

CHARTWELL DIRECT & THE INVESTOR CENTRE CLIENT AGREEMENT

Please read this booklet carefully and keep it safe so you can refer to it in the future

Introduction (who we are):

Chartwell Direct and The Investor Centre are trading styles of Chartwell Private Client Limited (CPC) which is authorised and regulated by the FSA. CPC is authorised to advise on and arrange deals in Life Assurance, Unit Trusts, Investment Trusts, Individual Savings Accounts (ISA's), Pensions (including transfers and opt outs) and other regulated schemes. CPC's services to you may also include investments relating to unregulated collective investment schemes.

Chartwell Private Client Limited is authorised and regulated by the Financial Services Authority. Its registration number is 434964. You can check this on the FSA's register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Terminology

For the purposes of this document Chartwell Direct and The Investor Centre will be referred to as 'Chartwell's Non-Advised Service'. During the document this will be abbreviated to 'CNAS' (Chartwell's Non-Advised Service).

The following Terms and Conditions of Business will apply to service supplied:

1. **Non-Advised Service.** Chartwell's Non-Advised Service (CNAS) do not offer advice to clients but arranges deals on behalf of clients in certain products on a non-advised basis. Non-advised transactions are carried out on the instructions of the client and CNAS has not given advice nor exercised any judgement on the client's behalf as to the merits or suitability of the transaction for the client and CNAS has no intention of providing any advice.
2. **Client categorisation.** For the purposes of your client categorisation that is required by the FSA Rules, CNAS will treat you as a retail client. CNAS may also categorise as a retail client any client who would otherwise be a professional client or an eligible counterparty (as defined in the FSA rules). However, if you are such a client, then you may not have rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme. If you are acting as an agent for someone else, CNAS will treat you alone as its client and you will be liable to CNAS in respect of transactions you conduct in such a capacity.
3. **Client money.** CNAS does not handle client's money and therefore does not accept cheques made out to Chartwell unless it is a cheque in settlement of charges or disbursements for which the client has received a bill. CNAS does not accept cash investments.
4. **Client instructions.** Written instructions will normally be required before CNAS will act for the client. Authority to act on behalf of the client may be terminated at any time without penalty by either party giving notice in writing to the other. Such termination will not affect the completion of any transaction already initiated.
5. **Asset ownership.** CNAS acts as the client's agent in arranging investments, and never owns investments it arranges for them. All investments will be registered in the name(s) of the client(s). All contract notes and documents of title will be sent to the client directly by the product provider or forwarded to the client within five working days of receipt by CNAS.
6. **Taxation.** We will not advise on any aspects of taxation. Clients are responsible for their own taxation position. We strongly recommend that clients take advice on taxation matters from a qualified accountant if their taxation situation is complex or if they are unsure of their tax position, as there is a possibility that other taxes or costs may exist. Your tax position is beyond the scope of this agreement.
7. **Risks.** As CNAS does NOT provide advice we cannot be held responsible for your choice of Product or Fund. Clients using this service must be comfortable making their own financial decisions and have a clear understanding of the risks involved. You should be aware that previous investment performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. ISAs, Bonds and Unit Trusts should be regarded as medium to long-term investments. VCTs are generally considered to be long-term investments and should only be considered by the more sophisticated investor who has a clear understanding of the risks as well as the benefits associated with investing in them. CNAS offers a Non-Advised Service. If you require financial advice, you should contact us and we will refer you to our Advisory Service. Tax assumptions are subject to statutory change and the value of tax relief (if any) will depend upon your individual circumstances.
8. **Correspondence.** All application forms, contract notes, cheques, certificates or documents of title may be sent by post to the client's last known address and at the client's own risk. The recorded delivery service will not normally be used.
9. **ISA rules.** CNAS accepts no liability to clients who purchase two ISAs in one fiscal year, or otherwise do not comply with ISA rules unless you have transacted two ISAs in one fiscal year through CNAS.

