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**KAMES**  
CAPITAL

**Kames Capital ICVC  
Supplementary Information Document and  
Customer Agreement**

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## Supplementary Information Document

This document is designed to provide, in a clear and concise way, the important information that you will need to make your investment decision.

This document should be read in conjunction with an up-to-date Key Investor Information Document (KIID) for the shareclass of each fund in which you wish to invest.

You should read both documents carefully so that you understand and are comfortable with what you are buying, and then keep them safe for future reference. You should always ensure that you have up-to-date copies of both documents before you invest.

## Cancellation rights

You may have the right to cancel your investment in the following circumstances. You will have 14 days (the 'Cancellation Period') from the date of receipt of the later of either:

- (a) the Customer Agreement of Kames Capital ICVC; or Key Investor Information Document (KIID) and Supplementary Information Document (SID)
- (b) your contract note and notice of right to cancel

### To cancel your investment.

If you cancel your investment within the Cancellation Period we will return all charges paid by you in respect of it. However, if the value of your investment has fallen within the Cancellation Period you may not receive back the full amount you invested.

If you wish to cancel your investment but fail to exercise your right to cancel within the Cancellation Period we have the right not to accept your notice of cancellation. Where we do accept your notice of cancellation you will only receive back the market value of your investment at the date your notice is received. For subscriptions under the Regular Savings Plan, only the initial subscription attracts the cancellation right. If you decide to vary the level of subscriptions under the Regular Savings Plan, no new right to cancel will apply.

The notice informing us of your intention to cancel should be sent by post to Kames Capital plc, Ingrave Road, Brentwood, Essex, CM15 8TG.

If you wish to cancel an investment within an ISA, you may do so by either transfer to another ISA manager or by requiring the proceeds to be returned to you. Consequences of cancellation of an ISA are set out in the ISA terms and conditions.

## Queries or complaints

If you require further information or wish to complain about any aspect of the service you have received please contact Kames Capital plc, Ingrave Road, Brentwood, Essex, CM15 8TG or telephone 0800 45 44 22.

If your complaint is not dealt with to your satisfaction, you can refer it to: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR  
Telephone: 0845 080 1800  
Fax: 020 7964 1001.

Making your complaint will not prejudice your right to take legal proceedings.

## Compensation

You may be able to get compensation from the Financial Services Compensation Scheme (FSCS). The scheme will generally not cover 100% of your loss. The maximum level of compensation you can receive from the Scheme for a claim against an investment firm is £50,000 per person.

Further information on compensation arrangements is available on request from Kames Capital plc and from the Financial Services Authority and the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London, E1 8BN.

# Open-Ended Investment Company (OEIC)

## Customer agreement

### Terms and conditions

#### 1. The parties

The parties to this agreement will be:

(a) The Shareholder ('the Shareholder'), being that person or persons whose name(s) and address(es) appear on the open-ended investment company (OEIC) application form and any additional Shareholder application form ('the Application Form'); and

(b) Kames Capital plc, incorporated under the Companies Act and having its Registered Office at Kames House, 3 Lochside Crescent, Edinburgh, EH12 9SA ('the Authorised Corporate Director' or 'ACD').

Kames Capital plc is authorised and regulated by the Financial Services Authority (FSA) and is entered on the FSA Register under the Firm Reference Number of 144267.

This contract and all dealing in shares of Kames Capital ICVC is governed by Scots Law.

This contract is supplied in English which is the language in which all communications under this contract will be made.

#### 2. The general

The ACD will manage the Company in accordance with its Instrument of Incorporation, its Prospectus, the Open-Ended Investment Companies Regulations 2001 ('the Regulations') as amended from time to time and the applicable rules prescribed by the FSA ('the Rules'). In the event of any inconsistency the terms of the Regulations and Rules will prevail.

Under the FSA client categorisation rules you will be categorised as a Retail Client unless we otherwise agree to a different categorisation with you.

For the purpose of this agreement:

'Class', in relation to Shares, will mean all of the Shares related to a single Fund or a particular class of Shares related to a single Fund, according to the context;

'Company' will mean Kames Capital ICVC, having its head office at Kames House, 3 Lochside Crescent, Edinburgh, EH12 9SA, which is an open-ended investment company in terms of the Rules and the Regulations;

'Dealing Day' will mean Monday to Friday (except for, unless otherwise directed by the ACD, the last working day before Christmas and a bank holiday in England and Wales and any other day at the discretion of the ACD);

'Depositary' will mean The National Westminster Bank plc, the Depositary of the Company;

'Fund' will mean a Fund of the Company as determined from time to time by the ACD, to which specific assets and liabilities may be allocated and which is invested in accordance with the investment objectives applicable to such Fund;

'Register', will mean the register of Shareholders of the Company;

'Scheme Property', will mean the property of the Company to be given for safe-keeping to the Depositary in accordance with the Rules;

'Share' will mean a Share in the Company including larger and smaller denomination Shares, with each smaller Share representing a one ten-thousandth part of a larger Share;

'Share Price' will mean the price of a Share of each Class in any Fund calculated by reference to the value of the property of the Fund to which it is linked as at the relevant Valuation Point; 'Valuation Point' will mean 12 noon on any Dealing Day. In this Agreement, unless the context sets out something different, words in the singular include the plural and vice versa.

#### 3. Investment powers

Subject to their investment objectives and policies, each Fund may use all the investment and borrowing powers which apply to a securities company as set out in the Rules.

#### 4. Dealing in shares

For lump sum investments:

(a) Class 'A':

- i. The minimum initial investment is £500 per Fund;
- ii. The minimum subsequent investment is £100 per Fund;
- iii. The minimum partial redemption is £100; and
- iv. The minimum holding is £250 per Fund.

(b) Class 'B' Shares:

- v. The minimum initial investment is £250,000;
- vi. The minimum subsequent investment is £5,000;
- vii. The minimum partial redemption is £5,000; and
- viii. The minimum holding is £50,000 per Fund.

(c) Class 'C' Shares:

- ix. The minimum initial investment is £1,000,000 per fund;
- x. The minimum subsequent investment is £20,000;
- xi. The minimum partial redemption is £20,000; and
- xii. The minimum holding is £200,000 per Fund.

