



**CF Charles Stanley Investment Funds  
Simplified Prospectus  
Issued 10 December 2008**

# Introduction

This Simplified Prospectus contains key information in relation to CF Charles Stanley Investment Funds ('the Company'), which is an Open Ended Investment Company ('OEIC'). The Company currently has four sub-funds (together the 'Funds'), as follows:

CF Charles Stanley Regular High Income Fund  
CF Charles Stanley Equity Fund  
CF Charles Stanley International Growth Portfolio  
CF Charles Stanley UK & International Growth Fund

This is an important document which you should read and understand prior to making an investment. You should retain it for future reference.

## Legal structure

The Company is an authorised collective investment scheme as defined in the Financial Services and Markets Act 2000. It is an open-ended umbrella investment company established as a 'UCITS (Undertakings for Collective Investments in Transferable Securities) Scheme' being compliant with the 'COLL Sourcebook' published by the Financial Services Authority ('FSA'). The Company is an investment company with variable capital which is authorised and regulated by the Financial Services Authority and was incorporated in England and Wales (IC398) on 2 June 2005.

Unless otherwise defined, the terms in this Simplified Prospectus shall have the same meaning as in the full Prospectus.

All documentation will be provided in English and the base currency of each Fund is Sterling.

## Authorised Corporate Director ('ACD')

Capita Financial Managers Limited ('CFM')  
(Authorised and regulated by the Financial Services Authority)

Registered Office: 17 Rochester Row  
Westminster  
London  
SW1P 1QT

## Administration Office

2 The Boulevard  
City West One Office Park  
Gelderd Road  
Leeds  
LS12 6NT

Telephone: 0845 922 0044 (local call rates)  
Fax: 0113 224 6001  
E-mail: enquiries@capitafinancial.com

## Depositary

The Bank of New York  
Trust and Depositary Company Limited  
(Authorised and regulated by the Financial Services Authority)

One Canada Square  
Canary Wharf  
London  
E14 5AL

## Investment Manager

Charles Stanley & Co Limited  
(Authorised and regulated by the Financial Services Authority)

Granville House  
25 Luke Street  
London  
EC2A 4AR

## Registrar

Capita Financial Administrators Limited  
(Authorised and regulated by the Financial Services Authority)

Ibex House  
42 – 47 Minories  
London  
EC3N 1DX

## Marketing

Marketing for the Funds will be carried out by:

Charles Stanley & Co Limited  
(Authorised and regulated by the Financial Services Authority)

Granville House  
25 Luke Street  
London  
EC2A 4AR

## Auditors

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

# Investment Information

## What is an OEIC?

An open ended investment company ('OEIC') is a company which manages an investment fund or funds.

When you invest in an OEIC, your money is pooled with that of other investors in the fund. Your holdings in an OEIC Trust are known as 'shares'.

A fund is considered 'open-ended' because as people invest in the fund more shares are created and the fund increases in size. Consequently, when investors withdraw their money from the fund shares are cancelled and the fund decreases in size.

The price of the shares that you buy is based on the value of the investments in which the OEIC has invested.

**The price of shares may vary as the value of the investments fluctuates.**

## What are the Funds' investment objectives?

### CF Charles Stanley Regular High Income Fund

The objective of the CF Charles Stanley Regular High Income Fund is to generate a high income with the potential for capital growth from a portfolio consisting predominantly of UK bonds, government securities, high yielding equities and preference shares. There may be occasions when the investment manager chooses to hold a high level of cash and money market instruments.

### CF Charles Stanley Equity Fund

The objective of the CF Charles Stanley Equity Fund is to generate capital growth from a portfolio consisting predominantly of companies which form the FTSE350 Index. There may be occasions when the investment manager chooses to hold a high level of bonds, government securities, cash and money market instruments.

### CF Charles Stanley International Growth Portfolio

The CF Charles Stanley International Growth Portfolio aims to achieve long term capital growth from a diversified portfolio of predominantly collective investment schemes without restrictions to any geographic or industrial sector.

The portfolio may include a variety of specialist funds including investment themes such as; Healthcare, Financials and Technology to target higher levels of growth. Owing to the nature of funds held in the portfolio, there may be a higher degree of volatility in the investment returns.

There may be occasions when the investment manager chooses to hold direct equities, investment trusts, bonds, government securities, cash and money market instruments.

### CF Charles Stanley UK & International Growth Fund

The investment objective of the CF Charles Stanley UK and International Growth Fund is to provide long-term capital growth through investment in a diversified portfolio of global equities with a focus on UK Blue-Chip companies.

The fund may also invest in other transferable securities and collective investment schemes (which may provide some exposure to alternative assets including private equity and hedge funds and, through transferable securities only, property), exchange traded funds, corporate bonds and government securities. Money market instruments and cash deposits may be held if the investment manager deems it appropriate in light of equity market conditions to meet the objectives of the fund. There will be no limitations to geographical area (other than the focus on UK Blue-Chip companies) or industrial sector.

### Limitations on types of investments

All the property of the Funds must be invested in transferable securities, collective investment schemes, deposits, derivatives, warrants, money market instruments and both corporate and government bonds, except that cash or near cash may be held for liquidity purposes or the efficient management of a Fund.

### General

The property of the Funds may be invested in eligible securities markets where transferable securities admitted to official listing are dealt in or traded. A full list of the countries in which the Funds may invest together with the limitations by type of investment can be found in the full Prospectus.

