **instruct** us at any time to pay you a single withdrawal from your **bond**. Once you have given us your **instruction** you cannot cancel it.
- 16.2 You can choose to take your single withdrawal by:
- closing one or more **life policies**, and therefore selling all of the **funds** in those **life policies**
 - withdrawing a specific amount of money from your **bond** as a whole by selling **units** in specific **funds** (including **model portfolios** and **Managed Portfolios**)
 - withdrawing a specific amount of money from your **bond** as a whole by selling **units** proportionally from all **funds**.
- Where you choose 14.2(b) or 14.2(c) these withdrawals will be deducted proportionally across all the **life policies** in your **bond**.
- 16.3 If you do not specify how your withdrawal should be made or we deem your instruction to be unclear, we will not process your request until you provide written confirmation of which type of withdrawal you wish to make in accordance with term 16.2.

The tax implications may differ depending on which choice you make. Your **financial adviser** will be able to explain these to you.

- 16.4 Should term 16.3 apply, your request will only be treated as accepted in accordance with term 23.1 when we have received a clear **instruction** and the **unit** price you receive will be determined in accordance with term 23.2. we will not be liable for any loss in value that arises as a result of the delay.
- 16.5 If your **instruction** is for a specified monetary amount, unless you have **instructed** us to sell all **units** in a **fund**, you can only withdraw up to the maximum equivalent percentage amount allowed.
- 16.6 If your instruction is to sell **units** from a specific **fund(s)** and the value of a **fund** falls after we have accepted your **instruction** leaving insufficient value to pay your single withdrawal, we will raise the shortfall in line with section 1 of the **Charges, fees and rebates guide**.
- 16.7 We stipulate a minimum value for your **bond**. If at any time the **bond** value falls below our minimum value then we may decide to close your **bond** as described in term 19 unless you offer to top up your **bond**. Should your **bond** have no value at any time we will close it. You will be unable to top up your **bond** once it has been closed.

Please refer to the **Bond eligibility and requirements guide** for details of our minimum and maximum withdrawal amounts and minimum **bond** value.

- 16.8 You will receive the payment of your single withdrawal within ten **working days** of our starting to carry out your **instruction**.

Please refer to term 23 for information about when we process your **instructions**. It may take up to five **working days** for us to receive the sale proceeds from the **fund managers**. It may then take a number of days before the money reaches your bank account. We will pay the sale proceeds as one amount once we receive them from the **fund managers** for all of the **funds** being sold. Typically this process can take up to ten **working days**

17. Payment Of Withdrawals

- 17.1 Except as set out in this term, we will only make payments to you. If you **instruct** us to do so, we may agree to make payment to another **UK** financial institution, your **financial adviser** or your solicitor on your behalf, provided they are allowed to hold client money.
- 17.2 If the **bond** is held jointly, any written **instruction** to pay your withdrawal must be signed by all **bond holders**. Payment in accordance with your **instruction** will discharge our obligations to all **bond holders**.



- 17.3** If the **bond** is held in the name of a corporate entity, the **instruction** must be signed by the authorised signatories and we will only make payment to a **UK** bank account in the name of that corporate entity.
- 17.4** If you hold your **bond** on trust an **instruction** to pay your withdrawal must be signed by all trustees.
- a) If the trust is for a pension scheme, we will only make payments to the trustee **UK** bank account.
 - b) For other types of trust, you may **instruct** us to make payments to a **UK** bank account in the name of:
 - i) the trust
 - ii) one or more of the trustees
 - iii) one or more beneficiary, provided that:
 - the beneficiary is at least 18 years old
 - we receive acceptable proof of the beneficiary's identity.
- 17.5** Payments will be made in pounds sterling by electronic bank transfer.
- 17.6** We may agree to pay by **CHAPS**. If we do, we will deduct a **CHAPS** charge.
- 17.7** If a payment is returned to us by your bank we will make reasonable attempts to arrange an alternative payment method with you.

Please refer to the **Charges, fees and rebates guide** for details of the **CHAPS** charge.

Closing your bond

18. Closure by you

- 18.1** You can close your **bond** by **instructing** us to pay you a withdrawal of the total value of your **bond**. Once you have given us your **instruction** you cannot cancel it. Once your **bond** is closed, we cannot reinstate it.
- 18.2** When your **bond** is closed the **death benefit** ceases.

19. Closure by us

- 19.1** We can close your **bond** in the circumstances where you have materially breached this **agreement**, including in circumstances where:
- a) your **bond** falls below the minimum **bond** value
The minimum **bond** value is set out in the **Bond eligibility and requirements guide**.
 - b) you are, or we reasonably suspect you may be, using your **bond** for an illegal purpose;
 - c) you are, or we have reason to suspect you may be, acting fraudulently;
 - d) you exhibit threatening, abusive or violent behaviour towards our employees, either face-to-face, over the phone or in correspondence;
 - e) we reasonably believe you have applied for the **bond** using falsified information or documents;
 - f) you repeatedly fail to provide us with reasonable information or documents enabling us to comply with our legal and regulatory obligations;
 - g) we reasonably conclude that by continuing to keep the **bond** in force, we may break a law, regulation or Court Order and where such consequence could lead to action against us or to our criminal prosecution.
- 19.2** If we close your **bond**, we will:
- a) notify you in advance and your **bond** will close on the date specified in the notice
 - b) pay you a withdrawal of the total value of your **bond** (less any applicable charges) by electronic bank transfer.

20. General closure provisions

- 20.1** When closing your **bond** we will first complete all **instructions** being processed at the time. Closing your **bond** does not affect any existing rights or duties under this **agreement**.
- 20.2** At the point of closure we will deduct from the closure proceeds any fees and charges, which have accrued to the date of closure but not yet been deducted. Any debit balance described in section 1.2(c) of the **Charges, fees and rebates guide** will also be deducted from the closure proceeds.

- 20.3 After your **bond** is closed, it will not benefit from any income or **rebates** we receive but which are not credited to your **bond** at the date of closure.

- See term 17 for information about how payments will be made.
- See term 29 for information about what happens if a **fund** is suspended.
- For details of the charges please see the **Charges, fees and rebates guide** later in this document.
- It may take up to five **working days** for us to receive the sale proceeds from the **fund managers**. It may then take a number of days before the money reaches your bank account.
- We will pay the sale proceeds as one amount once we receive them from the **fund managers** for all of the **funds** being sold.

Instructions

21. Sending instructions to us

- 21.1 All **instructions** in relation to your **bond** must be in a format reasonably acceptable to us and be accompanied by any necessary supporting documents and payment if applicable.
- 21.2 **Instructions** must be submitted online using our **online Customer Centre** or **adviser extranet** or, if we require paper **instructions** and/or supporting documents, sent by post to our **postal address**.

Your **financial adviser** will be able to give you more information about when an **instruction** must be submitted in writing.

22. Accepting your instructions

- 22.1 We may require you to provide proof of identity and address, or any other information we may reasonably need before we are able to accept your **instruction**. We may require you to provide evidence of the source of the money for any investment.
- 22.2 We will not accept an **instruction** if:
- a) it does not comply with the requirements in the **Bond eligibility and requirements guide**
 - b) it means we will be in breach of any law or regulatory requirement
 - c) it would be reasonable for us to reject it for example where the **instruction** is illegible or unclear.

23. Processing instructions

- 23.1 If we receive an **instruction** which involves buying and/or selling **units**, we will arrange the transaction for you by sending **instructions** to the **fund manager(s)** on your behalf. We will submit that **instruction** to the **fund managers** by the time indicated in the table:

Form of instruction	Time
Adviser extranet and online Customer Centre	The end of the next working day after it has been acknowledged by our system, or the end of the next working day after we accept the instruction , if later.
Post (other than recorded and special delivery)	The end of the working day after the working day on which it is received at our postal address , or the end of the next working day after we accept the instruction , if later.
Other (including courier/hand delivery/recorded and special delivery)	The end of the second working day after the working day on which it is received at our postal address , or the end of the next working day after we accept the instruction , if later.

- The **fund managers** will typically carry out your **instructions** to buy and sell **units** at the dealing point after the next cut-off time following their receipt of the **instruction**.
- The price for a **unit** in a **fund** may be different on each **dealing day**.
- Some **fund managers** take longer to confirm their prices than others, which means that it may take several days to complete a transaction.
- More information is on the **fund** information pages of our website at platform.quilter.com/funds

- 23.2 The **unit** prices you receive will be those that apply on the **dealing day** on which the **fund manager** acts on your **instructions**. We aggregate our customer transactions. As a result of this the **fund manager** may apply a special price on large transactions. This will be reflected in the **unit** price all parties to the transaction receive.