For the Regular Savings Plan:

(a) Class 'A' Shares:

- i. The minimum investment is £50 per month per Fund;
- ii. The minimum subsequent investment is £100 per Fund;
- iii. The minimum partial redemption is £100; and
- iv. The minimum holding is £250 per Fund.

(b) Class 'B' Shares:

- i. The minimum investment is £500 per month per Fund;
- ii. The minimum subsequent investment is £5,000 per Fund;
- iii. The minimum partial redemption is £5,000 and;
- iv. The minimum holding is £50,000 per Fund.

(c) Class 'C' Shares:

Not applicable for regular savings.

#### 5. Conflicts of Interest

The ACD may in the course of business have potential conflicts of interest with the Company or a particular Fund. The ACD will have regard in such event to its obligations to the Company and to act in the best interests of the Company so far as practicable, having regard to its obligation to other clients when undertaking any investment where potential conflicts of interest may arise. A copy of our conflicts of interest policy is available upon request from Kames Capital plc, Ingrave Road, Brentwood, CM15 8TG (Telephone 0800 45 44 22).

#### 6. Dealing in Shares

(a) Shares may normally be dealt in with the ACD between 8.30 am and 5.30 pm on any Dealing Day (or other times at the ACD's discretion). Shares may be bought through intermediaries or direct from the ACD as principal or agent. An intermediary who recommends Shares in the Company to a Shareholder or potential Shareholder may be entitled to receive commission from the ACD.

(b) Requests to buy Shares may be made in writing or, at the ACD's discretion, by telephone or by fax to the ACD's dealing department on any Dealing Day:

- i. For telephone and fax deals received prior to 12 noon on any Dealing Day, the Shares will be issued at a price based on that day's valuation: for deals placed after 12 noon, the Shares will be issued at a price based on the valuation at the next Dealing Day;
- ii. For postal deals, the Shares will be issued at a price calculated by reference to the next Valuation Point following receipt of the Application Form. Where the application for Shares is received before the Valuation Point on a Dealing Day, the Shares concerned will be issued at a price based on that day's valuation and Shares to satisfy an application received after that time, or on a day which is not a Dealing Day, will be issued at a price based on the valuation made on the next Dealing Day;
- iii. The ACD has the right to reject any application for Shares in whole or in part, and in this event the ACD will return any monies sent, or the balance of such monies at the risk of the shareholder.

(c) Instructions for the sale of Shares may be given in writing or, at the ACD's discretion, by telephone or by fax to the ACD's dealing department. The ACD may act as principal or agent:

- i. For telephone and fax deals received prior to 12 noon on any Dealing Day, the Shares will be sold at a price based on that day's valuation: for deals placed after 12 noon, the Shares will be sold at a price based on the valuation at the next Dealing Day;
- ii. Where properly completed documentation is received by post, the Shares will be sold at a price calculated by reference to the next Valuation Point following receipt of the instruction. Where the instruction is received before the Valuation Point on a Dealing Day, the Shares concerned will be sold at a price based on that day's valuation and for instructions received after that time, or on a day which is not a Dealing Day, Shares will be sold at a price based on the valuation made on the next Dealing Day;

iii. The ACD has the right, at all times, to require a form of renunciation to be completed. If this is necessary, it will be issued with the contract note;

iv. The ACD may withhold any proceeds of sale or delay a transfer where satisfactory evidence of identity has not previously been obtained, under anti money laundering regulation;

v. A Shareholder will not be entitled to realise part only of his holding without the approval of the ACD if by doing so his holding would be reduced to less than the minimum permitted holding in respect of each Class of each Fund as set out in 4. 'Minimum Investment, Holding and Redemption Levels' above.

(d) We do not accept electronic dealing instructions.

## 7. Regular Savings Plan ('RSP')

In order to participate in the RSP:

A duly completed Application Form must be received by the ACD's dealing department on or prior to the 22nd day of the month prior to the month in which the RSP will commence. The RSP will commence on the first working day of the following calendar month.

(a) Monthly contributions to purchase Shares are collected by direct debit on the first working day of each month. These will be invested at the price calculated at the next valuation point on the day on which the direct debit operates. Where this falls on a Saturday, Sunday or public holiday, the price will be calculated on the first Dealing Day of the month in question.

(b) Where payments are not made to the RSP for more than three consecutive months and the total value of Shares in the RSP is less than the minimum which the ACD requires then the ACD has the right to buy back the Shares in the RSP at the price then applicable, close the account and return the value of the proceeds to the Shareholder.

(c) Regular investment holidays are permitted without penalty at any time at the written request of the Shareholder. Requests must be received by the ACD at least 5 working days before the next payment to be actioned from that payment date. The ACD has the right as set out in 7(b) above.

(d) The ACD will continue to debit monthly contributions from the Shareholders bank account until written notice is received from the Shareholder to the contrary.

## 8. Switching Shares

(a) A Shareholder in a Fund may at any time switch all or some of their Shares of one Class linked to a Fund for Shares of another Class, whether linked to the same or a different Fund.

(b) A Shareholder wishing to switch Shares should apply either in writing to the ACD or, at the ACD's discretion, by telephone or by fax to the ACD's dealing department, after which written confirmation signed by all Shareholders must be sent to the ACD's dealing department.

(c) If a switch would result in the Shareholder holding a number of Shares of the original Class of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the Shareholders holding of Shares to the new Class or refuse to effect any switch of the original Shares.

(d) No switch can be made during any period when the right of the Shareholder to require redemption of their Shares is suspended.

## 9. Income distributions

Where investors are entitled to income distributions these will be paid directly to their bank account. Where bank account details are not provided, all income payments will be reinvested automatically.

## 10. Regular Sales ('withdrawals')

Regular sales can be requested on a monthly basis. Requests must be made in writing to the ACD's dealing department:

(a) The amount of the withdrawal can be specified as a percentage of the original investment or as a fixed monetary amount;

(b) The minimum for monthly withdrawal is £50 per month;

(c) A Shareholder will not be entitled to make such withdrawals without the approval of the ACD if by doing so his holding would be reduced to less than the minimum permitted holding in respect of each Class of each fund as set out in 4. 'Minimum Investment, Holding and Redemption Levels' above.