Due to the investment selection and the investment techniques employed by the Investment Manager, the Funds are not expected to have high volatility.

### Use of derivatives – hedging

The Funds may employ certain financial derivative instruments, but solely for the purpose of hedging (sometimes known as Efficient Portfolio Management ('EPM')), with the aim of reducing the risk profile of a fund. The Funds may enter into approved derivatives transactions on eligible derivatives markets as detailed in the full Prospectus.

# Investment Information

## Who should invest in these Funds?

The Funds may be suitable for investors who are prepared to risk money in stock markets, put capital at risk and are willing to invest over the medium to long term (5 years).

The Funds may be suitable for investors wishing to achieve defined investment objectives by investing through collective investment schemes.

CF Charles Stanley Regular High Income Fund may be suitable for those investors wanting to achieve a high income with the potential for capital growth from a portfolio consisting predominantly of UK bonds, government securities, high yielding equities and preference shares.

CF Charles Stanley Equity Fund may be suitable for those investors wanting to achieve capital growth from a portfolio consisting predominantly of companies which form the FTSE350 Index.

CF Charles Stanley International Growth Portfolio may be suitable for those investors wanting to achieve long term capital growth from a diversified portfolio of predominantly collective investment schemes without restrictions to any geographic or industrial sector.

CF Charles Stanley UK & International Growth Fund may be suitable for those investors wanting to achieve long-term capital growth through investment in a diversified portfolio of global equities with a focus on UK Blue-Chip companies.

**If you are uncertain whether these products are suitable for you, please contact a financial adviser.**

## What happens to the income from my investment?

At the date of this Simplified Prospectus, both accumulation and income shares are in issue (except for CF Charles Stanley International Growth Portfolio where only accumulation shares are available). For income shares, net income is distributed half-yearly to investors on 31 March and 30 September in each year, provided sufficient income is available. CF Charles Stanley Regular High Income Fund and CF Charles Stanley UK & International Growth Fund make further income distributions on 30 June and 31 December.

In the case of accumulation shares net income is retained and accumulated for the benefit of investors and is reflected in the price of the shares.

# Risk Factors

## What are the general risks involved in investing in these Funds?

Any stock market investment involves risk. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual funds. Before you decide to invest, it is important to understand these risks.

**If you are unsure, please seek professional advice from a financial adviser.**

### Market fluctuations

The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount originally invested and may lose money. There is no assurance that the investment objective of the Funds will actually be achieved.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region.

### Effect of initial charge

Where an initial charge is imposed, an investor who realises his shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

### Tax

Tax laws currently in place may change in the future which could affect the value of your investments. See the section headed 'Taxation' in this Simplified Prospectus regarding further details in respect of the taxation of the Funds.

### Inflation risk

Returns will depend on the Funds' growth, interest rates and the effects of inflation over time.

### Performance risk

There will be a variation in performance between funds with similar objectives due to the different assets selected. The degree of investment risk depends on the risk profile of the Fund you choose.

### OEIC liabilities

If one of the funds of an OEIC has liabilities that exceed its net assets, the legal structure of an OEIC makes it possible for other funds within that OEIC to meet these liabilities, although this is not a likely situation. However, the investors are not liable to make any further payments to the OEICs after the price on the purchase of the shares has been paid.

### Custody

There may be a risk of a loss where the assets of the Funds are held in custody that could result from insolvency, negligence or fraudulent action of the custodian or sub-custodian.

## What are the specific risks involved in investing in these Funds?

The Funds have different areas of investment and their investment objectives are listed above. The specific risks labelled below may also apply to your investment. Please note that these risks may be more relevant to some investors than others depending on their personal circumstances. Details of all risks can be found in the full Prospectus.

### Currency exchange rates

Funds investing in overseas securities are exposed to, and can hold, currencies other than pounds sterling. As a result, exchange rate movements may cause the value of investments to decrease or increase.

This risk applies to: CF Charles Stanley International Growth Portfolio.

### Additional capital risk – funds where charges are deducted from capital

The Manager receives a periodic charge for managing the Fund. If this charge is taken from the Fund's capital this will increase the amount of income available for distribution but will constrain capital growth.

This risk applies to: CF Charles Stanley Regular High Income Fund.

### Derivatives – hedging

The Investment Manager may employ derivatives in the pursuit of the investment objectives but solely for the purposes of hedging with the aim of reducing the risk profile of the Sub-funds in accordance with Efficient Portfolio Management.

### Credit and fixed interest security

- Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.
- The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

This risk applies to: CF Charles Stanley Regular High Income Fund, CF Charles Stanley Equity Fund, CF Charles Stanley International Growth Portfolio and CF Charles Stanley UK & International Growth Fund.

# Risk Factors

## Higher volatility and concentrated portfolios

The Fund may invest in some funds which have one particular type of asset, industry, or geographical preference (e.g. the technology or oil sectors). Such concentration can give rise to higher risk than a fund which has spread its investments more broadly.

This risk applies to: CF Charles Stanley International Growth Portfolio.

## Investment Trusts

- The Fund(s) may invest in investment trusts. These are public limited companies quoted on the London Stock Exchange. The price of their shares depends on supply and demand and is not necessarily the same as the value of the underlying assets per share. It may be higher 'at a premium' or lower 'at a discount'. The discount and premium varies continuously and represents an additional measure of risk and reward. **Gearing** – investment trusts can borrow money, which can then be used to make further investments. In a rising market, this 'gearing' can enhance returns to shareholders. However if the market falls, losses will also be multiplied. The level of gearing needs to be carefully judged and monitored to produce a benefit.
- Investment trusts may invest in hedge funds, structured products and quoted private equity funds as long as they are allowed by the FSA regulations. These types of investments may carry the risk of derivative investment.