- 23.3** Where you ask us to carry out a number of transactions in one **instruction** or where you send us a number of **instructions** at the same time, we cannot guarantee the order in which we carry out those transactions and it may not be possible to process them all on the same **working day**. In some circumstances, it may take a number of **working days** to complete all transactions.
- 23.4** We can only carry out one transaction involving buying or selling **units** at a time, even if the **funds** in the first and subsequent transactions are different. This means that where we are carrying out a number of transactions involving buying or selling **units**, whether or not **instructed** by you or your **financial adviser**, it may take a number of **working days** to complete the first transaction and start the second.
- 23.5** Where we receive an unusually large number of **instructions** in a **working day** we may not be able to start carrying out your **instruction** for up to three **working days** after we accept it.
- 23.6** In exceptional circumstances outside of our control, we may delay starting to carry out your **instructions** until the earliest **working day** that is appropriate and reasonable. This is only likely to happen if, for example, no accurate **unit** price is available from the **fund manager** or there has been a significant change to the **fund**.
- 23.7** Where we think it is reasonable and practical to do so, we will let you know if there has been a delay in processing your **instructions**.
- 23.8** If you request a single withdrawal or if your **bond** is closed, we will pay the sale proceeds as a single payment to you once we have received them from all of the **fund managers** for all of the **funds** being sold.
- 23.9** We will not carry out **instructions** if before we start to do so:
- a) we are notified of the death of the sole or last surviving **bond holder**
 - b) your **bond** is closed.
- 23.10** In some circumstances we may not process an **instruction** immediately. In these circumstances, we do not have to give you a reason for any delay.
- 23.11** If you **instruct** us to invest in more than one **fund** (including a **model portfolio** or **Managed Portfolio**), the percentage you want to invest in each can be stated up to a maximum of two decimal places. If the percentage amount for any **fund** (including a **model portfolio** or **Managed Portfolio**) is shown to more than two decimal places, we will round the percentage of each to the nearest two decimal places. If the total then doesn't equal 100% we will increase or decrease the percentage amount invested in one of the **funds** (including **model portfolios** and **Managed Portfolio**) shown in your **instruction** so that the total equals 100%.
- 23.12** It is the responsibility of you and your **financial adviser**:
- a) to check that we have correctly interpreted and carried out any **instructions** given for your **bond**, and
 - b) to notify us of any discrepancies within 30 calendar days of your receipt of confirmation of the change.

Charges, fees and rebates

24. Charges, fees and rebates

- 24.1** The charges, fees and **rebates** for your **bond** are set out in the **Charges, fees and rebates guide**.

Ownership of your bond

25. Joint bonds

- 25.1** Your **bond** may be held jointly with another person. Where we require written **instructions** in respect of joint **bonds** they must be signed by both **bond holders** subject to term 27.
- 25.2** Joint **bonds** will be held on a joint tenancy basis. This means that when one **bond holder** dies, the surviving **bond holder(s)** will own the **bond**.
- 25.3** If your **bond** is held jointly, on the death of the first joint **bond holder** we will provide the surviving **bond holder** with a new reference number for the **bond**. The new reference does not constitute a new **bond**, this **agreement** continues to apply with no changes.
- 25.4** Where we allocate a new **bond** reference number following the death of a joint **bond holder** charges and fees accrued to that point will be deducted prior to the new reference number being allocated.

26. Bonds held on trust

- 26.1** Where you hold the **bond** on trust you confirm that all **instructions** will be in accordance with the express terms of the trust deed and relevant law.
- 26.2** **Instructions** in respect of **bonds** held on trust must be made by all the trustees. Where we require written **instructions** in respect of **bonds** held on trust, they must be signed by all of the trustees subject to term 27.

- 26.3 You must notify us if you make any changes to the trustees and provide us with any evidence we reasonably request.

Please refer to term 17 for more information about payments from joint **bonds** and trusts.

27. Appointment of a lead bond holder

Appointment of a **lead bond holder** or lead trustee by an individual(s) or trustees.

- 27.1 If there is more than one **bond holder** you may select one to be the **lead bond holder** in order for **instructions** to be carried out either through the **online Customer Centre** or if you are using a different form of communication which is acceptable to us. We may also refer to the person nominated as the lead account holder. Where we do, this has the same meaning as this term 27.
- 27.2 Each **bond holder** must agree to select the same **lead bond holder**. If each **bond holder** cannot agree then you will not be able to appoint a **lead bond holder**.
- 27.3 By selecting a **lead bond holder** you agree and authorise the **lead bond holder** to provide us with **instructions** to carry out transactions on behalf of all the **bond holders**.
- 27.4 By selecting a **lead bond holder**, where the application is made by trustees, the trustees confirm that the provisions of the trust allow delegation of authority to one trustee to act on behalf of all trustees.
- 27.5 Each **bond holder** will have to sign an **online Customer Centre** agreement. The appointed **lead bond holder** will be able to access their account to view their **bond** and carry out **instructions** individually through the **online Customer Centre**. A **bond holder** will not be able to carry out **instructions** unless they are the **lead bond holder**.

Some **instructions** cannot be provided by the **lead bond holder** alone including, but not limited to, the following:

- a) **instructions** to withdraw money from or assign the **bond**.
- b) **instructions** to change details on a trust, for example the retirement or removal of a trustee.

Appointment of a **lead bond holder** by a corporate entity.

- 27.6 If you are registering for the **online Customer Centre** on behalf of a corporate entity, including, for example, a trust company, then you will be known as the **lead bond holder**.
- 27.7 You confirm that you have the appropriate authority to act on behalf of the corporate entity. For example, that there has been a Board resolution confirming that you have sole authority to act on behalf of the corporate entity.

Changes to the **lead bond holder**.

- 27.8 You may request to change the **lead bond holder** at any time.
- 27.9 You must inform us of any change. If you do not inform us of the change then we will continue to act on the **instruction** of the **lead bond holder**.
- 27.10 All **bond holders** must agree on the appointment of a replacement **lead bond holder**, as explained in term 27.2.
- 27.11 The **lead bond holder** will stop being a **lead bond holder** when:
- a) that person dies; or
 - b) there is a request by a **bond holder** to remove the authority from that person to be a **lead bond holder**. For example, where the **lead bond holder** ceases to be a trustee of the trust, for any reason.
- 27.12 We will not accept any further **instructions** through the **online Customer Centre** and we will only accept **instructions** by post signed by all **bond holders** until a replacement has been appointed, as explained in term 27.10.

28. Assignment

- 28.1 If you assign the ownership of your **bond**, you must notify us in writing and provide us with a fully completed deed of assignment.
- 28.2 Where the assignment legally transfers the ownership of all identical **life policies** to a new **bond holder** charges and fees accrued to the date we process the assignment will be deducted prior to the new reference number being allocated.
- 28.3 Where all identical **life policies** are transferred, **adviser fees** and **discretionary management portfolio fees** will cease from the date we process the assignment.

You should speak to your **financial adviser** about the form of assignment you should use.

General

29. Changes to funds and related trading restrictions

29.1 **Fund managers** may decide to replace or merge **funds**. If this happens:

- a) unless you **instruct** us otherwise, if the continuing **fund** is on our Funds List, **units** in the original **fund** will be **switched** to the continuing **fund**
- b) unless you **instruct** us otherwise, if the continuing fund is not on our Funds List, then **units** in the original **fund** will be **switched** to the **default cash fund**. Where your **bond** is invested in a **model portfolio**, your **financial adviser** or **DIM** can provide us with an alternative **instruction**
- c) any future income from the original **fund** will be held as **transactional cash**. Where your **bond** is invested in a **model portfolio**, your **financial adviser** or **DIM** can provide us with an alternative **instruction**.

