



**Querns Income First Fund
ISA Key Features & Terms and Conditions**

keyfacts

® Key Features of the Querns Stocks and Shares ISA

The Financial Services Authority is the independent financial services regulator. It requires us, Querns Asset Managers LLP, to give you this important information to help you to decide whether our ISA is right for you. You should read this document carefully so that you can understand what you are buying and then keep it safe for future reference.

This document was prepared in September 2011, and some of the information included may have changed since it was printed. Please ensure this document is read along with the Querns Income First Fund Simplified Prospectus.

What investment can I make?

You can invest with a lump sum, a regular monthly amount or a combination of both. If you invest monthly by Direct Debit you must pay your first month's contribution by cheque. The cheque must be drawn from the same bank or building society account that the Direct Debit will be collected from. The investment will be made at the first valuation point after receipt. Direct Debits will be collected on the 1st of the month (or next Business Day) from the month following the first investment. You can suspend your monthly payments or sell your investment whenever you wish with no penalty. If you make a subscription to an ISA, it counts towards the overall subscription limit for the tax year. If you re-subscribe money that you have already withdrawn in the same tax year, this is an additional investment and will count as part of your subscription for that tax year.

What are the stocks and shares ISA investment levels?

Minimum £100 per month or a £1,000 lump sum
Minimum additional lump sum investment of £500
Maximum total subscription £10,680 in the 2011/2012 tax year: All of this annual subscription can be invested in a stocks and shares ISA. Alternatively, up to £5,340 of the overall subscription limit can be invested in a cash ISA (with another provider), with the remainder of the £10,680 invested in a stocks and shares ISA.

What are the product characteristics of ISAs?

An ISA is a tax-efficient 'wrapper', which replaced PEPs and TESSAs. To be eligible to invest in an ISA, you must be aged 18 years or over, and either a UK resident or a Crown employee (or their spouse or civil partner), living and working abroad.

What type of investments does the Querns stocks and shares ISA offer?

The Querns stocks and shares ISA invests in stocks and shares through our ICVC. An ICVC is an Investment Company with Variable Capital. It is a collective investment scheme similar to a unit trust that allows you to pool your money with other investors. The Querns ICVC has one sub-fund, the Querns Income First Fund (the "Fund"), which offers both Income and Accumulation Shares.

Who manages the Querns ISA?

Querns Asset Managers LLP
Head office: Querns Cottage, Collins End, Goring Heath, Oxfordshire RG8 7RH
Administration office: PO Box 10770, Chelmsford, Essex CM1 9QD
Authorised and regulated by the Financial Services Authority, No. 516255.

How can I get further information on the Querns ISA?

Full Terms and Conditions for investing in this ISA can be found in this document. Copies of the Full or Simplified Prospectus and the latest Short Report for the Fund can also be obtained from us free of charge.

Website: www.querns.co.uk
Administration Address: PO Box 10770, Chelmsford, Essex, CM1 9QD
Telephone: 0845 305 4212 (Monday to Friday 8:30am - 5:00pm)
Facsimile: 0845 280 0058
E-mail: enquiry@querns.co.uk

How do I buy or sell shares?

You need to complete either an ISA application form or instruct us to sell your holding. If you are selling only part of your holding, you must leave a minimum balance of £1,000. ISA monthly savings investments will automatically continue for subsequent tax years unless you instruct us otherwise.

When will my shares be bought?

The Fund is valued at 12 noon on each Business Day (the 'valuation point'). For applications received before 12 noon on a Business Day, your shares will be bought at that valuation point. For those received after 12 noon, your shares will be bought at the next valuation point.

What will I receive to confirm I have invested?

You will not receive a certificate for your investment, but a contract note will be issued to you by the close of business on the day following the purchase of your Shares. Your contract note should be retained as a record of your transaction. We will issue a letter of acknowledgement of the set up or change of regular monthly payments, we will not issue contract notes for monthly savings investments.

What happens if I change my mind?