## 11. Transfer of Shares

Shares may be transferred to another person upon receipt by the ACD of a duly completed Stock Transfer Form, which should be sent to the ACD at the address detailed in 24. 'Correspondence' below.

## 12. Restrictions and Compulsory Transfer and Redemption

(a) The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or governmental regulation of any country or territory or in circumstances which would result in the Company incurring any liability to taxation or suffering any other adverse consequence.

(b) Where it comes to the attention of the ACD that Shares are held in the circumstances described in 12(a) above, the ACD may give notice to the Shareholder requiring the transfer of such Shares to a person who is qualified or entitled to own them or the switch, where possible, of the Shares for other Shares in the Company the holding of which would not fall within the circumstances described in 12(a) above. Where such a transfer or switch has not been undertaken within 30 days after the notice has been served the ACD will take this as giving notice that the Shares be redeemed in accordance with the Rules.

(c) If the Company becomes aware that the holder of Shares in respect of which income is allocated or paid without deduction of UK income tax has failed or ceased to be entitled to have income so allocated or paid, the Company will treat the Shareholder concerned as if he had served on the Company a switching notice, as described in 8. 'Switching Shares' above, requiring switching of all such Shares for Shares in respect of which income is allocated or paid net of tax to the Class or Classes which the ACD most nearly equates to the Class or Classes of gross paying Shares held by the Shareholder.

(d) A Shareholder who becomes aware that their holding is affected in a manner described in 12(a) or 12(c) above will immediately, unless a notice has already been received from the ACD, transfer all Shares to a person qualified to own them or, where possible, switch the Shares for other Shares in the Company the holding of which would not fall within the circumstances described in 12(a) or 12(c) above or give a request in writing to the ACD to redeem the Shares in accordance with the Rules.

(e) A Shareholder who ceases to be entitled to hold gross paying Shares must, without delay, give notice to the Company who will, upon receipt of the notice, switch all gross paying Shares owned by the Shareholder for net paying Shares of the Class which, in the opinion of the ACD, most nearly equates to the Class of gross paying Shares held by the Shareholder.

## 13. Suspension of Dealings in the Company

The ACD may, with the prior approval of the Depositary, or must if the Depositary so requires, and if there is good reason in the interests of the Shareholders or potential Shareholders, suspend the issue, cancellation, sale and redemption of Shares for a period of up to 28 days. This suspension may be restricted to any single Fund, or Class within that Fund. Dealings in Shares in the relevant Fund or Class will commence on the next Valuation Point following the end of the suspension at the Share price calculated at that Valuation Point.

## 14. Advice to Shareholders

No advice will be given to the shareholder by the ACD in relation to the Shares.

## 15. Periodic Statements

The ACD will provide Shareholders with statements every six months for the periods to 31 March and 30 September ('the relevant dates') in each year (the period between one Relevant Date and the next being 'the Relevant Period').

The statements will include:

(a) A valuation of the shareholding based on the Share Prices on the relevant dates which will include the composition of and individual and aggregate values of shareholdings; and

(b) Details of all investments retained, sales and purchases affected during the relevant period in respect of shareholdings.

The statement will not include any measure of performance.

## 16. Fees and Expenses

(a) The following fees and expenses (including any amounts of VAT) are payable by the Shareholder in respect of their shareholding:

i. An initial charge, as indicated in the relevant fund specific features document, applied to your subscription amount either through an initial investment, subsequent investment(s) or any other sums transferred to the relevant Fund;

ii. An annual management charge which is paid out of each Fund will be deducted from the aggregate value of Shares in issue. The annual charge for each Fund varies – the Shareholder should refer to the Fees and Expenses section of the Prospectus;

iii. Other expenses including Depositary fees, custody fees and other administration expenses will be paid out of each Fund. In addition the costs of dealing in the underlying assets of the Fund are deducted directly from the property of the Fund;

iv. A fee of £3 (plus VAT thereon) for each additional statement issued over and above those issued in terms of 15. 'Periodic Statements';

v. A fee of £10 for any adhoc capital withdrawals, in terms of 6(c) or 10. 'Regular Sales (withdrawals)' above, effected at the request of the Shareholder by way of direct credit into the Shareholders bank account.

vi. Where the Shareholder effects any switch in terms of 8. 'Switching Shares' the ACD may at its sole discretion apply a charge of up to 1.5% of the value of shares being switched if switches are in excess of 5 in a calendar year.

(b) Where Shares in a Fund are redeemed, transferred to the ACD or sold for value to a third party the Company will be liable to stamp duty reserve tax ('SDRT') at a rate of 0.5% of the market value of the Shares. It is the ACD's intention to charge the SDRT arising against the assets of the relevant Fund, however, it has the right to charge an SDRT provision to the transferee in the case of third party transfers.

(c) (i) In fixing a new level or amount of the charges in (a) (i) and (a)(v) above, the ACD will fix a level or amount which it considers in good faith is not excessive having taken into account increases in costs, its profit margin (being one which is reasonably in line with the market for these types of contract generally), the underlying value of Shares, any requirements of legislation or any regulatory body and the time interval from the last alteration to the specific charge. Any increase in the charges in (a)(ii) and (b) above are at the sole discretion of the ACD;

(ii) The charges in (a)(iv) and (a)(v) above may be increased by such amount as represents, at the time the increase is applied, the proportionate increase in the index commonly known as the Index of National Average Earnings (or, in the event that this index ceases to be published, such other index of earnings in the United Kingdom as the ACD may reasonably and in good faith select for this purpose) for the period between 6 April 1999 and the date upon which any such increase is applied;

(iii) At the time when the increase described in (ii) above is applied, the ACD may decide to increase any one or more of the charges or limits by the full amount of the allowable increase or such other lower figure;

(d) The charges in (a)(iv) and (a)(v) above will be recovered by way of cancellation of such Shares within the shareholding as is necessary to pay for the charge.