29.2 We or **fund managers** may decide to suspend a **fund**. If this happens:

- a) your **bond** will remain invested in the **fund** but you will not be able to buy or sell **units** in the **fund** while it is suspended
- b) if you are receiving regular withdrawals where payments are met by selling **units** from the suspended **fund**, we will raise the withdrawal payment required by selling **units** in the active **funds** only. If your **bond** is solely invested in the suspended **fund** regular withdrawals will be cancelled. If you wish to recommence regular withdrawals after the suspension has been removed, you will need to **instruct** us to do so.
- c) while the **fund** is suspended, any future income from the **fund** will be held as **transactional cash**. Where your **bond** is invested in a **model portfolio**, your **financial adviser** or **DIM** can provide us with an alternative **instruction**.
- d) if you have **instructed** a single withdrawal to be met proportionally from all of your **funds**, we will raise the withdrawal payment required by selling **units** in the active **funds** only. If your **instruction** is to close one or more **life policies**, and therefore selling all of the **funds** in those **life policies**, we will be unable to process your **instruction**. Once the suspension is removed we will require a new **instruction** if you still wish to close one or more **life policies**.
- e) if you have **instructed** a single withdrawal to be met by selling one or more specified **funds**, we will raise the withdrawal payment required in line with section 1 of the **Charges, fees and rebates guide**
- f) if you have **instructed** a single withdrawal and your **bond** is solely invested in the suspended **fund**, we will be unable to process your **instruction**. Once the suspension is removed we will require a new **instruction** if you still require the single withdrawal
- g) if your **instruction** includes a **fund** which is suspended but we are aware the suspension is to be removed in the near future (within 5 **working days**), we may defer carrying out your **instruction** until the suspension is removed
- h) **phased investment** instalments into the suspended **fund** will be invested proportionally across the active **funds** contained within your **phasing instruction**. If there are no active **funds** within the **phasing instruction**, the instalment(s) will be held as **transactional cash** until we are provided with alternative **instructions**.
- i) if we are closing your **bond** as described in term 19, we may offer to pay the closure value in one or more instalments. The first instalment will be for the value of the active **funds** (if any) only and a further instalment or instalments will be made when the remaining **funds** have been sold following the suspension being lifted. We may also offer this option where you **instruct** us to close your **bond** as described in term 18.

29.3 **Fund managers** may decide to close a **fund** or we may decide to remove a **fund** from our Funds List (for example due to small **fund** size or for operational reasons). If this happens:

- a) unless you give an alternative **switch instruction**, any **units** in the **fund** will be sold and the proceeds held as **transactional cash**.
- b) any remaining income from the **fund** will be held as **transactional cash**. Where your **bond** is invested in a **model portfolio**, your **financial adviser** or **DIM** can provide us with an alternative **instruction**.
- c) and the **fund** is removed and we have the same **fund** with a different share class available on our Funds List, **units** in the original **fund** may be **switched** into the **fund** with a different share class.

29.4 We or **fund managers** may decide to close a **fund** to new business only. If this happens:

- a) unless you **instruct** us otherwise, you will remain invested in the **fund**, and **units** in the **fund** can be sold



- b) any future income from the **fund** will continue to be **reinvested** in the **fund**
- c) you cannot make a top-up lump-sum investment into that **fund**.

29.5 We or **fund managers** may decide to close a **fund** to all purchases. If this happens then:

- a) unless you **instruct** us otherwise, you will remain invested in the **fund**, and **units** in the **fund** can be sold
- b) any future income from the **fund** will held as **transactional cash**. Where your **bond** is invested in a **model portfolio**, your financial **adviser** or **DIM** can provide us with an alternative **instruction**.

29.6 If there are any other changes to a **fund** which affect the **units** you hold and any purchases or sales in the **fund**, we will advise you of any impacts to your **bond** when we notify you of the change.

29.7 We will advise you of any additional effect on **phased investments** at the time we notify you of the **fund** changes. Where possible, we will notify you of the changes prior to them happening however, there might be occasions where we can't, for example where we are not given notice of the change.

29.8 Where the affected **fund** is part of a **DIM model portfolio** we will notify the **DIM** of the changes rather than you.

30. Changes to this agreement

30.1 We can change the terms of this **agreement** at any time if the changes are to:

- a) help us administer your **bond** more effectively
- b) take into account changes to our operating costs
- c) withdraw or vary any facility or option under your **bond**
- d) introduce new facilities or options to your **bond**
- e) vary the minimum investment, minimum **bond** value and minimum withdrawal amounts
- f) make changes to the **funds** on the Funds List or make new types of investments available
- g) vary the charges that apply to your **bond**
- h) correct any errors or make the terms easier to understand
- i) take into account any change in law or the practice of any regulatory authorities that affects your **bond**.

30.2 If any change operates to your disadvantage, we will give you at least 30 days' notice of that change, unless the change is as a result of something outside our control and it is not possible to do so. If we are not able to give you 30 days' notice, we will give you as much notice as possible.

30.3 We will only notify you of significant changes to **funds** in which you hold **units** and which could operate to your disadvantage.

30.4 If we make any change to your **bond**, you may **instruct** us to close it at no additional cost (although we will deduct all outstanding charges).

31. Statements

31.1 We will provide you with a quarterly **statement** showing the position of your **bond** at the end of each quarter. The quarterly end dates are based on your **bond charge date**. For example if your **bond charge date** is 5 January, **statements** will be issued shortly after 5 January, 5 April, 5 July and 5 October each year.

31.2 You can ask us to send you a **statement** outside of the dates determined by term 31.1 by sending us your request in accordance with term 21.

31.3 You can also access your **bond** value more often online. For more details, see term 33 **online Customer Centre**.

32. Valuing your bond and your funds

32.1 When we value your **bond** or any **funds** we will use the latest available **bid value** of the **units**.

32.2 When we value your **bond** for calculating fees, charges and **rebates** to be paid, the value will not include **rebates** or income earned but not yet credited to your **bond**.

33. Online customer centre

33.1 If you would like to manage your **bond** online using our **online Customer Centre**, you must agree to our online service agreement for Quilter's **online Customer Centre**, which you can find on our website.



- 33.2 Certain **instructions** cannot be submitted using our **online Customer Centre** and must be sent to us either by your **financial adviser** or you in writing.

Your **financial adviser** will be able to give you more information about when an **instruction** must be submitted in writing.

- 33.3 Where **instructions** are sent using our **online Customer Centre**, they will be treated as acknowledged by us if you receive confirmation of the transaction from our system before the published cut-off time(s).
- 33.4 If we are notified by you or your **financial adviser** of your intention to register for our **online Customer Centre** as described above, we will stop sending you paper correspondence except where we are obliged to by regulation. Correspondence will be stored online in your document library, which you can access by logging in to the **online Customer Centre**. Each time we issue new correspondence you will be notified using the email address provided to us.
- 33.5 If, after 60 days of our being notified of your intention to register for our **online Customer Centre**, there is no active **online Customer Centre** account we will revert to corresponding with you via paper. Any correspondence within the 60 days will not be re-issued via paper, but will continue to be stored online in your document library should you require copies.

34. Your financial adviser


This term shall apply to any **financial adviser** who you notify us has authority to act on your behalf.

- 34.1 If a **financial adviser** has applied for the **bond** on your behalf, we will treat that **financial adviser** as your agent with the authority to act on your behalf in relation to your **bond** and this **agreement** unless you notify us in writing that the authority has ended.
- 34.2 If we agree to accept **instructions** from your **financial adviser** acting as your agent, we will treat the **instructions** as if they are direct from you.
- 34.3 You agree that your **financial adviser** may send us proof of identity and other information about you that we may reasonably require to complete our checks.
- 34.4 We will not be liable for any losses or costs incurred by you because of anything your **financial adviser** does or does not do on your behalf in relation to this **agreement**. The **financial adviser** has been appointed by you to deal with your affairs and interests according to whatever terms you have agreed with them.
- 34.5 The **financial adviser** is not acting on our behalf and does not represent us in any way, and we have no knowledge of what basis your **financial adviser** acts on your behalf.
- 34.6 We are not responsible for any failure or breach in the relationship between you and your **financial adviser**.
- 34.7 If you change your **financial adviser**, you must notify us in writing.
- 34.8 If you change your **financial adviser** and you are invested in a **model portfolio** your **bond** will no longer be invested in the **model portfolio** but will remain invested within the underlying **funds** which formed the **model portfolio** until we receive alternative **instructions**.

35. Your discretionary investment manager (DIM)

This term shall apply to any **DIM** who you notify us has authority to manage your **funds** on your behalf.