If you invest via an authorised Financial Adviser who has given you advice, a cancellation form will be sent to you along with either your contract note or acknowledgement letter. This will tell you when your cancellation period is and your cancellation rights. You can exercise your cancellation rights by returning the signed cancellation form (or a written equivalent) to us. If you cancel your investment, we will refund any amount we have received. In the case of a lump sum investment, we will deduct any amount by which the value of that investment has fallen. This is calculated at the next valuation point after we receive your cancellation instructions. You do not have these cancellation rights if you do not invest via an authorised Financial Adviser.

Will I receive statements?

In April and October each year we will send you full statements which show all investments to 5 April and 5 October, respectively. It includes details of all transactions and income distributed during the previous six months and the value of your investment in the Fund. We will also provide you with a copy of the relevant Manager's Short Report every six months. This provides details of how the fund has been managed during the reporting period. Unless you inform us that you do not wish to receive notification of income payments we will notify you monthly of income payments made to you.

How is income paid or reinvested?

If you hold income shares, income will be transferred monthly into your bank account. If you hold accumulation shares the income is automatically retained increasing the value of your shares.

Can I hold cash in my Stocks and Shares ISA?

Cash from the sale of investments can be held during the process of paying the cash out to you or being reinvested. No charge is applied, or interest accrued, on this money.

Can I transfer my existing ISA from another manager to Querns and what are the charges?

Yes, you may transfer part or all of your ISA from another manager to us. Your existing ISA manager will sell your investment and the proceeds are then invested in the Querns ISA.

For current tax year ISAs, the whole amount you have invested must be transferred. When money invested in the current tax year is transferred from a cash ISA to a stocks and shares ISA, it will be treated as if the cash ISA never existed and the money had been invested directly into the stocks and shares ISA for that tax year. The start date of the stocks and shares ISA will be the date the cash ISA was opened unless the stocks and shares ISA was already open. Therefore you can invest the remaining balance of your annual ISA subscription in the stocks and shares ISA.

For previous tax year ISAs, you can transfer some or all of the previous years' ISAs you hold with another manager to a Querns stocks and shares ISA.

Can I transfer my Querns ISA to another manager?

Yes, you can transfer your Querns ISA to another manager.

What about tax?

You will have no liability to UK Income Tax or Capital Gains Tax (CGT) on income or capital returns from investments in an ISA.

What is the tax status of the Fund?

The fund falls under the new Tax Elected Fund ("TEF") regime. TEFs make two types of income distribution - a dividend and a non-dividend (interest) distribution. UK dividend income is non-taxable in the fund and is distributed as a dividend. All other income is distributed as a non-dividend (interest) distribution. This means that investors are

in broadly the same position as if they have invested directly in the underlying investments of the Fund and makes them more tax efficient for tax exempt investors such as pension funds, charities and ISA savers than investing in a non-tax elected fund with the same underlying investments. Gross shares in Querns Income First Fund will be purchased for you in the Querns ISA therefore no UK tax will be deducted on any income from fixed interest investments, dividend income received by the fund bears a related tax credit at the rate of 10% of the gross dividend.

How much will any advice cost?

If you have a Financial Adviser they will tell you the cost of their advice. Querns does not pay any commission to Financial Advisers, neither initial commission on investments made nor renewal commission on investments held.

Where can I check the latest price for the Fund?

The prices can be checked at www.querns.co.uk or www.fundlistings.com, or by calling 0845 305 4212.

How will charges and expenses affect my investment?

There are no additional charges for ICVC investment in an Querns ISA over and above the normal ICVC charges detailed below. The fund charges and expenses are charged to capital. This has the effect of increasing the distribution(s) for the year by the amount of the charges and expenses and constraining the funds capital performance to an equivalent extent.

In the case of transfers, we reserve the right to pass on to you any expenses or costs incurred when transferring Accounts. We may review our charges when necessary and will notify you 60 calendar days' in advance of any increase in our charges.

Fund Charges

Initial charge: 0%

Annual management charge: 0.75% a year (charged to capital)

There is no exit charge if you sell.

There is a single price for the Fund, at which shares can be purchased and sold.

What is the effect of the charges on the Fund?