10. **Commission.** CNAS receives commission from product providers following arrangement of investments, and this is retained for CNAS's benefit (subject to the terms of the services discussed). The client will receive from the product provider, or from CNAS, information about the commission that CNAS receives. CNAS retains the right to share this commission with professional connections at its discretion. As this commission is retained clients are not charged for arranging such contracts except by separate arrangement as agreed in advance with the client. If CNAS receives a commission or other form of benefit from the issuer of a security or from another intermediary, we will inform you but will not inform you of its amount unless asked to do so. Any ongoing commission, (also known as trail, renewal or recurring commission) received will be retained by us unless otherwise agreed.
11. **Returning and rebating commissions.** Where we have agreed to share or return commission to you it is important to note that this is a commercial decision taken by the company and therefore any return of monies should always be viewed as a donation or gift from us. No interest is paid on these monies.
12. **Cashback.** Cashback will be paid in accordance with the following: Cofunds, on behalf of CNAS, accrue renewal commission on appropriate holdings on a daily basis. A percentage of that renewal commission, as agreed with the client, will be paid by bank transfer (BACS) into the client's bank account (as designated by the client) on a monthly basis.
13. **Calculation of Cashback.** All renewal commission calculations made by Cofunds are based on the daily valuation of investment holdings. The renewal commission is accrued and paid out monthly. We will not provide a breakdown of the monthly payment made to your bank account and this information cannot be made available. CNAS will not, under the terms of this agreement, be held responsible for checking the accuracy of the calculations made by others on your account and rebates will only be paid out on the percentages agreed with you on the calculations made by Cofunds. All rebate calculations made are based on the actual monetary amounts received from the Investment Companies concerned. Each company has their own methodology for the calculation based on the value of their funds as at their specified valuation date. We cannot therefore be held responsible for inaccuracies of the calculations made by others on your account and will only pay out rebates on the percentages agreed with you on the actual values received from the Investment Companies.
14. **Cancellation and withdrawal from investment.** How you invested with us and what type of contract you effected will determine what cancellation rights you will be entitled to. For a detailed explanation of whether or not cancellation rights apply in your circumstances you will need to refer to the individual product providers key features/simplified prospectus documentation which will be sent to you along with relevant brochures and application forms for each product selected by you. Cancellation rights will be sent to you automatically from the product provider should your investment attract such rights. It is important to note that if you exercise your right to cancel an ISA, which contains dual components such as cash or stocks and shares, this has the effect of cancelling the entire ISA agreement and may prevent you from entering into another ISA agreement until the next tax year.
15. **Unit prices.** Units bought with no initial charge are usually bought at "Creation Price", which comprises Bid Price plus Stamp Duty and other charges that CNAS cannot control or discount. There is the possibility that other costs, including taxes on profits made may arise for clients and these are not the responsibility of nor paid by CNAS.
16. **Discounts.** Discounts and refunds are paid out of initial commission. In no circumstances will CNAS be liable to pay discount in excess of the initial commission received.
17. **Online dealing.** The online dealing facility is administered by Cofunds Limited, which is authorised and regulated by the Financial Services Authority. By using this service you also agree to be bound by Cofunds Terms and Conditions of Business which can be found on the Chartwell website.