- 35.1 Provided you have a **financial adviser** appointed in respect of your **bond**, you can choose via your **financial adviser** to appoint a **DIM** to provide a discretionary fund management service for your **bond**.
- 35.2 Your **financial adviser** can request the appointment of one or more **DIMs** on your **bond**. Terms of business will need to be agreed between you, your **financial adviser** and/or the **DIM**. We are not responsible for the acts or omissions of the **DIM**.
- 35.3 We may require the **DIM** to confirm they are regulated by any appropriate regulatory authority and have any qualifications required by law or regulation for the activity to be carried out. If we require such confirmation, it is to enable us to comply with our regulatory duties. It is not and should not be construed as any endorsement of a **DIM** by us, and we do not warrant your **DIM's** suitability or regulatory credentials.
- 35.4 We will act on the **instructions** of the **DIM** once appointed. We will cease to act on instructions from the **DIM** and we will stop any **discretionary management portfolio fees** we are making to the **DIM** on your behalf in the following circumstances:
- a) Your **bond** is switched out of the **model portfolio**
 - b) We receive **instructions** from you or your **financial adviser** that you, or your **financial adviser** has ended the terms of business in place between you and/or your **financial adviser** and the **DIM**
 - c) You notify us that you have changed your **financial adviser** firm or removed them from your **bond**
 - d) We terminate our terms of business with your **financial adviser** firm

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- e) You close your **bond**
 - f) On the death of all **bond holders**
 - g) We terminate our terms of business with the **DIM** or otherwise cease to act on their **instructions**. This could be because we become aware that a **DIM**:
 - i) has been refused membership by, or has been expelled from, a professional organisation; or
 - ii) is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
 - iii) has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
 - iv) ceases to hold the necessary regulatory authorisation to perform their role

These examples are illustrative and not exhaustive. This will not affect any transactions already carried out or for which binding **instructions** have been given directly or indirectly.

Your **bond** will no longer be invested in the **model portfolio** but will remain invested within the underlying funds which formed the **model portfolio** until we receive alternative **instructions**.

When the appointment of the **DIM** ends, we will make a final proportional **discretionary management portfolio fee** payment to the **DIM** on the next payment date. This will cover the period from the last payment date up to the date the **model portfolio** is removed from your **bond**.

36. Our liability

36.1 We will exercise due care and diligence in the management of your **bond**. However, unless they arise as a result of our negligence, wilful default, fraud, or breach of this **agreement** or **FCA** rules, we will not be liable to you for:

- a) any costs, claims, demands, losses or expenses arising from any fall in the value of your **bond**
- b) our acts or omissions or those of any third party outside the **Quilter plc group of companies** (for example, a **fund manager**).

36.2 This limitation of liability does not apply to the extent that it conflicts with **FCA** rules.

36.3 We will not be liable or have any responsibility for any loss or damage, fall in investment value or loss of investment opportunity you incur or suffer because of an event that we could not reasonably predict or if predicted its consequences can't be planned for within these terms.

Examples of such events are:

- a) any act (or credible threat) of terrorism,
- b) acts of government, local authority or regulatory body,
- c) explosion or fire, earthquake, extraordinary storm, flood, abnormal weather conditions or other natural catastrophe, any nuclear, chemical or biological contamination or any strikes, lockouts or other industrial disputes (other than to the extent involving our workforce or other personnel)
- d) riot, civil unrest, commotion or rebellion, war or civil war (whether or not declared) or armed conflict, invasion and acts of foreign enemies, blockades, embargoes
- e) an unavoidable accident
- f) the loss of supply of essential services including but not limited to electrical power, telecommunications, air conditioning and essential third party services
- g) any 'denial of service' or other targeted network attack
- h) any epidemic or pandemic and
- i) any other cause beyond our reasonable control as a consequence of which we can no longer administer your **bond** for a given period

This term only applies if we have complied with the relevant **FCA** rules which require us to have systems and controls in place to guard against such breakdowns in our service.

36.4 Where, during the management of your **bond**, we are found to be responsible for a loss (or gain) on your **bond** we will look to put your **bond** into the correct position unless the amount is considered negligible (£5 and under).

37. Amounts you owe us

37.1 We can deduct from the value of your **bond** any amount you owe us or any other **Quilter plc group company**. We can deduct from the value of any other account or bond (other than any registered pension scheme) held in your name with us or any other **Quilter plc group company**, any amount you owe us under this **agreement**. We will write to notify you before we do this.



38. Notices

- 38.1 You must provide us with information we reasonably require to carry out our obligations under this **agreement**. This includes telling us if you change your name, address or residency status for tax purposes.
- 38.2 If under this **agreement** we have to send you a notice by post, we will meet this requirement if we send it to the address that you last notified to us. We can assume that you received a notice sent by us by post when it would normally be expected to have been received in the ordinary course of post.
- 38.3 Where you have a joint **bond** and both you and the joint **bond holder** live at the same address, we will send notices to this address. Where you live at different addresses we will produce two copies of every notice and send to both.

39. Miscellaneous

- 39.1 Nothing in this **agreement** will oblige us to do anything if, in our reasonable opinion, it would be unlawful or may constitute market timing or market abuse. We may pass on any charge or penalty imposed on us as a result of any such activity.

Market timing is a form of speculative investment that usually involves a high volume of fund transactions and short holding periods. This can force **fund managers** to carry out transactions that do not reflect the normal investment strategy of the **fund**. It can also penalise other investors, due to the extra dealing costs incurred or a decline in long-term performance. Any charge we impose will normally be equivalent to the charge imposed on us by a **fund manager**.

- 39.2 We do not give any advice regarding **funds**, your **bond** or any **instruction**. The availability of a particular **fund** does not imply that it is suitable for you.
- 39.3 The services we provide do not include a review of your **funds**.
- 39.4 For regulatory purposes, we will treat you as a retail client. Retail clients receive the greatest level of regulatory protection.
- 39.5 It may be necessary to suspend dealing in **funds** within your **bond** in the event of exceptional circumstances that are outside our control.
- 39.6 In making decisions and exercising any discretion given to us under this **agreement**, we will act reasonably and with proper regard to the need to treat you and our other customers fairly.
- 39.7 References in this **agreement** to tax reflect our understanding of the law at the date of this **agreement**. However, tax rules will depend on your personal circumstances and may change in the future.

You should speak to your **financial adviser** for advice on tax.

- 39.8 Any interest earned on uninvested amounts held in our bank account will be retained and will not be payable to you.
- 39.9 This **agreement** is between you and us. No other person shall have any rights to enforce any of its terms.
- 39.10 We may delegate any of our functions or responsibilities to a third party. If we do, we will remain responsible for the acts and omissions of that third party as if they were our own acts or omissions.
- 39.11 This **agreement** is subject to and is to be interpreted in accordance with the laws of England and Wales. You and we submit to the jurisdiction of the courts of England and Wales.
- 39.12 This **agreement** and any subsequent communications will be in English.
- 39.13 We may occasionally receive or pay sums, or make available non-financial benefits, to other regulated firms (either directly or indirectly). Such payments and benefits will be intended to improve the quality of service provided to clients and will be no more than a reasonable de minimis value or limited to the reimbursement of costs and market rate as appropriate. Due regard will be given to ensure that they do not conflict with any duty the recipients have to act in the best interests of customers. For example a reasonable per head/per event value for business meals is generally no greater than a benefit of £50 and subject to approval controls. Further information is available upon request.

40. Complaints

- 40.1 If you have a complaint about any aspect of your **bond**, we have a complaints procedure, which is available on request. Making a complaint will not prejudice your right to take legal proceedings.
- 40.2 You can make a complaint by contacting us at our **postal address** or by telephoning 0808 171 2626.

- 40.3 If you are not satisfied with the way the complaint is dealt with, you can refer it to:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Telephone: 0800 023 4567
www.financial-ombudsman.org.uk

41. Compensation

- 41.1 We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation if we cannot meet our liabilities to you in relation to your **bond**. This depends on the type of business and the circumstances of the claim, and is subject to a maximum limit of 100% of the **bid value** of your **bond** for all claims against us.