Where you wish to invest a specific amount of money this amount will represent the total cost payable by you.

Where you wish to purchase a specific number of Shares, the total price to be paid by you for your investment cannot be determined in advance. However, it is calculated on the following basis:

On purchase of 1 share, the amount payable by you will be equal to the aggregate of: The share price<sup>1</sup> + Any initial charge<sup>2</sup> Notes:

<sup>1</sup> Share price means the price of a Share in the Fund calculated by reference to the value of the property of the Fund to which it is linked as at the relevant Valuation Point.

<sup>2</sup> The initial charge for each Fund is detailed in the shareclass specific Key Investor Information Document (KIID).

Other expenses which may be charged to the Fund are set out in full in the Prospectus of the Company.

You may be liable to other taxes and costs which are not paid through or imposed by the ACD.

Specific risks relating to each of the Funds are detailed in the Key Investor Information Document (KIID) and the Prospectus for the company.

The daily price of Shares of each Fund depends on fluctuations in the financial markets and is not within our control. The past performance of a Fund is not an indicator of future performance.

## 17. Title to Shares

The title to registered Shares in the Company is evidenced by entry on the Register. Details of a Shareholder's entry on the Register are available from the ACD on request, from Kames Capital plc, Ingrave Road, Brentwood, CM15 8TG (Telephone 0800 45 44 22).

## 18. Client Accounts

All monies and any other cash which constitutes client's money under the Rules shall (except in so far as the Shareholder agrees to the contrary) be held in a non-interest bearing sterling deposit account at the Royal Bank of Scotland plc, by the ACD or its nominee on behalf of the Shareholder. Balances on any such accounts may include the monies of other individuals participating with the ACD in holding Shares.

## 19. Report and Accounts

Annual reports of the Company will normally be published by 30 November and half-yearly reports will be published by 31 March each year. Shareholders may elect to receive the full Company Report and Accounts by request in writing to the address in 24, 'Correspondence' below.

## 20. Shareholders' Voting Rights

At a meeting of Shareholders, on a show of hands every Shareholder who is present in person or is present by its properly authorised representative has one vote. On a poll vote, a shareholder may vote either in person or by proxy.

## 21. Commencement and Termination

This agreement will commence upon acceptance by the ACD of the Application Form, or in the case of a transfer of Shares in terms of 11. 'Transfer of Shares', the Stock Transfer Form duly completed by the Shareholder.

This agreement may be terminated by either party by giving written notice to the other party, but will be without prejudice to the completion of any transactions already initiated and subject thereto. The ACD will make such payments to the Shareholder or otherwise as agreed between the parties.

In the event of termination, the ACD will not charge the shareholder anything other than the following:

- i. Any outstanding fees and charges due with respect to 16. 'Fees and Charges' above;
- ii. Any additional expenses necessarily incurred by the ACD in the event of termination; and
- iii. Any losses necessarily realised in settling or concluding outstanding obligations. Termination is also without prejudice to any right of the Shareholder.

## 22. Delegation by the ACD

The ACD will satisfy himself that any person to whom it delegates any of its functions or responsibilities is competent to carry out those functions or responsibilities.

## 23. Complaints and Compensation

If the Shareholder has any complaint in respect of the operation of this agreement or their Shareholding in general, this can be intimated in person or in writing to the ACD at Kames Capital plc, Ingrave Road, Brentwood, CM15 8TG or by telephone on 0800 45 44 22. If the ACD is unable to resolve any complaint to the satisfaction of the Shareholder then the Shareholder may take their complaint to the Financial Ombudsman Service. In order to contact the Ombudsman or obtain details of the Ombudsman Scheme the Shareholder should write to The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR or telephone 0845 080 1800.

The ACD is covered by the Financial Services Compensation Scheme. The Shareholder may be entitled to compensation from the scheme if the ACD cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000 per person per firm. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, 7th Floor, Lloyd's Chambers, 1 Poultry Street, London, E1 1LN.

## 24. Correspondence

All notices (which must be in writing) and all other documents and correspondence should be sent by the Shareholder to the ACD at Kames Capital plc, Ingrave Road, Brentwood, CM15 8TG.

Any letter or document from the ACD sent by post will be deemed to have been served on the second Business Day following that in which it is posted and service will be sufficiently proved if there is evidence that the envelope containing the letter or document was properly addressed, stamped and posted.

## 25. Shareholder's responsibility regarding payment declarations

The Shareholder, where it has declared that it (or, where the Shareholder acts as nominee, the beneficial owner) is entitled to receive gross distribution payments, indemnifies Kames Capital plc against any loss, expenses or costs including any taxation, withholding interest or penalties due to HM Revenue and Customs, in connection with any error, breach of obligation, wilful default or fraud on behalf of the Shareholder in making such declaration.

## 26. Cancellation Rights

(a) You have the right to cancel your investment in the following circumstances. You will have 14 days from the date of receipt of the later of the Key Investor Information Document (KIID), Supplementary Information Document and Customer Agreement of Kames Capital ICVC; and your contract note and notice of right to cancel (the "Cancellation Period") to cancel your investment. If you cancel your investment within the Cancellation Period we will return all charges paid by you in respect of it, however, if the value of your investment has fallen within the Cancellation Period you may not receive back the full amount you invested.

(b) If you wish to cancel your investment but fail to exercise your right to cancel within the Cancellation Period we have the right not to accept your notice of cancellation. Where we do accept your notice of cancellation you will only receive back the market value of your investment at the date your notice is received.

(c) For subscriptions under the Regular Savings Plan, only the initial subscription attracts the cancellation right. If you decide to vary the level of subscriptions under the Regular Savings Plan no new right to cancel will apply.

(d) The notice informing us of your intention to cancel should be sent by post to Kames Capital plc, Ingrave Road, Brentwood, CM15 8TG.

## **27. Risk Warnings:**

The Shareholder should appreciate that investment markets may be subject to fluctuations which might cause the value of the Shareholding and any income resulting from it to fall as well as rise. Accordingly, the value of shareholdings is not guaranteed by the ACD and the Shareholder may not always receive the amount of subscriptions invested.