18. **Dealing losses.** CNAS does not accept responsibility for any financial loss you or anybody else may suffer in the event that any online deals or written requests for transfers, switches or new investments sent by you are delayed, distorted or are not received by Cofunds or any other product provider, unless this is caused by our wilful default or negligence.
19. **Recording and tracking.** You should assume that all telephone calls, website use and emails between you and CNAS will be recorded. These recordings will be the sole property of CNAS and may be used for training purposes or as evidence in the event of a dispute.
20. **Conflicts of interest.** Occasions may arise where we have some form of interest, or one of our other clients may have some form of interest, in business which we are transacting for you. If this happens or we become aware that our interest or those of one of our other clients conflict with your interests we will inform you and obtain consent before we carry out the instructions.
21. **Copies of documentation.** We will supply on demand to you or your agent, copies of contract notes, vouchers and copies of entries in books or electronic recording media relating to your transactions. We reserve the right to levy a maximum charge of £10 for this service and we will inform you of the charge to be levied prior to carrying out your instruction. We undertake to maintain such records in relation to each transaction made hereafter for a period as set out in the FSA regulations, from the date of the transaction.
22. **Ongoing service.** Please note that when an investment is set up via our Non-Advised Service we do not extend our service to provide any ongoing service in respect of that investment.
23. **Identity verification.** We are required to verify your identity in accordance with FSA rules. No business will be processed on your behalf until satisfactory verification has been obtained. In order to verify your identity we may perform electronic searches with a credit reference or fraud prevention agency. This will include information from the Electoral Role. The agency will record the details of the search but this will not affect your credit rating. In addition to the electronic search, we may ask you to supply at least one original document of confirmation of your identity, address or both. Any documents provided to us, or information obtained by us, will be recorded, retained and copied for audit purposes and may be provided to third party organisations for the purposes of processing transactions on your behalf and to satisfy regulatory and statutory obligations.
24. **Data protection.** CNAS and its agents may hold and process any personal data (as defined by the Data Protection Act 1998) provided by you in connection with the services CNAS provides. Your personal data includes any information that CNAS holds now or at any time in the future, which comes from, or relates to application forms or other dealings with us; third parties such as credit reference and fraud prevention agencies and the services you receive from CNAS. By accepting these Terms and Conditions of Business you agree that the information we hold about you can be held on computer and/or paper files. We may use your personal data to provide our services to you and for security, payment verification, preventing and detecting money laundering, fraud and other crime, for which purposes we may also pass on your personal data to third parties.
25. **Contacting you.** From time to time we may contact clients by way of telephone, letter, newsletter, email, or any other form of communication we choose. If you do not wish to be contacted by us in this way you can let us know by telephone or written request to our Bath offices.
26. **Complaints.** If you have a complaint about the service you have received or about a product you have bought from us then you should write to: The Compliance Manager, Chartwell Private Client Limited, Minerva House, Lower Bristol Road, Bath BA2 9ER. Tel No: 01225 448732. If, after we have reviewed your complaint, you remain, dissatisfied, you have the right to refer your complaint to the Financial Services Ombudsman.

27. **Financial Services Compensation Scheme.** If you make a valid claim against us in respect of the investments arranged for you by us and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. This depends on the type of investment business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Pure protection and private medical insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, www.fscs.org.uk.
28. **Legality.** This document constitutes legally binding terms and conditions of business that will apply to any investment or life assurance business that we transact for you, unless replaced by a revised terms of business, or has additional terms which take priority over these such as the additional terms provided for discretionary management services. These terms should be construed in English and apply English Law. These Terms and Conditions may not be varied except by prior written consent of the client and CNAS.
29. **Changes to our Terms and Conditions.** In the event of a material change in the terms on which we wish to undertake business with you then you will be issued with a fresh Terms of Business. At least 10 business days' advance notice of amended terms will be given wherever possible, before you are provided with any further investment service. These terms of business will therefore remain in force until you are advised of any such changes.
30. **Termination of the Terms of Business.** This Terms of Business may only be cancelled and our authority to act on your behalf may only be terminated in writing, at any time, without penalty, by either party and with immediate effect without prejudice to the completion of transactions initiated prior to receipt of such notice. We reserve the right to charge a pro-rata fee for work already undertaken by us. Other than stated in this paragraph, there are no cancellation rights that apply to this Terms of Business.

**If you would like to receive this document in a
larger typeface please call: 01225 823915**

Chartwell Direct and The Investor Centre are trading styles of Chartwell Private Client Limited.
Registered Office: Minerva House Lower Bristol Road, Bath BA2 9ER.
Registered in England No. 5464443

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