This risk applies to: CF Charles Stanley Regular High Income Fund, CF Charles Stanley Equity Fund, CF Charles Stanley International Growth Portfolio and CF Charles Stanley UK & International Growth Fund.

# Performance Information

Please note that all performance information is at 31 December 2007. For more up-to-date performance information, please contact the ACD.

Past performance\* for each Fund is displayed in two ways:

1. Annual returns are displayed as a bar chart for each of the last 10 full consecutive years, i.e. from 1 January to 31 December for each year up to 31 December 2007. If the Fund has been running for less than 10 years, but more than 1 year, the annual returns are shown for as many years as are available.
2. Cumulative returns are displayed as a bar chart for the last 10 full consecutive years, i.e. from 1 January 1998 up to 31 December 2007. If the Fund has been running for less than 10 years, but more than 1 year, the cumulative returns are shown for as many years as are available.

CF Charles Stanley Regular High Income Fund,  
CF Charles Stanley Equity Fund and CF Charles Stanley  
International Growth Portfolio

The Funds' performance information is net of tax and charges and therefore does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

Past performance is not an indication of future performance.

\*For past performance, please see Appendix.

**There is no performance information for CF Charles Stanley UK & International Growth Fund as this fund has recently launched.**

# Charges and Expenses

## What will I pay for my investment?

Each Fund will have a single price at which the shares are bought and sold back to the ACD. The shares in each Fund can be bought and sold at a price based on the value of the total assets of the Fund, minus its liabilities. This is known as the Net Asset Value, or NAV, of the Fund. The value of one share is the total NAV divided by the number of shares in issue. This is calculated each business day at 8.30 am. Your investment is subject to the following charges:

**A preliminary charge** – Each investment you make into the fund incurs a charge of 5% except for CF Charles Stanley UK & International Growth Fund which has a preliminary charge of 7.5%. This 'initial charge' for the Fund is illustrated as a percentage '%' of your investment.

**An annual management charge (AMC)** – The AMC of 1.25% is taken from the income of the Funds (except for CF Charles Stanley Regular High Income Fund where the AMC is 1% and taken from the capital of the Fund and CF Charles Stanley UK & International Growth Fund where the AMC is 1% and taken from the income of the Fund). It is illustrated as a percentage '%' of the NAV of the Fund.

**A redemption or exit charge** – The ('full') Prospectus contains a provision entitling the ACD to deduct a charge on redemption of shares out of the proceeds of redemption. Currently the ACD makes no such deduction.

**Dilution levy** – Investors should note that in certain circumstances a dilution levy may be applied. The need to charge a dilution levy will depend on the volume of shares being created or redeemed and whether, in the opinion of the ACD, it will have an adverse affect on existing or remaining investors. The dilution levy, where applicable, is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commission and transfer taxes. See full Prospectus for further details.

If a dilution levy is required then, based on future projections the estimated rate or amount of such a levy would be 0.5%. However, the ACD reserves the right to charge a dilution levy in any circumstances where it is of the opinion that it is in the interests of investors to do so.

We will not increase our charges without giving at least 60 days' notice to investors.

Where a Fund may invest in other authorised collective investment schemes, these funds will also have charges, which will indirectly affect your investment. These are: a preliminary and annual management charge. The underlying funds will also incur additional attributable expenses similar to those mentioned below.

## How do charges and expenses affect your investment?

The tables in the Appendix are examples which show the effects of the total charges on what you might get back on your investment.

The effect on an investment of £1,000 assuming growth of 6% a year is set out in the Appendix\*. These figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment. What you get back will depend on how your investment grows. You could get back more or less than the figures shown. Investments held within an ISA may achieve a higher growth rate than those held outside such products because of their tax benefits. Please remember that inflation will reduce what you can buy in the future with the amount shown. Dealing costs are not included. All figures are calculated as at the Funds' year end date.

\*For Reductions in Yield/Effects of Deduction rates please see Appendix.

## What are the other charges?

The Total Expense Ratio ('TER')\* is the annual percentage reduction in investor returns that would result from largely fixed operating costs (annual management charge, administration fees, audit fees etc) if the markets were to remain flat and the Funds' portfolios were to be held and not traded during a period.

The TER for each Fund is based on the Net Asset Value ('NAV') of the Fund. The TER shows the annual operating expenses of the scheme – it does not include transaction expenses. In the case of funds, where 10% or more of the fund is invested in other collective investment schemes, a 'synthetic' TER is used to reflect the charges and expenses of the underlying funds. All funds registered in the European Union highlight the TER to help you compare the annual operating expenses of different schemes.

For full details of the dealing commission arrangements, refer to the full Prospectus.

\*For TER rates please see Appendix.

## What are dealing costs and Portfolio Turnover Rate ('PTR')?

There are costs associated with buying and selling shares that include broker commission and government stamp duty, currently 0.5% on the purchase of shares. The PTR\* represents the percentage of the Fund's portfolio that is bought and sold over a 12 month period. If the PTR is high, the costs incurred may have a higher impact on your investment. At the same time, active management may mean that changing investments increases the performance of the Fund sufficiently to outweigh these costs.

\*For PTR rates please see Appendix.