The Shareholder should appreciate that investments in specialist markets or sectors, or in Funds with concentrated portfolios, will carry a greater risk of volatility. The Shareholder should refer to the Key Investor Investment Document (KIID) and the Prospectus for the Company for further details, and refer to a financial adviser.

Although each Fund so far as possible will be treated as bearing the liabilities, expenses, costs and charges attributable to it, if the assets are not sufficient the ACD may re-allocate assets, liabilities, expenses, costs and charges between the other Funds in a manner which is fair to the Shareholders of the Company generally.

Tax regulations and concessions are not guaranteed and can change at any time; their value to a Shareholder will depend on the Shareholders individual circumstances.

The ACD will not be liable to the Shareholder for any losses occasioned by the acts or omissions of the ACD or any of its agents or nominees or their employees except where the same can be attributed to negligence, fraud or bad faith.

As OEICs are required to comply with the Regulations, this means the ACD may be required to transfer investments out of certain funds and the terms of this Agreement may be changed if the Regulations are amended.

# Individual savings accounts (ISA)

## Customer agreement

### Terms and conditions

#### 1. The parties

The parties to this Agreement will be:

(a) the Account Investor ('the Account Investor'), being the person whose name and address appears on the individual savings account ('ISA') Application Form ('the Application Form'); and

(b) Kames Capital plc incorporated under the Companies Acts and having its Registered Office at Kames House, 3 Lochside Crescent, Edinburgh EH12 9SA ('the Account Manager').

Kames Capital plc is authorised and regulated by the Financial Services Authority (FSA) and is entered on the FSA Register under the Firm Reference Number of 144267.

This contract and all dealing in shares of Kames Capital ICVC is governed by Scots Law.

This contract is supplied in English which is the language in which all communications under this contract will be made.

#### 2. General

Under this Agreement, the Account Manager will manage the Account on behalf of the Account Investor in accordance with the Individual Savings Account Regulations 1998 ('the Regulations') as amended from time to time, this Agreement and the applicable rules prescribed by the FSA ('the Rules'). In the event of any inconsistency between this Agreement and the Regulations/Rules, the terms of the Regulations/Rules will prevail.

For the purposes of the FSA's client categorisation rules you will be categorised as a Retail Client.

For the purposes of this Agreement:

'Account' will mean a scheme of investment to which an Account Investor may subscribe being a Stocks and Shares ISA comprising Account Investments and will be the only account to which the Account Investor subscribes in any Account Year.

'Account Investments' will mean Shares of any one or more of the Funds or any other type of investment which the Account Manager deems appropriate from time to time in terms of the Regulations;

'Account Year' will mean the period of 12 months commencing with 6 April in the year and ending on 5 April in the year next following;

'Authorised Corporate Director' of the Company will mean Kames Capital plc, having its Registered Office at Kames House, 3 Lochside Crescent, Edinburgh EH12 9SA;

'Business Day' will mean Monday to Friday (except for, unless otherwise directed by the Authorised Corporate Director, the last working day before Christmas and a Bank Holiday in England and Wales and other days at the discretion of the Authorised Corporate Director);

'Class', in relation to Shares, will mean all of the Shares related to a single Fund or a particular class of Share related to a single Fund, according to context;

'Company' will mean Kames Capital ICVC, having its Registered Office at Kames House, 3 Lochside Crescent, Edinburgh EH12 9SA, which is an open-ended investment company in terms of the Collective Investment Scheme Sourcebook and the Open Ended Investment Companies Regulations 2001;

'Fund' will mean a Fund of the Company available under the Account as determined from time to time by the Account Manager at its sole discretion and as may be required by the Regulations, to which specific assets and liabilities may be allocated and which is invested in accordance with the investment objectives applicable to such Fund;

'Share' will mean a Share in the Company including larger and smaller denomination shares, with each smaller Share representing a one ten-thousandth part of a larger Share;

'Share Price' will mean the price of Share of each Class in any

Fund calculated by reference to the value of the property of the Fund to which it is linked as at the relevant Valuation Point; and

'Valuation Point' will mean 12 noon on any Business Day.

In this Agreement, unless the context sets out something different, words in the singular include the plural and vice versa.

#### 3. Maximum Subscription Limits

In the account year 2012/2013, the total amount of subscription to a Stocks and Shares account may not exceed £11,280.

#### 4. Minimum Subscription Limits

The following limits (subject to amendment from time to time by the Account Manager) will apply to the level of subscriptions which may be made to the Account:

(a) for regular subscriptions to the Account, the minimum subscription level will be £50 per sub Fund per month; and

(b) for initial lump-sum subscriptions to the Account, the minimum subscription level will be £500 per Fund, (£100 for any additional lump sums).

#### 5. Investment Options

The Account Investor may elect to have subscriptions invested in any of the Funds provided that:

(a) in the case of initial lump-sum subscriptions, at least £500 is invested in each fund;

(b) in the case of additional lump-sum subscriptions, at least £100 is invested in each Fund; and

(c) in the case of regular saving subscriptions by Direct Debit, at least £50 per month is invested in each Fund.

(d) if Income Shares are held then the Plan Investments may consist of income Shares in any of Sterling Corporate Bond Fund, Investment Grade Bond Fund, High Yield Bond Fund, Ethical Corporate Bond Fund, Strategic Bond Fund, Ethical Cautious Managed Fund, UK Equity Fund and UK Equity Income Fund.

#### 6. Investment Guidelines and Restrictions

(a) The Account Manager may only purchase such Account Investments as it is permitted to in terms of the Regulations in relation to the stocks and shares component;

(b) The Account Manager may not:

(i) purchase investments from the Account Investor or the spouse of the Account

Investor so as to become Account Investments under the Account; or

(ii) enter into transactions involving options, futures or contracts for differences (although the Authorised Corporate Director may effect permitted transactions of this nature for the purpose of efficient portfolio management of the Funds); and

(c) The Account Manager may, without prior reference to the Account Investor, effect transactions relating to the Account Investments in which the Account Manager or a connected company has directly or indirectly a material interest or a relationship with another party which may involve a conflict with the Account Manager's duty to the Account Investor.