- 41.2 We or your **financial adviser** can provide further information about compensation arrangements on request. You can also find out more from:

Financial Services Compensation Scheme
10th Floor, Beaufort House
15 St Botolph Street
London
EC3A 7QU
Telephone: 0800 678 1100 or 020 7741 4100
www.fscs.org.uk

42. Appointment and Terms and Conditions of our Managed Portfolio Service

- 42.1 Provided you have a **financial adviser** appointed in respect of your **bond**, you can choose to appoint us to provide a discretionary fund management service for your **bond** using **Managed Portfolios**. This is referred to as the **Managed Portfolio Service**. Your **financial adviser** needs to assess which **Managed Portfolio** is suitable for you based on **FCA** rules, as explained in term 42.3 so that we can then manage the selected **Managed Portfolio**.
- 42.2 Each **Managed Portfolio** represents a specific attitude to risk score and volatility range. Specific asset allocation for **Managed Portfolios** will then be determined by us, as portfolio manager, in order to implement the agreed strategy. Full details are provided in the **Managed Portfolio** factsheets.
- 42.3 Your **financial adviser**, on your behalf, must tell us which of our **Managed Portfolios** is suitable for you having regard to your personal requirements including your risk profile. Your **financial adviser** will carry out a suitability assessment of your needs, including your capacity for loss and attitude to risk, in accordance with the **FCA** rules, to determine the appropriate **Managed Portfolio** for you. We will rely on your **financial adviser** having completed this assessment when they select the **Managed Portfolio** to be applied to your **bond**.
- 42.4 We are not responsible for obtaining information about you as we will rely on the suitability assessment performed by your **financial adviser**. Your **financial adviser** will review the suitability assessment for you on an ongoing basis in accordance with their duties under the **FCA** rules. This will also meet our regulatory requirement, as portfolio manager, to assess suitability of the **Managed Portfolio Service** for you.
- 42.5 If you choose to use the **Managed Portfolio Service**, your **financial adviser** will request investment into the **Managed Portfolio Service** for your **bond** on your behalf, and they will confirm to us the **Managed Portfolio** which meets your needs. As a result, we will invest in the **funds** applying to the **Managed Portfolio** selected.
- 42.6 We will assume that by requesting this **Managed Portfolio Service** on your behalf, your **financial adviser** has explained the risks involved in transactions undertaken for, and the management of, the **bond** according to the relevant **Managed Portfolio** and that you understand those risks. We do not provide any express or implied warranty as to the performance or profitability of any **Managed Portfolios**, or any **funds** comprised in them from time to time. Details about the investment risks of using the **Managed Portfolio Service**, investing in **Managed Portfolios** and investing in **funds** generally are as set out in the **Managed Portfolio** factsheets.
- 42.7 Once your **bond** is invested in the **Managed Portfolio Service**, we, as portfolio manager, will then manage the **funds** contained in the selected **Managed Portfolio** on your behalf based on the investment mandate for the selected **Managed Portfolio** described in the relevant **Managed Portfolio** factsheet.
- 42.8 Subject to the **Managed Portfolio Service** investment mandate, we as the portfolio manager will have complete discretion over the **funds** to invest in (without prior reference to you), to buy, sell, retain, exchange or otherwise deal in **funds**, take all routine and day-to-day decisions about the asset allocation of the **Managed Portfolios** and otherwise act appropriately in relation to the management of the **funds** for your **bond** (including circumstances covered in term 29).



- 42.9 In making decisions and exercising any discretion given to us under these **Managed Portfolio Service** terms (terms 42 and 43), we will act properly and with due regard to the need to treat you and our other **bond holders** fairly.
- 42.10 We will not breach and have not breached the investment objectives and restrictions for the **Managed Portfolio** chosen, as a result of any events or circumstances outside our reasonable control including, but not limited to, changes to the price or value of **funds** in a **Managed Portfolio** which arise solely from market movements.
- 42.11 We will review the **Managed Portfolios** on a continual basis to ensure that they continue to be suitable for the relevant risk target/profile. Where required, we will review the **Managed Portfolios** at least quarterly against the relevant investment objectives and other performance criteria as published from time to time for each **Managed Portfolio**. We will also review the **Managed Portfolios** at other times when we, as portfolio manager, consider it appropriate. Where reviewing the **Managed Portfolios** results in changes to the asset allocation, we will implement the necessary fund **switch instructions** on the **Managed Portfolios**.
- 42.12 We will be responsible for preparing, reviewing and making available to you the **Managed Portfolio** factsheets and any other appropriate information about the **Managed Portfolios**. We will make any changes that are required to the **Managed Portfolio** factsheets as a result of periodic reviews.
- 42.13 In implementing decisions made on a discretionary basis for your **bond**, we will act in your best interests and in particular will be subject to the duty of best execution and other duties under the **FCA** rules in relation to the way in which **instructions** for your **bond** are carried out, as detailed in term 44.
- 42.14 Performance reports will be provided to you quarterly through the **online Customer Centre** where you have chosen to receive documents electronically, and to your **financial adviser** through the online services. Performance reports will detail the value of the **Managed Portfolio** selected for your **bond**.
- 42.15 We will not be required to provide confirmations for the execution of individual **fund switches** carried out in relation to your **bond** as part of the **Managed Portfolio Service**.
- 42.16 A **Managed Portfolio Service Charge** will apply as described in section 2.5 of the **Charges, fees and rebates guide**.

Conflicts of interest

- 42.17 We will provide the **Managed Portfolio Service** in such a way as to manage conflicts of interest in accordance with our Conflicts Of Interest Statement of Practice, from time to time, which sets out the types of actual or potential conflicts of interest which affect our business, and provides details of how these are managed.
- 42.18 In accordance with our Conflicts of Interest Statement of Practice we may effect transactions in which we have, directly or indirectly, a material interest or a relationship with another party which involves or may involve a potential conflict with our duty to you. By way of example, the asset allocation for the **Managed Portfolios** may contain **units** in **in-house funds** in which we are interested as a result of being the operator or otherwise. In order to manage the potential conflict in such cases, we do not exercise our voting rights on **in-house funds**.
- 42.19 If you would like a copy of the Conflicts of Interest Statement of Practice, please contact us in writing, by telephone or email. Contact details are on page 2 of these terms.

Outsourcing

- 42.20 We may delegate our services under this term to Quilter Investors Limited or other third parties (including other **Quilter plc group of companies**). We may also provide information about you and your **bond** in relation to the **Managed Portfolio Service** to any person to whom such activities have been outsourced, but our liability to you for all matters so delegated will remain with us.

43. Conditions and restrictions to your agreement if you use the Managed Portfolio Service

- 43.1 While the **Managed Portfolio Service** applies to your **bond** payment of regular withdrawals and single withdrawals, and deductions for the Product Charge and/or **adviser fees** met by selling **units** in a **Managed Portfolio** will be deducted proportionally from all **funds** within the **Managed Portfolio**, not from specific **funds**.
- 43.2 If any of the following events occur, the **Managed Portfolio Service** will be terminated and the restrictions and conditions detailed in these **Managed Portfolio** terms (terms 42 to 43) will no longer apply:
- If you no longer have an appointed **financial adviser** who you use to advise on your **bond**
 - If you (or your **financial adviser** on your behalf) **instruct** us to terminate the **Managed Portfolio Service** for your **bond**



- c) If we decide we can no longer offer the **Managed Portfolio Service** and provide you with 30 days' notice of our intention. This may be where it becomes impossible or impractical in our reasonable opinion to carry out the service, as a result of change in the law or regulation; it is no longer economically viable to provide this service, or other circumstances arise that are beyond our control. We will communicate the withdrawal of the **Managed Portfolio Service** to **Managed Portfolio bond holders** as we consider most appropriate having regard to the **FCA** rules and the duty to treat customers fairly
- If we decide to remove the **Managed Portfolio Service** for reasons that are outside our control, the removal will take effect immediately. We will notify you of such removal stating the reason for the removal and the date it is effective
- d) If we decide to close the selected **Managed Portfolio** for your **bond** and we do not receive **instructions** to invest in an alternative **Managed Portfolio** prior to closure date
- e) If you or your **financial adviser** request a **fund switch instruction** for all the **funds** currently in the selected **Managed Portfolio** for your **bond**
- f) If the **bond holder** who chose to use the **Managed Portfolio Service** changes. For example, due to an assignment of the **bond** in accordance with term 28 to another person or into trust. The new **bond holder** may choose to use the **Managed Portfolio Service** in accordance with term 42 and these **Managed Portfolio** terms (term 42 and 43) will then apply to them)
- g) If we receive notification of your death (or that of the last surviving **bond holder** where there is more than one). If the **bond** continues after death, for example where you are not the **life assured**, the new **bond holder** may choose to use the **Managed Portfolio Service** in accordance with term 42 and these **Managed Portfolio** terms (term 42 and 43) will then apply to them
- h) If your **bond** closes
- i) If we terminate our terms of business with your **financial adviser** or otherwise cease to act on their instructions.