## Taxation

The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the Funds or to all categories of investors, some of whom may be subject to special rules. Investors and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting, or otherwise disposing of the shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile and in light of their particular circumstances.

The Funds are exempt from UK tax on capital gains made on internal transactions but is liable to Corporation Tax at the lower rate of income tax (20%) on their income, other than dividends from UK companies, less their expenses of management. Investors may have a liability for tax when shares are sold.

## Non-UK Resident

If you are resident outside of the United Kingdom you should consult a professional adviser as an investment into these funds may not be suitable for you and may have implications relating to the subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdiction in which you may be subject to tax.

## How much tax will I pay?

The rates of any relief from taxation depend on your own personal circumstances and are likely to vary over time. The information given below is based on our current understanding of HM Revenue & Customs practice. It summarises the position of individual investors who are UK resident. If you are unclear of your own tax position you should take professional advice.

One of the factors that will affect your tax position is whether your distribution comes from interest or from dividends i.e. from bond funds or equity funds. In the case of CF Charles Stanley Equity Fund, CF Charles Stanley International Growth Portfolio and CF Charles Stanley UK & International Growth Fund distribution comes from dividends. For CF Charles Stanley Regular High Income Fund, distribution comes from interest.

## Capital gains tax

If your realised gains from all investments do not exceed the capital gains tax exemption (£9,600 for 2008/2009 tax year), you will not pay any capital gains tax. Any realised gains over this exemption will be taxed at your marginal rate of income tax.

## Income tax

Distributions, whether they are paid out or accumulated, are treated as income for tax purposes.

Dividend distributions (Equity Funds) – These carry a tax credit of 10%. Non-taxpayers can no longer reclaim this credit. If you are a lower or basic rate taxpayer, you will not pay any further tax. Higher rate taxpayers will be liable to income tax on their grossed up dividend income at the rate of 32.5% but may offset the 10% tax credit against this. Higher rate taxpayers will therefore be liable to pay income tax equivalent to a rate of 25% of their net receipt. It is not possible for investors to reclaim any amount in respect of the tax credit.

Interest distributions (Bond Funds) – Income tax at the rate of 20% will be deducted from payments of interest distributions to UK resident investors who will then receive a credit for the tax deducted. A lower or basic rate taxpayer has no further tax liability. A starting rate (10%) taxpayer may reclaim 10% (half of the tax credit) from HM Revenue & Customs. Higher rate (currently 40%) taxpayers must account to HM Revenue & Customs for any further tax due on the gross amount of the interest. In line with current legislation, we will report all interest distribution payments to HM Revenue & Customs.

Please see the taxation section in the full Prospectus for further details.

## What is Stamp Duty Reserve Tax ('SDRT')?

HM Treasury requires a 0.5% SDRT to be applied to redemptions, transfers or switching of shares on the Fund's register. Investments in non UK equities and holdings in UK funds, which are themselves subject to SDRT, are exempt.

It is the ACD's current policy to meet the cost of SDRT directly from the Funds' assets, however, there may be exceptions to this, and the policy could change in the future. Further information can be found in the full Prospectus.

# Your Investment

## Is this an appropriate investment?

If you are in any doubt as to the suitability of the Funds you should consult your independent financial advisor to obtain personal advice.

## What are the benefits of investing in the Funds?

- You obtain a wide diversification of risk as your money is pooled with that of other investors to purchase a portfolio more broadly based than would otherwise be possible for the same size of investment.
- Your money is managed by a professional fund manager who has access to a wide range of research and resources enabling investments to be chosen that are appropriate to meet the objectives of the Fund.

## How do I buy, sell and switch shares?

Except during periods of temporary suspension, the ACD will accept orders for the purchase and sale of shares, and/or switching of shares on normal business days between 9.00 am and 5.30 pm.

Non ISA shares may be bought and sold by providing the ACD with instructions, either in writing or through the order line on 0845 922 0044. If you wish to invest into an ISA, or transfer an ISA, you must complete the appropriate application form.

Shares held within an ISA can be sold by providing written instructions to the ACD.

Orders are transacted at the next available valuation point after receipt of your instruction. No interest will be paid prior to investment. Payment for share purchases must be received by the ACD not later than the day following the valuation point. Shares that have not been paid for will not be sold. Share certificates will not be issued.

To confirm the transaction, a contract note will be issued by close of business on the next business day after the dealing date.

Sale proceeds will be sent to you no later than four business days after receipt of the correctly renounced documentation or the sale date, whichever is the later.

## Instructions in writing should be sent to:

Dealing Department  
Capita Financial Managers Limited  
2 The Boulevard  
City West One Office Park  
Gelder Road  
Leeds  
LS12 6NT

Tel: +44 (0)845 922 0044

## How much do I need to invest?

The minimum lump sum investment amount for shares in the Funds is £1,000. Lower amounts may be determined by the ACD at its absolute discretion.

The minimum holding is £1,000. The minimum holding requirement may be waived upon application to the ACD. Provided the minimum holding is maintained there is no minimum number of shares which may be bought or sold subsequently.

You may invest into a stocks and shares ISA (the maximum investment is £7,200).

## We do not offer a cash ISA plan.

## Can I switch to another Fund?

It is possible for investors to switch their entitlement between funds if this facility is available. The ACD may, at its discretion make a charge on switching of shares, which will not exceed the excess difference between the initial charges. Investors should note that a switch of shares in one Fund for shares in another Fund is treated as a redemption and sale and is a disposal for UK tax purposes. A switching investor must be eligible to hold the shares into which the switch is to be made.