#### 7. Dealing

(a) The Account Manager will effect deals on behalf of the Account Investor for the acquisition of Account Investments:

(i) in the case of lump-sum contributions, at the next Valuation Point after a duly completed Application Form, together with the subscription amount, is received by the Account Manager; and

(ii) in the case of regular saving contributions, at the next Valuation Point after the subscription is debited from the bank account of the Account Investor. A duly completed Application Form must be received prior to the 22nd day of the month prior to the month which contributions will commence. Monthly contributions to purchase Shares are collected by direct debit on the first working day of each month.

(b) The Account Manager will effect deals on behalf of the Account Investor for the disposal of Account Investments at the Share Price at the next Valuation Point after the instruction is received by the Account Manager.

(c) The ACD may withhold any proceeds of sale or delay a transfer where satisfactory evidence of identity has not previously been obtained, under anti money laundering regulations.

(d) We do not accept electronic dealing instructions.

#### 8. Advice to Account Investor

No advice will be given to the Account Investor by the Account Manager in relation to the Account Investments.

## 9. Account Statements

The Account Manager will provide the Account Investor with statements every six months for the periods to 31 March and 30 September ('the Relevant Dates') in each year (the period between one Relevant Date and the next being 'the Relevant Period').

The statements will include:

(a) a valuation of the Account Investments based on the Share Prices on the Relevant Dates which will include the composition of and individual and aggregate values of the Account Investments; and

(b) details of all investments retained, sales and purchases effected during the Relevant Period in respect of the Account Investments.

The statements will not include any measure of performance. Account Investors may elect to receive the full Company Report and Accounts by request in writing to the address in 22. 'Correspondence' below.

## 10. Transfer of Account

If requested in writing by the Account Investor, the Account may be transferred from the Account Manager to another duly authorised manager of an ISA, subject to the following:

(a) current Account Year subscriptions and other proceeds representing those subscriptions may only be transferred in full whereas previous Account Year investments may be transferred in full or in part;

(b) the terms of a transfer will be agreed between the Account Investor and both ISA managers; however, there is no obligation on any ISA manager to accept transfers;

(c) any transfer will be made direct between ISA managers;

(d) where an Account Investor has subscribed in the tax year of transfer and previous years, the Account Investments may have been merged, as a result those relating to the current and previous Account Years cannot be easily identified. In such circumstances, the amount which can be transferred will be determined by reference to the subscriptions in the year of transfer and the total value of Account Investments. An Account Investor can choose the amount to transfer within these limits;

(e) in the event that the Account Investments comprise income Shares in Sterling Corporate Bond Fund, Investment Grade Bond Fund, Ethical Corporate Bond Fund, Strategic Bond Fund, Ethical Cautious Managed Fund or UK Equity Income Fund, income payments will be made quarterly on 31 March, 30 June, 30 September and 31 December; In the event that the Account Investments comprise Income Shares in the High Yield Bond Fund, income payments will be made on the last day of every month. In the event that the Account Investments comprise Income Shares in the UK Equity fund, income payments will be made annually on 30 November;

(f) in the event of a transfer to the Account Manager, upon receipt of the duly completed transfer form and Application Form, the Account Manager will instruct the existing ISA manager to forward the ISA proceeds and Account Investments will be purchased at the Share Price(s) at the next Valuation Point after the proceeds are received by the Account Manager; and

(g) the date of transfer to a new ISA manager will be as agreed between ISA managers, however, it will be no more than 30 calendar days from and including the date of receipt of the Account Investor's request to transfer the ISA.

## 11. Withdrawals from Account

The Account Investor may make single withdrawals or regular withdrawals of Account Investments (but only in the form of cash) provided that:

(a) requests are made in writing to the address in 22. 'Correspondence' below;

(b) in the case of single withdrawals, the amount withdrawn may not be less than £100 per Fund;

(c) in the case of regular withdrawals, the effecting of such withdrawals will be as follows: (i) withdrawals may be made on a monthly basis; (ii) the minimum withdrawal may not be less than £50 per Fund;

(d) no single withdrawal may reduce the value of the remaining Account Investments to below the Account Manager's minimum Account balance for the time being (presently £250 represented exclusively by Shares of each Fund in which the Account Investor holds Shares);

(e) in the event that the Account Investments comprise Income Shares in Sterling Corporate Bond Fund, Investment Grade Bond Fund, Ethical Corporate Bond Fund, Strategic Bond Fund, Ethical Cautious Managed Fund or UK Equity Income Fund, income payments will be made quarterly on 31 March, 30 June, 30 September and 31 December. In the event that the Account Investments comprise Income Shares in the High Yield Bond Fund, income payments will be made on the last day of every month. In the event that the Account Investments comprise Income Shares in the UK Equity fund, income payments will be made annually on 30 November; and

(f) withdrawals (excluding income payments in terms of (e) above) will be made by way of cancellation of sufficient Shares within the Account to provide the value of the amount to be withdrawn and Shares will be cancelled from one single fund or proportionately from all funds in which the Account Investor holds Shares as selected by the Account Investor. In the event that the Account Investor does not make a selection, Shares will be cancelled proportionately from all Funds in which the Account Investor holds Shares, subject to the minimum withdrawal amounts and the minimum value of Share holdings per Fund as stated above.

## 12. Switch of Account Investments

(a) The Account Investor may, subject to the restrictions described in 11. 'Withdrawals from Account' above, in writing to the address in 22. 'Correspondence' below, instruct the Account Manager to switch Shares of one fund for Shares of another fund within the Account (subject to the charges in 14. 'Fees and Charges' below); and

(b) To effect a switch of Account Investments, Shares will be sold and purchased at the respective Share Prices at the next Valuation Point after the instruction is received by the Account Manager.

## 13. Income distributions

Where investors are entitled to income distributions these will be paid directly to their bank account. Where bank account details are not provided, all income payments will be reinvested automatically.