This could be because we become aware that your **financial adviser**:

- i) has been refused membership by, or has been expelled from, a professional organisation; or
- ii) is under investigation by, or has been the subject of disciplinary action by, a regulatory authority; or
- iii) has carried out or is carrying out activities in a manner which could prejudice or be harmful to our reputation; or
- iv) ceases to hold the necessary regulatory authorisation to perform their role

These examples are illustrative and not exhaustive. This will not affect any transactions already carried out or for which binding instructions have been given directly or indirectly.

The **Managed Portfolio Service** will no longer apply to your **bond**, but your **bond** will remain invested within the underlying **funds** comprised within the **Managed Portfolio** at the time service was terminated, until we receive alternative **instructions**.

When the **Managed Portfolio Service** terminates, we will make a final proportional **Managed Portfolio Service Charge**. This will cover the period from the last payment date up to the date the **Managed Portfolio Service** is terminated.

44. Order execution policy

- 44.1 Under the **FCA** rules, we have an obligation to take all reasonable steps, when processing **instructions** to obtain, the best possible result for our bond holders taking into account all relevant considerations. The **FCA** calls these the execution factors. We must have an 'Order Execution Policy' in place to meet this regulatory obligation. This term 44 satisfies that requirement.
- 44.2 We will execute **instructions** by sending dealing **instructions** to the operator of each relevant **fund**, or its agent, to carry out. We only execute **instructions** for **funds** which are priced no more frequently than once each **working day**. In our sector of the regulated financial services industry, the **funds** that we trade in are not quoted on any investment exchanges.
- 44.3 We do not believe there is any alternative venue available that is likely to provide a better outcome for you in terms of price, cost or any other relevant matters. However, if a cost-effective alternative to dealing with the operator of a **fund** were to arise, we reserve the right to consider using that alternative execution venue if it would result in a better outcome for you.
- 44.4 We only trade once each **working day** in **funds** that price once each **working day**. The timescales for processing **instructions** are specified in term 23.
- 44.5 When providing the **Managed Portfolio Service** we will comply with the obligation to act in accordance with your best interests. This will apply when sending dealing **instructions** to **fund** operators for execution that result from decisions by us to deal in financial instruments on your behalf.

Glossary

Acknowledgement – Written confirmation from us of your **bond** start date, your investment details and your cancellation rights.

Adviser Charging – The service we provide for **adviser fees** to be paid from your investment to your **financial adviser**, as authorised by you.

Adviser extranet – A secure internet site, which also includes a secure email facility, on which your **financial adviser** can manage your **bond**.

Adviser fee – An initial fee, ongoing servicing fee or ad hoc fee payable to your **financial adviser**, as described in the **Charges, fees and rebates guide**.

Agreement – The terms contained in this document together with the online service agreement for Quilter's **online Customer Centre** (where you have agreed to those terms).

Bid price – The selling price of **units** in **funds**.

Bid value – The value of the **units** in a **fund** based on their **bid price**.

Bond - Your investment **bond** made up of a collection of **life policies**.

Bond charge date – The **working day** on which we deduct the Product Charge and any adviser ongoing servicing fee from your **bond**. The **bond charge date** is based on the date that your first bond or account was opened on our technology platform.

If the **bond charge date** is not a **working day**, any sale of investments relating to the charge or fee will be placed on the next **working day**.

Bond eligibility and requirements guide – The document setting out the eligibility and other requirements for the **bond**.

Bond holder or bond holders - You, the (sole or joint) legal owner of the **bond**. This means the individual(s), corporate entity or trust, named on the application, and your survivors or the legal personal representatives of the last of you to die.

CHAPS – Clearing House Automated Payment System. This is an alternative method for making electronic one-off payments to banks, whereby the money reaches the bank account on the same day that it leaves us. There is a charge for this service, which we deduct from the payment value.

Charges, fees and rebates guide – The document setting out the charges, fees and **rebates** which apply to your **bond**.

Dealing day - Any **working day** on which the relevant **fund manager** accepts trades to buy and sell **units**.

Death benefit – The amount payable on the death of the **life assured** or the last surviving **life assured** if more than one.

Default cash fund – The BlackRock Cash Fund, or any other **fund** that we may select to use as the **default cash fund**.

Discretionary investment manager (DIM) – A person or firm that acts on your behalf following your request to use their service in respect of your **bond**. The **discretionary investment manager** will act on a discretionary basis using a discretionary mandate prescribed by you and investment objectives and risk profile you have stated in respect of your **bond**. They must be appropriately qualified, authorised and regulated to offer discretionary fund management services. Your **financial adviser** may also be your **discretionary investment manager** where they hold suitable permissions.

Discretionary management portfolio fee – A fee expressed as a percentage which is charged by the **discretionary investment manager** providing investment decisions on your **bond**.

FCA – The UK Financial Conduct Authority (which includes any successor regulatory authority).

Financial adviser – A firm or individual authorised to provide advice and arrange or carry out investment transactions on behalf of customers and who has agreed to our terms of business. These terms and conditions assume that you invest using the services of a **financial adviser** and they have been written accordingly.

Fund – Any fund that you may invest in as part of your **bond** and that is listed on our Funds List including those within a **model portfolio** or **Managed Portfolio**.

Fund manager – The investment company responsible for the management of a **fund**.

Income unit – A unit in a fund which pays any income earned to its investors

In-house funds – Funds that we, or other companies within our group, manage.

Instruct, instruction, instructed – An instruction to us in accordance with term 21, to carry out a transaction relating to your bond including: making a lump-sum investment, **phased investment**, **switching**, paying a regular withdrawal, paying a single withdrawal and closing your bond.

Key Features Document (KFD) – A document summarising the key features of your bond.

Lead bond holder – An individual who is authorised to provide certain instructions on behalf of all bond holders, or if the bond holder is a corporate entity on behalf of that corporate entity, or if the bond holders are trustees on behalf of all the trustees.

Life assured, lives assured – A person (or persons) whose life is insured under the terms of the bond.

Life policy – A life assurance policy held within the bond.

Managed Portfolio – Funds which are grouped to reflect a specific attitude to risk, volatility range and other variables as set out in the relevant Managed Portfolio factsheet.

Managed Portfolio Service – A discretionary fund management service for your bond using Managed Portfolios that is offered to you by Quilter Life & Pensions Limited.

Managed Portfolio Service Charge – A charge expressed as a percentage which is charged by us for providing the Managed Portfolio Service on your bond.

Model portfolio – Funds which are grouped to reflect a specific attitude to risk, volatility range and other variables as set by your financial adviser or discretionary investment manager.

Offer price – The buying price of units in a fund.

Online Customer Centre – A secure internet site on which you can manage elements of your bond.

Phase, phasing, phased investment – Automatic monthly instalments to switch from the default cash fund into funds in your bond.

Postal address – Quilter, Quilter House, Portland Terrace, Southampton SO14 7AY.

Quilter plc group of companies – Quilter plc and all its subsidiary companies from time to time. This includes, for example, Quilter, Quilter Investors, Quilter Financial Planning and Quilter Cheviot.

Rebate – Fund managers pay us an income, known as a rebate, which varies from fund to fund, and can change over time. It represents a discount on the usual fund manager charges, which we have negotiated with each fund manager. Rebates are paid out of money that would otherwise be kept by the fund manager; they are not paid from your bond.

Reinvest, reinvestment, reinvested – Using rebates and income from funds in your bond to buy more units.

Statement – A statement showing the value of funds on your bond and any transactions processed in relation to your bond since the last statement. It does not include any measurement of the performance of funds held in your bond.

Switch, switched, switching – Selling from one or more funds and using the proceeds to buy one or more other funds within your bond.

Transactional cash – A cash balance held within your bond to simplify buying and selling of assets. This cash is also used for payment of financial adviser and DIM fees as well as our Product Charge. Transactional cash can also be held within a model portfolio or Managed Portfolio.

Treasured funds – Funds which you have chosen to exclude from the sale of units to meet charges and fees.

UK – The United Kingdom of Great Britain and Northern Ireland, but not including the Channel Islands or the Isle of Man.

Units – The funds available for you to invest in are split into units. The value of each unit and the number of units held represents your share of the fund's total value. This definition also includes shares in Open-Ended Investment Companies (OEICs).

Working day – This is a day on which we are open for business.