To show the effect of charges and expenses on an investment in the Fund, we have taken two examples: a lump sum investment of £1,000 and a monthly savings investment of £100. Calculations are based on an assumed rate of growth of 7% a year. The figures in the table overleaf are not guaranteed and only show what you might get back based on an assumed standardised growth rate. You could get back more or less than this. All fund managers use the same assumed standardised rates of growth for these examples but their charges and expenses will vary.

Effect of Charges Tables

At End of Year	Investment to Date		Effect of Deductions to Date		Income to Date	What you Might Get Back (7%)	
	Lump Sum	Monthly Savings	Lump Sum	Monthly Savings		Lump Sum	Monthly Savings
1	1,000	1,200	19	12	61	988	1,233
3		3,600	60	114	181	965	3,888
5		6,000	106	340	298	943	6,820
10		12,000	249	1,652	578	889	15,550

Over 10 years the effect of the total charges and expenses on an investment in the fund could amount to £249 for a £1,000 lump sum investment and £1,652 for monthly savings of £100 per month. This would have the same effect as bringing investment growth from 7% a year down to 5.1% for a lump sum investment and 5.0% for monthly savings. The table is based on income shares for lump sum investments and accumulation shares for monthly savings.

Terms and Conditions of the Querns ISA

Definitions of key words in these Terms and Conditions

'Querns', 'we', 'our' and 'us' mean the ISA Manager, which is Querns Asset Managers LLP.

'You' and 'your' mean for an ISA, the Qualifying Individual whose details appear on the Application Form and who has opened, or is applying to open, an Account.

'Your Investments' means the investments that are held in your Account at any time, which are included on our list of Designated Investments and are permitted by the Regulations.

Account Querns ISA.

Account Holder Any Qualifying Individual whose details appear on the Application Form and who has opened, or is applying to open, an Account.

Account Manager For an ISA, an Account Manager as defined in the Regulations.

ACD The Authorised Corporate Director of the ICVC, which is Querns Asset Managers LLP.

Allocated Cash Any cash allocated to a specific future transaction that is held within an Account.

Another Manager An Account Manager that is not Querns Asset Managers LLP.

Application Any Account application form.

Business Day Any weekday excluding UK public and bank holidays or any day on which the London Stock Exchange plc is not open for the normal full duration of its trading hours.

Depositary National Westminster Bank PLC, 135 Bishopgate, London, EC3M 3UR or whoever is from time to time appointed as the depositary of the ICVC. The depositary is entrusted with the safekeeping of all of the scheme property of the ICVC.

Designated Investment An investment permitted by the Regulations and included in our list of Designated Investments.

Financial Adviser An individual who has provided you with advice on Your Investment, and is detailed on your Application.

FSA The Financial Services Authority.

FSA Rules The Handbook of Rules and Guidance published and amended from time to time by the FSA.

Full Prospectus The document that contains detailed information about the Fund.

Fund ICVC or sub-fund thereof.

ICVC An open-ended investment company with variable capital incorporated pursuant to the Open-Ended Investment Companies Regulations 2001 and authorised by the FSA, or a sub-fund thereof.

ISA An Individual Savings Account, as defined by the Regulations.

Key Features Document The document that sets out the main features of your Account.

Qualifying Individual An individual aged 18 years or over who has not opened any other Stocks and Shares ISA in the current Tax Year. The individual must be either resident or ordinarily resident in the UK. Alternatively, where they are not, they must perform duties as a crown employee serving overseas which are treated as being performed in the UK, or be married to or in a civil partnership with a crown employee.

Regulations The Individual Savings Account Regulations 1998, which currently apply to ISA investments and which may be amended from time to time.

Simplified Prospectus The document that contains key information about the Fund.

Stocks and Shares ISA An ISA that is described as a 'stocks and shares ISA' under the Regulations.

Tax Year The year beginning 6 April in each year and ending 5 April in the following year.

Terms and Conditions These Terms and Conditions and the Application completed by you.

Valuation Point The point where the Fund is valued. This takes place at 12 noon on each Business Day.