## 14 Fees and Expenses

(a) The Account Manager will be entitled at its sole discretion to charge and settle from the Account Investor's subscriptions or from the Account Investments (if necessary by the realisation of any part of the Account Investments) the following fees and expenses (including any amounts of VAT):

(i) an initial charge, as indicated in the relevant fund specific features document, applied to your subscription amount either through an initial investment, subsequent investment(s) or any other sums transferred to the relevant Fund from another ISA Manager;

(ii) an annual management charge which is paid out of each Fund will be deducted from the aggregate value of all Shares in issue. The annual charge for each Fund varies – the Account Investor should refer to the Fee and Expenses section of the Prospectus;

(iii) other expenses including for example, Depository fees, custody fees and other administration expenses will be paid out of each Fund. In addition the costs of dealing in the underlying assets of the Fund are deducted directly from the property of the Fund;

(iv) a fee of £3 (plus VAT thereon) for each additional statement issued over and above those issued in terms of 9. 'Account Statements' above;

(v) a fee of £10 for any withdrawals, in terms of 11. 'Withdrawals from Account' above, effected at the request of the Account Investor by way of direct credit into the Account Investor's bank account. The fee will not be applied to income payments in terms of 11(e) above;

(vi) where the Account Investor effects any switches of Account Investments in terms of 12. 'Switch of Account Investments' above, the Account Manager may at its sole discretion apply a charge of 1.5% of the value of Account Investments being switched.

(b) (i) In fixing a new level or amount of the charges in (a)(i) and (a)(v) above, the Account Manager will fix a level or amount which it considers in good faith is not excessive having taken into account increases in costs, its profit margin (being one which is reasonably in line with the market for these types of contracts generally), the underlying value of Shares, any requirements of legislation or any regulatory body, the time interval from the last alteration to the specific charge and any extra or additional administration which is reasonably required for the Account. Any increase in the charges in (a) and (b) above are at the sole discretion of the Authorised Corporate Director;

(ii) The charges in (a)(iv) and (a)(v) above may be increased by such amount as represents, at the time the increase is applied, the proportionate increase in the index commonly known as the Index of National Average Earnings (or, in the event that this index ceases to be published, such other index of earnings in the United Kingdom as the Account Manager may reasonably and in good faith select for this purpose) for the period between 6 April 1999 and the date upon which any such increase is applied;

(iii) At the time when an increase described in (ii) above is applied, the Account Manager may decide to increase any one or more of the charges or limits by the full amount of the allowable increase or such other lower figure.

(c) The charges in (a)(iv) and (a)(v) above will be recovered by way of cancellation of such Shares within the Account as is necessary to pay for the charge.

Where you wish to invest a specific amount of money this amount will represent the total cost payable by you.

Where you wish to purchase a specific number of Shares, the total price to be paid by you for your investment cannot be determined in advance. However, it is calculated on the following basis:

On purchase of 1 Share, the amount payable by you will be equal to the aggregate of: The Share price<sup>1</sup> + Any initial charge<sup>2</sup>

Notes:

<sup>1</sup> Share price means the price of a Share in the Fund calculated by reference to the value of the property of the Fund to which it is linked as at the relevant Valuation Point. <sup>2</sup> The initial charge for each Fund is detailed in the shareclass specific Key Investor Investment Document (KIID) and the Prospectus of the Company.

Other expenses which may be charged to the Fund are set out in full in the Prospectus of the Company.

You may be liable to other taxes and costs which are not paid through or imposed by the ACD.

Specific risks relating to each of the Funds are detailed in the shareclass specific Key Investor Investment Document (KIID) and the Prospectus of the Company.

The daily price of Shares of each Fund depends on fluctuations in the financial markets and is not within our control. The past performance of a Fund is not an indicator of future performance.

## 15. Title to Account Investments

Title to all Account Investments will be registered jointly in the name of the Account Manager and the Account Investor. All Account Investments will be in the beneficial ownership of the Account Investor, although these Account Investments cannot be used as security for a loan.

## 16. Client Accounts

All subscriptions and any other cash from time to time forming part of the Account Investments and constituting client's money under the Rules shall (except in so far as the Account Investor agrees to the contrary) be held in a non-interest bearing sterling deposit account, at the Royal Bank of Scotland plc, by the Account Manager or its nominee on behalf of the Account Investor. Balances on any such accounts may include the monies of other individuals participating with the Account Manager in Individual Savings Accounts.

## 17. Voting Rights, etc

If requested by the Account Investor in writing, the Account Manager will arrange for the Account Investor to be able:

(a) to receive a copy of the annual Report and Accounts and any other information issued to investors by every company, unit trust, open-ended investment company or other entity in which the Account Investor has Account Investments; and

(b) to attend any meetings of investors in any company, unit trust, open-ended investment company or other entity in which the Account Investor has Account Investments and to vote at such meetings.

The Account Manager will at its sole discretion determine whether to take up any rights or other benefits arising within the Account Investments or to sell such rights or benefits or any part thereof.

## 18. Commencement and Termination

This Agreement will commence upon acceptance by the Account Manager of the Application Form, or in the case of transfers in terms of 10.(f) 'Transfer of Account', the transfer form and Application Form, duly completed by the Account Investor.

This Agreement may be terminated by either party by giving written notice to the other party, but will be without prejudice to the completion of any transactions already initiated and subject thereto, the Account Manager will make such payments and transfers of the Account Investments to the Account Investor or otherwise as agreed between the parties.

In the event of termination, the Account Manager will not charge the Account Investor anything other than the following:

- (i) any outstanding fees and charges due with respect to 14. 'Fees and Expenses' above;
- (ii) any additional expenses necessarily incurred by the Account Manager in the event of termination; and
- (iii) any losses necessarily realised in settling or concluding outstanding obligations. Termination is also without prejudice to any right of the Account Investor to have the Account Investments transferred to another duly authorised ISA manager in terms of 10. 'Transfer of Account' above.