## How much will advice cost?

If you seek advice your adviser will be entitled to initial commission of up to 1% of the amount invested in the CF Charles Stanley UK & International Growth Fund. For example, if you invest £1,000 your adviser will be paid up to £10.

If your Financial Adviser is charging a fee instead of receiving commission, he or she will provide you with details relating to the cost of their advice.

## Can I change my mind?

Although you may always change your mind, if you invest directly into one of the Funds using our telephone dealing service or postal application you will not be entitled to cancellation rights. If you have invested via a financial adviser you may be entitled to cancellation rights within 14 days of receiving your notification of cancellation and return it to us within the 14 days. This will depend on the service you receive from your financial adviser. We will then return your investment to you, although if the value of your investment has fallen by the time we receive your cancellation form, we will deduct an amount equal to the fall in value before returning it to you.

## Where can I find out how my investment is doing?

The share prices are published through the following:

- *Financial Times* each day that such newspaper is published (except for CF Charles Stanley UK & International Growth Fund).
- Investment Management Association website: [www.investmentuk.org](http://www.investmentuk.org).

## When will I receive a report on my investment?

You will receive a short report informing you of the progress of your investment twice a year; these reports will be mailed to you on or before 31 May and 30 September each year. Long form reports are available on request from the ACD.

## Where can I obtain additional information?

Copies of the full Prospectus, the latest annual and half yearly reports can be obtained free of charge from the ACD.

Requests for additional information may be made in writing to the ACD or by telephone during the hours of 9.00 am and 5.30 pm to:

0845 922 0044 (local call rates)

We may record telephone conversations to offer you additional security, resolve complaints and improve our service standards. Conversations may also be monitored for staff training purposes.

## What happens to my investment on death?

Shares in the Funds form part of your estate on death and, on production of the Death Certificate and the Grant of Probate or Letters of Administration, can be sold or re-registered in the names of the Executors or Administrators of the Estate or a beneficiary, or in the names of the surviving investors.

## Are there any compensation arrangements?

The ACD is covered by the Financial Services Compensation Scheme. You 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 £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information about compensation arrangements is available from:

Financial Services Compensation Scheme  
7th Floor  
Lloyds Chambers  
Portsoken Street  
London  
E1 8BN

Telephone: 0207 892 7300

## How do I make a complaint?

If you have any queries or complaints about the operation of the Funds please address them in the first instance to the ACD or the Depositary. In the unlikely event that you do not receive a satisfactory response you may direct complaints to:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

## How does the Data Protection Act impact on me?

Your details may be forwarded to the Investment Manager, in order for them to send periodic information to you. If you do not wish to receive this information, you should tick the 'opt out' box on the application form. Alternatively, you may advise us in writing, by writing to:

Freepost RRYC-JESC-ULZK  
Capita Financial Managers Ltd  
Ibex House  
42 – 47 Minories  
London  
EC3N 1DX

## What are Money Laundering Regulations?

To comply with Money Laundering Regulations, we may require you to supply evidence of identity and address and or may validate these details against any database (public or other) to which we may have access. We will retain a record if such an enquiry is made.

## What is the European Savings Directive?

The EU Council Directive 2003/48/EC on taxation of savings income (the 'Directive') came into force on 1 July 2005. Member States of the European Union ('Member States') are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person who is a 'paying agent' to an Individual (or certain entities) resident in another Member State. Austria, Belgium and Luxembourg will apply a withholding tax for a transitional period, unless during such period they elect otherwise. For a collective investment scheme income may include distributions or dividends whether paid or accumulated, together with income arising as result of the sale or redemption of shares. Investors resident in prescribed territories outside of the EU may also be included in the exchange of information. Information on these territories can be obtained from HM Revenue & Customs or your professional adviser.

# Your Investment

## What is the governing law?

Any contract or relationship entered into with the ACD will be governed by the laws of England and Wales and will be subject to the exclusive jurisdiction of the English courts.

## How do I contact the FSA?

The FSA can be contacted at:

Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

UK: 0845 606 1234 (local call rates)

Overseas: +44(0)207 066 1000

Website: [www.fsa.gov.uk](http://www.fsa.gov.uk)

# ISA Investors

## What is an ISA Account?

An ISA is an account that acts as a 'wrapper' to your investment, making the investment a tax efficient way to invest money. The value of tax savings and eligibility to invest in an ISA will depend upon individual circumstances; tax rules may change in the future.

When in any tax year, interest is paid or credited in respect of a cash deposit held in a stocks and shares ISA account, no relief from tax shall apply to such interest.

To qualify for an ISA, investors must be aged 18 years or over and UK resident for tax purposes, which includes members of the armed forces, the Foreign Office and Crown Employees working overseas, and their spouses or civil partners.

## What is an Account?

An account is a scheme of investment, to which an individual who is a qualifying individual may subscribe, and in respect of which the following conditions must be fulfilled:

- (a) the account is set up as a stocks and shares account or a cash account; and
- (b) a qualifying individual who is 18 years of age or over may only subscribe to a single stocks and shares account in a particular year.

The overall subscription limit for the tax year 08/09 is £7,200.

Within the subscription limit the investor may subscribe up to £3,600 in this tax year in to a cash account.