Website www.querns.co.uk

Before making an investment

Please read these Terms and Conditions and the Key Features at the beginning of this document and the Simplified Prospectus before making any application. These documents, the latest Full Prospectus and the latest Short Report are available from us on request or from our Website.

We reserve the right not to accept your Application to open an ISA or transfer an ISA to us without giving any reason.

Subscribing to an ISA

You can apply by completing our Application Form and returning it to us by post. When we have accepted your subscription, we will send you confirmation. If you do not give us the complete information required under the Regulations at the time we receive your Application Form, then we will not be able to open your ISA and we will return your Application. You must complete the missing information and return the Application to us.

Your right to cancel

If you invest via an authorised Financial Adviser who has given you advice, a cancellation form will be sent to you along with either your contract note or acknowledgement letter. This will tell you when the cancellation period is and your cancellation rights. You can exercise your cancellation rights by returning the signed cancellation form (or a written equivalent) to us. If you cancel your investment, we will refund any amount we have received. In the case of a lump sum investment, we will deduct any amount by which the value of that investment has fallen. This is calculated at the next valuation point after we receive your cancellation instructions. You do not have these

cancellation rights if you do not invest via an authorised Financial Adviser.

Investing

You can invest a lump sum, a regular monthly amount or a combination of the two. Lump sum investments can only be made by cheque and monthly investments must be made by Direct Debit. Please note that you will need to pay your first month's investment by cheque. To invest, complete the Application Form and send it to us, along with your cheque.

Instructing us

Once your ISA is open or we receive your ISA transfer from another manager, you should then always instruct us in writing. You must also supply us with all information that we reasonably ask for, in relation to your Account. In particular, you must tell us if you change your address, your personal status, your Financial Adviser, or other information you have given us on your Application Form. If you change address you must tell us by signed, written instructions. If you change your name you must tell us by signed, written instructions – including original (or certified copies) of any legal documentation. You must also confirm to us in writing if you cease to be a Qualifying Individual. We buy and sell ICVC shares in your Account at the next available valuation point after we receive your instructions.

Confirmation of investment

You will not receive a certificate for your investment, but a contract note will be issued to you by the close of business on the day following the purchase of your Shares. Your contract note should be retained as a record of your

transaction. We will issue a letter of acknowledgement of the set up or change of regular monthly payments, we will not issue contract notes for monthly savings investments.

Statements and Managers Reports

In April and October each year we will send you full statements which show all investments to 5 April and 5 October, respectively. It includes details of all transactions and income distributed during the previous six months and the value of your investment in the Fund. We will also provide you with a copy of the relevant Manager's Short Report every six months. This will provide you with key information outlining details of how the fund has been managed during the reporting period. Unless you inform us that you do not wish to receive notification of income payments we will notify you monthly of income payments made to you.

Managing my account

We will manage your Account as directed by you on your Application Form or other instruction, and in accordance with the Regulations and these Terms and Conditions. The Fund in your Account is managed by the ACD. Shares are bought and sold on a single price basis. Prices are usually calculated on each Business Day at 12.00 noon (the 'Valuation Point'). They may be calculated more frequently, if it is necessary, to reflect any major changes in the underlying relevant stock markets and currencies.

Conflicts of interest

In the normal course of business, circumstances resulting in conflicts of interest may arise. We will identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between ourselves and our clients and between one client and another. Where a potential conflict arises, we will manage these to prevent abuse and protect our employees, clients and other parties. We will ensure that transactions and services are effected on terms which are not materially less favourable to the client than if the potential conflict had not existed.

Best execution

When buying and selling underlying securities within our fund range, we endeavour to achieve the best result for that transaction. A variety of factors will be considered to ensure that the best possible result is therefore achieved. These include, but will not be limited to, price, cost, size of order, nature of order and speed and likelihood of execution and settlement. Where we consider these factors are not met on a consistent basis we will cease placing orders with that counterparty. Details of our best execution arrangement are included within our Trade Execution Policy which is available upon request.