Charges, fees and rebates guide

1. General

1.1 Payment of financial adviser fees, discretionary management portfolio fee and the product charge

- a) If we agree to pay fees to your adviser or a **discretionary management portfolio fee** to your **DIM** on your behalf, we will meet these payments by using any **transactional cash** held within your **bond**. If there is insufficient **transactional cash**, we will meet the shortfall by selling **units** from all of your **funds** (including **model portfolios** and **Managed Portfolios**) proportionally, based on the value of your **bond** at the time of sale.
- b) If a **fund** has been suspended and we have agreed to deduct an **adviser fee** or **discretionary management portfolio fee** from your **bond** we will calculate the fee based on the value of all relevant **funds** (including the suspended **fund**, provided the **fund manager** has made an indicative price available) and any **transactional cash** balance. However, we will pay the agreed fee by selling **units** (as described in 1.1(a) from the active **funds** only. If the only **fund** within your **bond** is suspended we will accrue the fee(s) during the period of the suspension. Once the suspension is removed, any fees accrued will be deducted in line with 1.1 (a). We will also adopt the process described in (a) and (b) above to meet the Product Charge.
- c) If any transactions involving selling **units** in any **funds** are being processed on the **bond charge date**, we will not sell **units** to pay the **adviser fee, discretionary management portfolio fee** or Product Charge until all earlier transactions have been completed, even if the **funds** in the other transactions are different from those being sold to pay the **adviser fee, discretionary management portfolio fee** or Product Charge.
- d) Where we sell **units** to meet fees for your adviser or a **discretionary management portfolio fee** for your **DIM** or our Product Charge, we sell six times the value of the fees and/or Product Charge subject to a minimum value of £25 and a maximum of 0.75% of your **bond** value. We will hold the residual amount as **transactional cash**. This provides sufficient **transactional cash** to meet future fees and/or our Product Charge without needing to sell **further units** from your **funds** on a frequent basis. We do this to allow other transactions to process in a timely manner, for example withdrawals and **switches, which could otherwise be delayed if frequent fund sales were still in progress.**

1.2 Treasured funds

- a) As described in section 1.1, charges and fees will be met by using **transactional cash** within your **bond**. If there is insufficient **transactional cash** at the time a payment is due, **units** will be sold to meet the shortfall as described throughout this guide.
- b) You can choose specific **funds** to be excluded from the sale of **units** to meet charges and fees. We refer to these as '**treasured funds**'. Where you have selected **treasured funds** the sale will be made from the other **funds** (including **model portfolios** and **Managed Portfolios**) proportionally, based on the value of your **bond** at the time of sale.
- c) Where there is insufficient **transactional cash** at the time a payment is due and you are only invested in **treasured funds**, the charge or fee due will be held as a debit value. You or your **financial adviser** have 30 days from the date the charge is due to provide us with new **instructions** in order to clear the debit balance. If any of the debit balance remains outstanding after the 30-day notice period we will sell **units** from all of your **funds** proportionally, including the **treasured funds**, based on the value of your **bond** at the time of sale.

2. Our charges

2.1 Product charge

- a) The Product Charge is an annual charge based on the total value of any investments you have with Quilter Investment Platform Limited or Quilter Life & Pensions Limited. It will be deducted monthly in arrears from the accounts or bonds subject to the Product Charge (referred to as Service Charge on the Collective Investment Account, ISA and Junior ISA). The Product Charge covers the cost of holding or administering these investments and carrying out your **instructions** by arranging the sale and purchase of **funds**.

Quilter provides you with access to an ISA, a Junior ISA, a Collective Investment Account, a Collective Retirement Account, and a Collective Investment Bond.

- b) We calculate the Product Charge daily and deduct in monthly instalments. Therefore, if the total value of your accounts or bonds changes in future as a result of market movements, withdrawals, or additional investments, the Product Charge will vary accordingly.

- c) The daily charge is calculated as $1/365.25^*$ of the annual Product Charge calculated using the following table. The monthly charge is the sum of the daily calculations in the previous month.

Total amount invested with our platform	Annual Charge Rate
First £25,000	0.50%
From £25,000+ to £250,000	0.30%
From £250,000+ to £750,000	0.25%
More than £750,000	0.15%

** we use 365.25 instead of 365 to account for leap years*

Each percentage rate applies to its relevant band rather than a single rate applying to the total amount. For example, if the total value is £150,000, £25,000 will be charged at 0.50%, and the next £125,000 at 0.30%. This results in an overall effective charge rate of 0.33% for each account or bond. The charge is calculated by taking into account the total value of your investments with Quilter Investment Platform Limited, whatever Charge Basis they are held on. The effective cost can therefore be significantly lower if you have additional holdings on the platform.

- d) The Product Charge is calculated daily and deducted on the relevant **bond charge date**. If we are unable to deduct the charge on the **bond charge date**, due to other transactions in progress on the **bond**, we will deduct it on the first **working day** after the other transactions are complete. If the customer opens this account, any time after a previous account opened on the platform, then the first fee/charge deduction is a pro-rated amount to cover the period between the opening date and the account charge date (head account anniversary.)

2.2 CHAPS charge: £23.00

If you request payment of a withdrawal by **CHAPS**, we will deduct the **CHAPS** charge from your **bond** in addition to your withdrawal. If you request a closure, we will deduct the **CHAPS** charge from the closure proceeds before we pay you.

2.3 Life fund tax charge

We are taxed by HMRC on gains and taxable income arising on life fund investments made on behalf of **bond holders** each year. We therefore make a charge against each **bond** investing in those life funds to cover the estimated tax liability. The charge is calculated based on the income and gains arising from transactions carried out within your **bond**. This charge is identified on your periodic **statement** as 'Life fund tax'.

This charge is calculated annually and whenever a **fund** is sold:

- If a charge results from gains made on **funds** sold as part of a **switch**, single and/or regular withdrawal or to cover fees and charges, the charge is taken from **transactional cash**. If there is insufficient **transactional cash** then any shortfall will be met by selling **units** proportionally across the **funds** remaining in your **bond** at the time the charge is deducted. This charge is collected on the **bond charge date** of the month following the sale (or, depending on the timing of the sale itself, the month following that).
- If a charge results from the sale of one or more **life policies** within your **bond**, the charge is taken proportionally across the remaining **life policies** within your **bond** at the time the charge is deducted. This charge is collected on the **bond charge date** of the month following the sale (or, depending on the timing of the sale itself, the month following that).
- The annual charge is calculated on 31 December each year as a deemed disposal, and, if a charge arises, it is deducted from **transactional cash**. If there is insufficient **transactional cash** then any shortfall will be met by selling **units** proportionally across all the **funds** held within your **bond**. This charge is collected on or around 2 January of the following year.
- In addition to the annual charge and the charge imposed following the sale of a **fund** described above, a charge is taken when income arises on the **funds** within your **bond**.
 - When income is received (including **rebates**) the gross receipt is added to your **bond**. From this a separate life fund tax charge is deducted.
 - Where income is retained within the **fund** by the **fund manager** (known as accumulation **units**) no cash payment is received. The life fund tax charge for this income is therefore collected on the **bond charge date** following the income payment date.



2.4 Capital protected death benefit charge

This charge is calculated daily and deducted monthly in the same way as the Product Charge. If you have selected capital protected **death benefit** a proportion of the charge applies for each day the value of the capital protected **death benefit** is more than 101% of the value of your **bond**. If your **bond** started before 21 December 2012 the amount of the charge is based on factors including your gender and the difference between 101% of the value of your **bond** and the capital protected **death benefit**.

This difference in the way this charge is calculated is as a result of the EU Gender Directive.

The charge is deducted from **transactional cash**. If there is insufficient **transactional cash** then any shortfall will be met by selling **units** proportionally across all the **funds** held within your **bond**.

The deduction of will be made proportionally across all the **life policies** in your **bond**.

If the charge exceeds the value of your **bond**, the capital protected **death benefit** will cease immediately.

2.5 Managed Portfolio Service Charge

- a) Where you choose the **Managed Portfolio Service** we will deduct a **Managed Portfolio Service Charge** on a monthly basis from your **bond**. The charge is expressed as a percentage of the investment held within the **Managed Portfolio Service**. Depending on the **Managed Portfolio** chosen the charge may differ. Your **financial adviser** will confirm the percentage applicable.
- b) The **Managed Portfolio Service Charge** will be calculated daily from the date you choose the **Managed Portfolio Service**. The daily charges will then be added together and deducted from your **bond** on the **bond charge date**.
- c) If we are unable to deduct the charge, due to other transactions in progress on the **bond**, we will deduct it on the first **working day** after the other transactions are complete. We will meet the charge by using **transactional cash** held or where there is insufficient **transactional cash** by deducting **units** proportionally from all the **funds** (including **model portfolios** and **Managed Portfolios**) in your **bond** to meet the shortfall in line with section 1.
- d) If we receive **instructions** to end the **Managed Portfolio Service**, or any event under 43.2 occurs, we will stop any further **Managed Portfolio Service Charge** accruing. Any daily charge accrued to this point will be deducted on the next **bond charge date**.