Accordingly by way of illustration, the investor may subscribe in the 08/09 tax year:

- (a) £3,600 to a cash account and £3,600 to a stocks and shares account; or
- (b) £2,000 to a cash account and £5,200 to a stocks and shares account; or
- (c) Nil to a cash account and £7,200 to a stocks and shares account.

## What type of Account do we offer?

You may invest up to £7,200 in a Stocks and Shares Account (our Account is a stocks and shares account, we do not offer a cash account) in any one tax year.

## What are the benefits of holding the Fund in an ISA Account?

All income and capital growth generated within an ISA account is free of personal liability to UK Income Tax and Capital Gains Tax. The value of tax savings and eligibility to invest in an ISA account will depend on individual circumstances and all tax rules may change in the future.

An account can be opened simply by completing the appropriate ISA application form. You can transfer any previous year's ISA Account(s) that you hold with other Account Managers to the Fund's ISA Account without losing your tax benefits.

## How can I transfer an existing ISA Account to the Fund?

Previous year's subscriptions to a cash account and/or stocks and shares accounts may be transferred to our Stocks and Shares Account by completing our ISA Account application form and the ISA Transfer Authority. There may be a potential for loss of income and growth, following a rise or fall in the markets whilst the transfer is in progress.

The current tax year's subscriptions may only be transferred as a whole and whether from a cash account or stocks and shares account only to our Stocks and Shares Account. You can transfer previous tax year subscriptions in whole or in part.

## Can I transfer my existing ISA Account with you to another Account Manager?

You can transfer all of your account to another Account Manager by completing a transfer form that they will supply to you. We will correspond with the new account manager and sell your investment at the next valuation point following receipt of their instruction; we will then forward the proceeds directly to the new account manager. There may be a potential for loss of income and growth, following a rise or fall in the markets whilst the transfer is in progress.

You may transfer only the whole of the current tax year's subscriptions to another stocks and shares account manager. You can transfer previous tax year subscriptions in whole or in part.

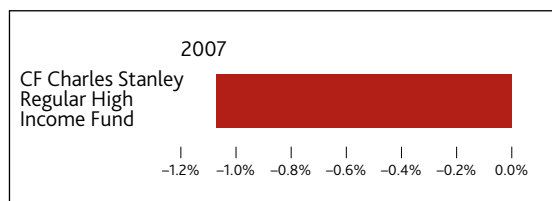
**TABLES, CHARTS AND GRAPHS**  
**EFFECTS OF DEDUCTIONS/REDUCTION IN YIELD**  
**CF Charles Stanley Regular High Income Fund**  
**income shares**

At end of year	Investment to date	Effect of deductions to date	Income	What you might get back
	£	£	£	£
1	1,000	£61	£55	£941
3	1,000	£82	£164	£924
5	1,000	£104	£270	£907
10	1,000	£156	£529	£865

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £156. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.3%.

**PAST PERFORMANCE**  
**CF Charles Stanley Regular High Income Fund**  
**income shares**

Past performance is not an indication of future performance.



Percentage annual performance, accumulation shares, based on Lipper data.

As performance exists for only one full calendar year the above performance represents both annual and cumulative figures.

**EFFECTS OF DEDUCTIONS/REDUCTION IN YIELD**  
**CF Charles Stanley Equity Fund accumulation shares**

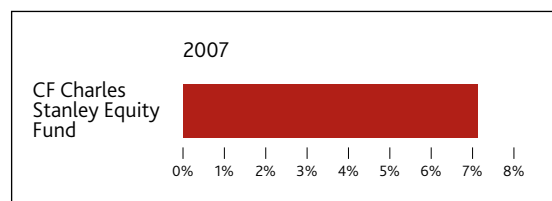
At end of year	Investment to date	Effect of deductions to date	What you might get back
	£	£	£
1	1,000	68	994
3	1,000	110	1,087
5	1,000	161	1,189
10	1,000	334	1,488

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £334. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.10%.

The above table assumes that no withdrawals are made and that income is reinvested.

**PAST PERFORMANCE**  
**CF Charles Stanley Equity Fund accumulation shares**

Past performance is not an indication of future performance.



Percentage annual performance, accumulation shares, based on Lipper data.

As performance exists for only one full calendar year the above performance represents both annual and cumulative figures.

## TABLES, CHARTS AND GRAPHS

### EFFECTS OF DEDUCTIONS/REDUCTION IN YIELD

#### CF Charles Stanley International Growth Portfolio accumulation shares

At end of year	Investment to date	Effect of deductions to date	What you might get back
	£	£	£
1	1,000	£68	£994
3	1,000	£111	£1,087
5	1,000	£161	£1,188
10	1,000	£335	£1,487

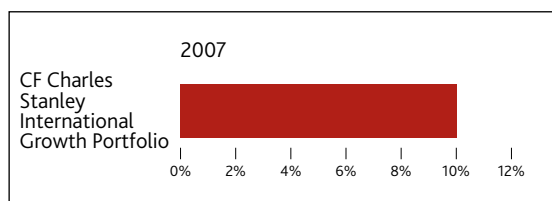
The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £335. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.0%.

The above table assumes that no withdrawals are made and that income is reinvested.

### PAST PERFORMANCE

#### CF Charles Stanley International Growth Portfolio accumulation shares

Past performance is not an indication of future performance.



Percentage annual performance, accumulation shares, based on Lipper data.

As performance exists for only one full calendar year the above performance represents both annual and cumulative figures.