Appropriateness

We are not required to assess the suitability of the investment or service provided or offered to you and, as a result, you will not benefit from the protection of the FSA Rules on assessing suitability. Therefore, we will not assess whether:

- the investment or service meets your investment objectives;
- you are able financially to bear the risk of any loss that the investment or service may cause; or
- you have the necessary knowledge and experience to understand the risks involved

Keeping you informed

Any notices or other documents will be sent to the registered address for your Account. We will acknowledge in writing, all notices and instructions received.

Charges and expenses

There are no additional charges for ICVC investment in a Querns ISA over and above the normal ICVC charges. The fund charges and expenses, estimated to be 1.1% per year, are charged to capital. This has the effect of increasing the distribution(s) for the year by the amount of the charges and expenses and constraining the funds capital

performance to an equivalent extent. In the case of transfers, we reserve the right to pass on to you any expenses or costs incurred when transferring Accounts. We may review our charges when necessary and will notify you 60 calendar days' in advance of any increase in our charges.

Taking money out of your Account

You can take money out of your Account at any time. To do this we will sell Your Investments in the Fund. The minimum amount of money you can take out of your Account is £500, unless you are closing your Account. We have the right to close your Account, if the amount held falls below £1,000. Regardless of whether you have taken money out of the Account or not, any money you invest in your ISA will count towards your annual subscription. You are only allowed to invest additional amounts in you ISA if you are still within your ISA subscription limit for that tax year. Sale proceeds will be sent by cheque to your registered address, payable to the name on the account, usually within four Business Days after we sell Your Investment. If you have sent us a new transfer or subscription and have also requested that some of your investments be sold, the payment of your sale proceeds will be delayed for ten Business Days if the new instructions were accompanied by a cheque or five Business Days after the Direct Debit date in the case of monthly savings.

Your Financial Adviser

If you carry out any of your Account transactions via an authorised Financial Adviser, or you tell us that you have an authorised Financial Adviser, we will treat that adviser as your agent. We may give full details of your Account to any adviser you use on your Account, and we may accept instructions relating to your Account from any of them in accordance with your instructions. If you do not want us to accept instructions from one or more of your advisers you must notify us in writing.

Unpresented cheques

Cheques we send out which remain unpresented (i.e. are not paid into a customer's bank or building society account), may be cancelled and alternative payment arrangements may be made.

Income from your Account

If you ask to have your income paid out to you, we will buy Income Shares. If you ask us to reinvest your income we will buy Accumulation Shares. If you change your income instructions we will automatically convert your Fund investments to the appropriate type of Share.

Stopping your ISA monthly payments

For monthly savings, you can suspend your payments indefinitely, provided you have invested at least £1,000 in your ISA. We reserve the right to close your ISA if your total investment is less than £1,000 at the time you stop your payments. If we close your ISA, we will sell Your Investments at the next valuation point. You will not be entitled to any compensation or damages if we exercise this right.

Closing your Account

You can close your Account at any time. We will sell the Fund investments in your Account at the next valuation point after we receive your instructions.

Our right to close your Account

We reserve the right to close your Account by giving you written notice. You will not be entitled to any compensation or damages if we exercise this right. If we intend to stop acting as an Account Manager we will give you 90 calendar days' notice in writing, of the closure of your Account. If you wish, you may transfer your Account to Another Manager. As part of closing your Account, we will complete any outstanding Account transactions then sell all Your Investments at the next available valuation point and transfer the proceeds to Another Manager or pay it out to you.

Probate

When we receive appropriate notification of your death, or a court appoints a trustee or custodian of your assets, we will no longer be your Account Manager. All tax benefits for your Account will cease on your death. Your Investments will remain in the account until we receive instructions from your personal representative(s) or the beneficiary of your Account. Our Terms and Conditions will still apply to your personal representative(s) and/or your beneficiary as the case may be. Once we have received and processed all the information we need we will sell Your Investments, normally within three Business Days. We will pay out the proceeds, normally within four Business Days, from the sale of Your Investments plus any accrued income as instructed by your personal representative(s) or your beneficiary, to them. Alternatively, we will invest the proceeds according to their instructions.