2.6 Additional charges

- a) If your **bond** is closed for any reason, we will retain any amount of £10 or less remaining in your **bond** and treat it as a miscellaneous charge.
- b) We may make a charge to cover any administration costs we incur in providing any additional services you request that are not included in this **agreement**.

2.7 VAT and rates

All our charges are exclusive of VAT.

These charges are our current rates and may change in the future. We may also introduce new charges or change the way that we calculate our charges. We will let you know in advance of any change to our charges.

More details are in our guide Making the cost of investment clear; there is one guide for each Charge Basis. The guides are available from your **financial adviser**.

3. Adviser and discretionary investment manager (DIM) fees

3.1 Adviser charging

- a) Under **Adviser Charging**, we can pay fees to your **financial adviser** on your behalf by deducting them from your investment.

- **Adviser fees** will not be deducted during the period we are waiting for authorisation. We will not backdate these fee payments and will only pay those that become due following confirmation of your authorisation.
- Your annual 5% tax deferred allowance is based on your initial investment which is the amount invested after the adviser initial fee has been deducted.
- All other **adviser fees and discretionary management portfolio fees** are taken as withdrawals from your **bond** and will utilise some of your 5% tax deferred allowance. Your **financial adviser** will be able to explain this to you.



b) We can facilitate the payment of the following types of **adviser fee**:

i) Adviser initial fee

This fee is deducted at the same time an investment is made into your **bond**. The fee can be expressed as a specific amount of money or as a percentage of your investment. We will deduct the fee from the money we receive from you, before the investment is made into your **bond**.

ii) Adviser ongoing servicing fee

This is an annual fee that you agree with your **financial adviser** for ongoing services in relation to your **bond**. The fee can be expressed as an amount of money or as a percentage of your **bond** value.

The adviser ongoing servicing fee is deducted monthly, quarterly, half yearly or yearly. If you authorise us to deduct the fee monthly, quarterly, or half yearly:

- for fees of a specific amount of money, we calculate the fee daily. The daily fee is the annual amount divided by 365.25. The fee deducted at the end of each selected period (monthly, quarterly, or half yearly) is the sum of the daily calculations for the period.
- for fees agreed as a percentage, we calculate the fee daily. The daily fees will then be added together and deducted at the end of each selected period (monthly, quarterly, or half yearly).

The adviser ongoing servicing fee is deducted on the relevant **bond charge date**. If we are unable to deduct the fee on the **bond charge date**, due to other transactions in progress on the **bond**, we will deduct it on the first **working day** after the other transactions are complete.

We will meet the fee from **transactional cash**. If there is insufficient **transactional cash**, any shortfall will be met by deducting **units** proportionally from all the **funds** in your **bond** in line with section 1.

iii) Adviser ad hoc fee

A one-off fee payable to your **financial adviser**. It is expressed as a specific amount of money. We will deduct the fee from **transactional cash**. If there is insufficient **transactional cash**, any shortfall will be met by selling **units** proportionally from all the **funds** in your **bond** in line with section 1.

c) All **adviser fees** are assumed to include VAT if applicable.

d) You can amend an **instruction** for the adviser ongoing servicing fee, by giving us at least ten **working days'** notice.

e) You cannot cancel an **adviser fee** once it has been deducted.

f) If you change your **financial adviser**, we can pay **adviser fees** to your new **financial adviser** on your behalf subject to acceptable authorisation.

g) After we have deducted a fee, we will hold it on behalf of your **financial adviser** and as such it will cease to be treated as your money. We will then pay it to your **financial adviser** in line with the terms agreed with them.

The amount and frequency of **adviser fees** and the basis on which they are deducted from your **bond** are a matter between you and your **financial adviser**. If you have any questions about these fees, you should therefore speak to your **financial adviser**.

3.2 Discretionary management portfolio fee

a) We can pay fees to your **DIM** on your behalf by deducting them from your **bond**. You can agree an annual fee with your **DIM** for ongoing services in relation to your **discretionary managed model portfolio**. The fee is expressed as a percentage of the investment held within the **model portfolio**.

b) The **discretionary management portfolio fee** will be calculated daily from the date authorised. The daily fees are then added together and deducted from your **bond** on the first **working day** of each month due.

c) If we are unable to deduct the fee on the charge date, due to other transactions in progress on the **bond**, we will deduct it on the first **working day** after the other transactions are complete. We will meet the fee from **transactional cash**. If there is insufficient **transactional cash**, any shortfall will be met by deducting **units** proportionally from all the **funds** in your **bond**.

d) If we receive **instructions** to end the appointment of a **DIM**, or we cease to act on the **instructions** of the **DIM**, we will stop any **discretionary management portfolio fees** to the **DIM** on your behalf, as outlined in term 35.4.



4. Rebates

4.1 **Fund managers** pay us annual management charge **rebates** (referred to as **rebates**), which we **reinvest** in the **funds** from which they originate.

- a) The **fund manager** will usually pay this **rebate** to us on a monthly basis.
- b) A **rebate** will be allocated to you if you held the **fund** within your **bond** during the previous month. Where you have only held the **fund** for part of the month you will only be eligible for a proportion of the **rebate**. Any **rebate** received for your **bond** will be **reinvested** into the **fund** from which the **rebate** was received up to ten **working days** after we receive it from the **fund manager** unless it is below our minimum value described in (4.1c). If the **fund** is part of a **model portfolio** or **Managed Portfolio**, then the **rebate** will be reinvested into the **model portfolio** or **Managed Portfolio** as **transactional cash**. The **rebates** will usually be paid by the **fund manager** within three months of the month end for which they are calculated. You will receive the price applicable on the day the **reinvestment** is processed to your **bond**. The calculation of **rebates** to be allocated will exclude any transactions involving the sale or purchase of **units** that are in progress when the calculation is carried out.

For example, a **rebate** for 30 June may be paid by the **fund manager** on 30 September, and may be credited to your **bond** on 12 October.

- c) We will not **reinvest rebates** received into the **fund**, from which the **rebate** was received, where the value is below our minimum for **rebates**. The **rebate** will instead be held as **transactional cash**.
- d) If a **fund** generating the **rebate** is suspended or closed or the **fund** generating the **rebate** is part of a **model portfolio** or **Managed Portfolio** which has been closed by your **financial adviser** or **DIM** we will instead be held as **transactional cash**.
- e) The transaction to buy additional **units** with a **rebate** payment is known as a '**reinvested rebate**'.
- f) Calculations for the **reinvested rebate** are performed daily based on the value the related **fund** in your **bond** at the end of each day, excluding any transactions that are in progress. At the end of each month these daily values are added together to provide a monthly entitlement to the **rebate**.

Bond eligibility and requirements guide

Eligibility	
Age – maximum to open a new bond	No maximum for the age of the bond holder(s) Age of life assured - 85 (applies to youngest life assured for joint bonds). Capital Protected Death Benefit is not available if any life assured is above age 85.
Age – maximum to top up an existing bond	No maximum age
Age – minimum	Bond holders – age 18. Lives assured if different to bond holders – age 3 months.
Applicants – maximum number	2
Applicant types	Individuals, joint applicants, trustees of a trust, corporate entities.
Lives assured – maximum	10
Residency	You must be a UK resident.

Variable product features	
Bond value – minimum	£1,000 minimum
Funds – maximum	No maximum
Investment – maximum	There is no maximum amount
Investment – minimum for new bond	£10,000
Investment – minimum for top-up	There is no minimum amount
Rebate – reinvestment minimum	£1
Regular withdrawal – minimum	£25
Single withdrawal – maximum	The maximum that can be withdrawn is 95% of the bond value. For single withdrawals from specific funds , unless you are selling a fund in its entirety, the maximum amount that can be withdrawn from a fund is 95% of its bid value .
Single withdrawal – minimum	£50
Switch – maximum value	Unless you are switching a fund in its entirety, the maximum that can be switched out is 95% of its bid value .

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