### EFFECTS OF DEDUCTIONS/REDUCTION IN YIELD

#### CF Charles Stanley UK & International Growth Fund

At end of year	Investment to date	Effect of deductions to date	What you might get back
	£	£	£
1	1,000	95	967
3	1,000	141	1,056
5	1,000	196	1,154
10	1,000	382	1,441

The last line in the table shows that over 10 years, the effect of the total charges and expenses could amount to £382. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 3.7%.

The above table assumes that no withdrawals are made and that income is reinvested.

### TOTAL EXPENSE RATIO ('TER')

#### CF Charles Stanley Investment Funds

Fund	TER (%)
CF Charles Stanley Regular High Income Fund	1.14
CF Charles Stanley Equity Fund	1.51
CF Charles Stanley International Growth Portfolio	1.52
CF Charles Stanley UK & International Growth Fund	1.57 (estimated)

These expenses are normally paid from a Fund's income and will only be taken from capital (CF Charles Stanley Regular High Income Fund takes its expenses from capital) if there is not enough income to cover them. Previous TERs can be obtained from the ACD.

### PORTFOLIO TURNOVER RATE ('PTR')

#### CF Charles Stanley Investment Funds

(Purchases of securities + Sale of securities) - (Subscription of units + Redemption of units)

(Average fund value over 12 months)

x 100

Fund	PTR (%)
CF Charles Stanley Regular High Income Fund	2.35
CF Charles Stanley Equity Fund	32.61
CF Charles Stanley International Growth Portfolio	-43.41

There is no PTR available for CF Charles Stanley UK & International Growth Fund as this Fund has only recently launched.

These are the terms and conditions ('Terms and Conditions') on which Capita Financial Managers Limited ('CFM') conducts designated investment business.

CFM is authorised and regulated by the Financial Services Authority ('FSA'), FSA Register No. 119197. The main business of CFM is the operation of collective investment schemes (including ISA management). Further information may be obtained from the FSA Register by visiting the FSA website <http://www.fsa.gov.uk/register>, by telephoning 0845 606 1234 or by writing to the FSA at 25 The North Colonnade, Canary Wharf, London E14 5HS.

Please read these Terms and Conditions carefully. They replace any terms and conditions which you may have previously entered into with CFM.

## 1 Definitions and interpretation

In these Terms and Conditions, the following words and expressions have the meanings set out below (unless the context otherwise requires):

**Account** the client account which we open for each ISA investor;

**Anti-Money Laundering Requirements** means the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and the Terrorism Act 2000, the Senior Management Systems and Controls Sourcebook and any other applicable anti-money laundering legislation, regulations, rules or guidelines;

**Applicable Law** means all applicable laws and regulations of the United Kingdom;

**Application Form** the application form to be completed and signed by a person wishing to open an ISA;

**Associate** has the meaning ascribed to it in the FSA Rules;

**Business Day** means a day (other than a Saturday or a Sunday) on which the London Stock Exchange is open for general business in London, England;

**CFM, we or us** means Capita Financial Managers Limited, a company registered in England No. 1146888, whose registered office is 17 Rochester Row, Westminster, London SW1P 1QT;

**FSA** means the Financial Services Authority, whose current address is 25 The North Colonnade, Canary Wharf, London E14 5HS;

**FSA Rules** the FSA Statements of Principle and the rules published by the FSA from time to time;

**FSMA** means the Financial Services and Markets Act 2000;

**ISA** means an individual savings account within the meaning of the ISA Regulations;

**ISA Regulations** means the Individual Savings account Regulations 1998;

**Qualifying Individual** means an individual who is 18 years of age or over and resident and ordinarily resident in the United Kingdom. Crown employees and their spouses/civil partners who are not resident in the United Kingdom may also qualify under the ISA Regulations;

**Share** means a share (of any class) in an open ended investment company operated or administered by CFM;

**Unit** means a unit (of any class) in an authorised unit trust managed by CFM; and

**you or investor** means means a person who invests in financial products provided by CFM.

References to a 'clause' means a clause of these Terms and Conditions. References to legislation, regulations, orders or rules shall mean such legislation, regulations, orders or rules, as amended from time to time or any re-enactment or replacement legislation, regulations, orders or rules, from time to time. Clause headings are for convenience only and do not affect the interpretation of these Terms and Conditions.