Transferring an existing ISA from another Manager to Querns

You may transfer part or all of your ISA from another manager to us. Your existing ISA manager will sell your investment and the proceeds are then invested in the Querns ISA. For current tax year ISAs, the whole amount you have invested must be transferred. When money invested in the current tax year is transferred from a cash ISA to a stocks and shares ISA, it will be treated as if the cash ISA never existed and the money had been invested directly into the stocks and shares ISA for that tax year. The start date of the stocks and shares ISA will be the date the cash ISA was opened unless the stocks and shares ISA was already open. Therefore you can invest the remaining balance of your annual ISA subscription in the stocks and shares ISA. For previous tax year ISAs, you can transfer some or all of the previous years' ISAs you hold with another manager to a Querns stocks and shares ISA.

Where the transfer of an ISA includes Tax Years previous to the current Tax Year, these previous Tax Years will be amalgamated. If the transfer of an ISA includes the current Tax Year, then additional cash subscriptions (including cash subscriptions made by Direct Debit) will only be accepted once we have received the transfer proceeds. Any current Tax Year subscriptions received by us prior to that will be returned to you. The amount being transferred must be at least £1,000 and it must comply with HM Revenue & Customs regulations. Any amounts of less than £10 received from Another Manager, in respect of interest and/or dividends, after the transfer has taken place, will be paid to you rather than invested in your ISA with us.

Transferring my Querns ISA to Another Manager

You may transfer all or part of your Fund investments, in cash or in specie, to Another Manager at any time. You can do this by giving us written instructions. If you wish to transfer an ISA for the current Tax Year you must transfer the whole of it into another Stocks and Shares ISA. However, for previous Tax Year ISAs you can transfer some or all of the investments you hold to another Stocks and Shares ISA. If your instructions are complete and in accordance with the Regulations, we will do whatever is needed to transfer Your Investments or pay any proceeds to Another Manager, subject to any reasonable charges, which we may take from the proceeds, together with any expenses, including VAT, incurred in carrying out the transfer for you. On your written instructions and within the time you stipulate (subject to a minimum of 30 days) we will transfer all or part of your ISA with all rights and obligations to Another Manager, provided they accept the transfer. The 30 days start from when we receive confirmation of acceptance from that other manager. Whilst normally we will carry out the transfer within the time you stipulate, occasionally, it may take longer due to factors beyond our control.

Beneficial ownership

All Fund investments in your Account are held jointly in the name of the ACD (or our Nominee) and your name or only

in the name of the ACD (or our Nominee) but you remain the beneficial owner. This means that, although we hold them in the name of the ACD or our Nominee, they belong to you and will continue to belong to you even if the ACD or our Nominee becomes insolvent. Your Investments must remain in your beneficial ownership and therefore cannot be used by you as security for a loan. We cannot lend any of Your Investments, documents of title, or any other property relating to your Account to anyone else or use them as security for a loan. We are responsible for the acts and omissions of any nominee that we appoint.

ICVC voting rights and reports

If you would like to attend and/or direct the Nominee on how to vote on your behalf, in respect of your shares, at an Extraordinary General Meeting, we can arrange this and will not charge you for doing so. Copies of Short Reports will be available on request from us at no charge.

Business Entertainment and Gifts

Querns and its employees can give gifts, benefits and entertainment, subject to certain limits and other restrictions, to our suppliers, service providers and clients. Similarly, Querns and its employees can receive gifts, benefits and entertainment subject to certain limits and other restrictions.

Querns is permitted only gifts, benefits and entertainment which comply with regulatory requirements and internal standards, are designed to enhance the quality of service to customers and do not create conflicts of interest, can be given or received. Subject to regulatory requirements and internal standards, the types of gifts, benefits and entertainment which may be given by Querns fall into the following categories: gifts, hospitality and promotional competition prizes; promotional activity; joint marketing exercises; participation in seminars and conferences; provision of technical services and information technology; training; and travel and accommodation expenses.

Documents and records

We will keep records, which identify each Account Holder's investments separately. However if we default, any shortfall may be shared pro rata among all Account Holders whose investments are registered collectively.