The Account Manager will notify the Account Investor if, as a result of any failure to satisfy the provisions of the Regulations, either the Account Investor ceases to be eligible to subscribe to the Account; or the Account is or will become no longer exempt from tax. The Account is or will become no longer exempt from tax in the event that the Account Investor:

(a) is not over 18 years of age;

(b) subscribes to more than one stocks and shares ISA in the Account Year; (c) becomes resident and ordinarily resident outside of the United Kingdom; or

(d) being non United Kingdom resident, loses his qualifying status in terms of Section 28 Income Tax (Earnings & Pensions) Act 2003.

In relation to (a) above, the Account will be void and will be closed with the loss of all tax exemptions. The Account Manager will return to the Account Investor the cash equivalent of the value of the Account Investments as at the date upon which the Account Manager ascertains the Account Investor is not over 18 years of age.

In relation to (b) above, where the Account Investor has subscribed to the Account and previously to additional account(s) in the Account Year, the subscriptions paid to the Account will be deemed invalid and the cash equivalent of the value of the Account Investments (as at the date upon which the Account Manager ascertains the Account Investor has subscribed to more than one account) will be returned to the Account Investor.

In relation to (c) and (d) above, the Account Investor may retain the benefits of the Account (including the right to any relief or exemption due under the Account) subsisting at that time but, so long as (c) and (d) apply, the Account Investor will not be entitled to subscribe further to the Account.

## 19. Continuing Regular Contributions

(a) If the Account Investor is making regular monthly contributions by Direct Debit, the Account Manager will continue to debit the Account Investor's bank account for subsequent Account Years until written notice is received from the Account Investor to the contrary; and

(b) The Account Manager will give notice to the Account Investor at the commencement of and in respect of each successive Account Year following the year in which the Account Investor first subscribed to the Account to the effect that if the Account Investor subscribes to a stocks and shares Account the Account Investor may not subscribe to any other stocks and shares account in the Account Year to which the notice relates.

## 20. Delegation by Account Manager

The Account Manager will satisfy themselves that any person to whom it delegates any of its functions or responsibilities is competent to carry out those functions or responsibilities.

## 21. Complaints

If the Account Investor has any complaint in respect of the operation of this Agreement or the Account in general, this can be intimated in person or in writing to the ACD at Kames Capital, BNY Mellon House, Ingrave Road, Brentwood, CM15 8TG or by telephone on 0800 45 44 22. If the Account Manager is unable to resolve any complaint to the satisfaction of the Account Investor then the Account Investor may take his complaint to the Financial Ombudsman Service. In order to contact the Ombudsman or obtain details of the Ombudsman Scheme the Account Investor should write to The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR or telephone 0845 080 1800. In addition, the Financial Services Compensation Scheme acts as a final safety net for investors who have claims against regulated organisations which are unable to pay such claims.

## 22. Correspondence

All notices (which must be in writing) and all other documents or correspondence should be sent by the Account Investor to the Account Manager at Kames Capital plc, Ingrave Road, Brentwood, CM15 8TG. Any instruction given by the Account Investor, particularly in relation to instructions in terms of 10. 'Transfer of Account', 11. 'Withdrawals from Account' and 12. 'Switch of Account Investments' above, will be acknowledged by the Account Manager as soon as possible following receipt, which will normally be within seven working days of receipt.

Any letter or document from the Account Manager sent by post will be deemed to have been served on the second Business Day following that on which it is posted and service will be sufficiently proved if there is evidence that the envelope containing the letter or document was properly addressed, stamped and posted.

## 23. Cancellation Rights

(a) You have the right to cancel your investment in the following circumstances. You will have 14 days from the date of receipt Customer Agreement of Kames Capital ICVC; or Key Investor Information Document (KIID) and Supplementary Information Document (SID); and your contract note and notice of right to cancel (the "Cancellation Period") to cancel your investment. If you cancel your investment within the Cancellation Period we will return all charges paid by you in respect of it, however, if the value of your investment has fallen within the Cancellation Period you may not receive back the full amount you invested.

(b) If you wish to cancel your investment but fail to exercise your right to cancel within the Cancellation Period we have the right not to accept your notice of cancellation. Where we do accept your notice of cancellation you will only receive back the market value of your investment at the date your notice is received.

(c) For subscriptions under the Regular Savings Plan, only the initial subscription attracts the cancellation right. If you decide to vary the level of subscriptions under the Regular Savings Plan no new right to cancel will apply.

(d) If you wish to cancel you may request that the value of your investment is transferred to another ISA Manager or sent to you. If you transfer to another ISA Manager and your transfer is accepted by that ISA Manager your ISA for the current Account Year can remain valid. The provisions of clause 10 (g) shall apply to the transfer. If you request repayment of your subscription to you, your ISA entitlement for the current Account Year will have been lost.

(e) The notice informing us of your intention to cancel should be sent by post to Kames Capital plc, Ingrave Road, Brentwood CM15 8TG.

#### **24. Risk Warning**

The Account Investor should appreciate that investment markets may be subject to fluctuations, which might cause the value of the Account Investments and any income from them to fall as well as rise. Accordingly, the value of Account Investments is not guaranteed by the Account Manager and the Account Investor may not always receive from the Account the amount of the subscriptions invested. The Account Investor should appreciate that investment in specialist markets or sectors, or in funds with concentrated portfolios, will carry a greater risk of volatility. The Account Investor should refer to the shareclass specific Key Investor Investment Document (KIID) and the Prospectus for the Company for further details, and refer to a financial adviser.

In addition, the Account Manager will not be liable to the Account Investor for any losses sustained under the Account occasioned by the actions or omissions of the Account Manager or any of its agents or nominees or their employees except where the same can be attributed to negligence, fraud or bad faith.

As ISAs are required to comply with the Regulations, this means that the Account Manager may be required to transfer Account Investments out of certain funds and the terms of this Agreement may be changed if the Regulations are amended.

## Contact details

**website:** [kamescapital.com](https://kamescapital.com)  
**email:** [help@kamescapital.info](mailto:help@kamescapital.info)  
**telephone:** 0800 45 44 22

Our investor helpdesk is open from 8.30am to 5.30pm (Monday to Friday).

To improve customer service, and for training purposes, calls may be recorded.

**Kames Capital plc**  
**Ingrave Road**  
**Brentwood**  
**ESSEX**  
**CM15 8TG**