Our obligations to you

We will manage your Account with due care and diligence, in accordance with the Regulations and of the Financial Services and Markets Act 2000. However, we will not be liable to you for any costs, claims, demands, losses, expenses or any other liabilities whatsoever (including any demands or claims by HM Revenue & Customs) as a result of any loss of opportunity to increase the value of any of Your Investments, or any depreciation in the value of any of Your Investments other than as a result of our negligence, fraud, wilful default or breach of the FSA Rules. We will not be liable for acts or omissions by us or any third party, whether or not that third party is acting as our agent, unless it arises as a result of our negligence, fraud, wilful default or breach of the FSA Rules. We will not be liable for any loss or damage suffered as a result of circumstances beyond our reasonable control, provided where relevant that we have complied with the FSA Rules on business continuity. We will not be liable for any negligence, fraud or default by any approved bank or custodians who hold cash or assets in or on behalf of your Account. We will inform you in writing of any failure by us to comply with the Regulations, which result in your Account being made void.

Your obligations to us

You and your personal representative(s) will indemnify us against all proceedings, actions, costs, claims or demands and any other liabilities whatsoever (including any demands or claims by HM Revenue & Customs) incurred by us in connection with your Account, unless these arise as a result of our negligence, fraud, wilful default or a breach by us of the FSA Rules or the Terms and Conditions.

Changing the Terms and Conditions of your Account

The Terms and Conditions, Account literature, Simplified Prospectus, ISA Key Features and your Application represent the entire terms on which we provide your Account. We can alter any of the Terms and Conditions of your Account. We will give you at least 28 calendar days notice in writing of any such changes. If you do not agree with the amendments, you may instruct us to close your Account or transfer it to Another Manager.

How to complain

Under the Financial Services Authority (FSA) Conduct of Business rules you will be classified as a retail client. Provided you are investing as an individual, you will be entitled to certain rights under the Financial Ombudsman Service or the Financial Services Compensation Scheme.

If you have a complaint you should write to us in the first instance at PO Box 10770, Chelmsford, Essex CM1 9QD. If your complaint is not resolved by us to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR, UK. We will inform you of your rights when answering your complaint.

Entitlement to compensation

The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. Most types of investment business are covered for 100% of the first £50,000 only.

Anti-money laundering

We are legally obliged to confirm your identity for anti-money laundering purposes. This may include us obtaining information from a credit reference agency. If you do not use a Financial Adviser in relation to your first transaction, we will request an original or a certified copy of your passport or photo-style driving licence and proof of address

(utility bill or bank statement). We will only use this information for confirmation of your identity and not for any other purpose. Sale proceeds will not be issued to you unless we have successfully confirmed your identity. Where confirmation of identity is outstanding, we will be unable to accept further investments from you, including those made by Direct Debit.

Governing Law

These Terms and Conditions are governed by and construed in accordance with English Law. Both you and we agree to submit to the jurisdiction of the English Courts.

General

You should note that your tax treatment in relation to any investments made under these Terms and Conditions will depend on your individual circumstances and may be subject to change in future. Telephone calls to us may be recorded. These records will be our sole property and will constitute conclusive evidence of the conversation recorded.

Querns Asset Managers LLP is registered in England No. OC350861. Our correspondence address is PO Box 10770, Chelmsford, Essex, CM1 9QD. We are authorised and regulated in the conduct of investment business by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London E14 5HS, UK), FSA registration number 516255. We are approved by HM Revenue & Customs as an ISA Account Manager under the Regulations.

If you require any further information or assistance, please call us on 0845 305 4212.

Effective from 2 September 2011

Querns Asset Managers LLP

Administration office: PO Box 10770, Chelmsford, Essex, CM1 9QD

Head office: Querns Cottage, Collins End, Goring Heath, Oxfordshire, RG8 7RH

Authorised and regulated by the Financial Services Authority, No. 516255.

A limited liability partnership registered in England, number OC350861, at Querns Cottage, Collins End, Goring Heath, Oxfordshire, RG8 7RH