## 2 Applications

- 2.1 To comply with Anti-Money Laundering Requirements, we may be required to verify the identity of our customers. The provision of any services to you is subject to satisfactory completion of our verification process and our acceptance of your application.
- 2.2 You authorise us to make credit reference, identity (including searching the electoral roll), fraud and other such searches and enquiries that may be necessary for these purposes. The credit reference agency may check the details you supply against any particulars on any database (public or otherwise) to which they have access. They may also use your details in the future to assist other companies for verification purposes. You also authorise us to undertake further similar searches at regular intervals. A record of the search will be retained. You may also be required to provide additional information.  
Capita may ask you to supply evidence of your identity and your address.  
In addition, these details may be validated against any database (public or other) to which we may have access and a record will be retained should we do so.  
Should we require you to provide evidence of your identity and address then we will ask you to provide either original or certified copy documents which are personal to you and which will enable Capita to fulfil its regulatory obligations. Where original documents are provided, these will be copied for Capita's sole record-keeping purposes and the originals will be returned to you.  
Please note that in certain circumstances we reserve the right to withhold redemption proceeds until we receive satisfactory proof of identity.
- 2.3 You confirm that all information you provide to us will be accurate and up-to-date and agree to inform us of any changes to the information.
- 2.4 Applications and instructions may be sent to us as described in the Application Form or the relevant Prospectus. In respect of an ISA, you can only apply in writing using the Application Form. Application Forms can also be downloaded using the following fund search tool: [www.capitafinancial.co.uk/investor/searchfundslis.asp](http://www.capitafinancial.co.uk/investor/searchfundslis.asp).
- 2.5 ISA applications (if applicable) can only be made in the name of a single investor. For other investments, all joint investors must sign the Application Form and all references in these Terms and Conditions to 'you' or an 'investor' apply to each joint investor individually.
- 2.6 Unless otherwise agreed by us, investors must be over 18 years of age and resident in the United Kingdom. If you are resident outside of the United Kingdom, you must satisfy yourself that under your local law you are eligible to apply for and hold the relevant investment (see also clause 3.1).
- 2.7 You can authorise another person to act on your behalf by signing a third party mandate or a Power of Attorney (in a form acceptable to CFM). For joint investments, all joint investors must sign. If you authorise another person to act on your behalf, you will be responsible for their actions or omissions as if they were your own.
- 2.8 Strictly all applications must be made by the investor. However, CFM in its absolute discretion may accept an application (or transfer application) made by an investor's legal representative where the investor is not able to complete the Application Form by reason of mental disorder, incapacity, physical disability, illness or old age. The appointed person must provide the formal document authorising the person to act on behalf of the investor and any other documentation reasonably requested by us.

## 3 ISA subscriptions (if applicable)

- 3.1 If you are a Qualifying Individual:
  - (a) you will have an ISA investment allowance of £7,200 in any tax year; and
  - (b) you will have the right to invest in up to two ISAs in any tax year – one cash ISA and one stocks and shares ISA. However please note that CFM only offers a stocks and shares ISA. You may transfer your existing stocks and shares ISA to CFM.
- 3.2 When you appoint CFM to manage your stocks and shares ISA, CFM will manage it in accordance with these Terms and Conditions, your Application Form and the ISA Regulations. Your account will be invested in UK authorised unit trusts or open ended investment companies managed by CFM. CFM does not charge extra fees for managing your ISA.
- 3.3 You may invest in your stocks and shares ISA in either of the following ways:
  - (a) by lump-sum payment (and subsequent top-up payments) during any one tax year; or
  - (b) by monthly direct debit, in which case an ISA account will be opened for the current tax year and each successive tax year until you notify us otherwise.
- 3.4 All payments by you must be in the currency of the investment, made without deduction, withholding, set-off or counterclaim and free of all encumbrances. We will not accept payments from third parties unless we are satisfied that the funds are owned by you. We reserve the right to request verification of the source of funds before accepting them and, until such time, the relevant amount shall be treated as unpaid. We may, in our discretion, choose to deal before receipt of cleared funds from you. In such case, if cleared funds are not received from you within five Business Days of receipt of your Application Form or other instruction, we may sell or realise the relevant investment without further notice to you in order to meet any liabilities which we may have incurred on your behalf. In the event of such a sale or realisation, we shall be entitled to transfer such investments to such persons as we shall specify and, recover any shortfall from you.
- 3.5 Subject to clause 3.4, Shares and Units are bought and sold at the next valuation point following receipt of a signed Application Form or instruction.
- 3.6 You are responsible for ensuring that you do not exceed the ISA investment limits in any tax year (taking into account any other ISAs you have for that tax year from another provider). Amounts invested and then withdrawn may not be re-invested and any ISA allowance which is not used in any tax year may not be carried forward to subsequent years.

## 4 How we deal with you

- 4.1 For the purposes of the FSA Rules, we will classify you as a 'Retail Customer'.
- 4.2 We will never provide you with any investment, trading, tax or financial advice. Nothing in these Terms and Conditions should be taken as a recommendation to buy, sell or hold shares in any company or other investments. You should rely on your own judgment when deciding whether or not to enter into any transaction or seek advice from an appropriate independent adviser.
- 4.3 For your ISA (if applicable):
  - (a) you authorise CFM to undertake any functions required of an account Manager under the ISA Regulations on your behalf and to hold your cash subscription, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash;
  - (b) you must at all times be a Qualifying Individual and agree to comply with the ISA Regulations. If at any time you cease to be a Qualifying Individual, you must immediately notify us and stop any contributions to your ISA;
  - (c) CFM shall have authority on your behalf to apply to HM Revenue & Customs ('HMRC') to claim any tax relief in respect of the account and to make any other claims for the repayment of, or credit against, tax in respect of the account and will credit any such amounts received to your account. Such claims for payment of tax credits on your behalf will be made by us in accordance with the ISA Regulations; and
  - (d) if CFM becomes aware that you have already subscribed to another stocks and shares ISA in the same tax year, we may automatically close your account and will not be liable to you.
- 4.4 Investments in the account will be beneficially owned by you but will be registered in the name of CFM or its nominee. Share certificates or other documents of title to ISA investments will be held by CFM or its nominee. You must not use your account as security for a loan or otherwise try to grant rights over the account.
- 4.5 Where required by the FSA's client money rules, we will hold money received on your behalf in a designated client bank account, with an approved bank in the United Kingdom. No interest shall be payable to you in respect of such money. We will treat such money as client money in accordance with the FSA's client money rules. The money will not be used by us in any transactions other than as specified in these Terms and Conditions.  
Please note that, whilst the cash balance for each investor will be recorded separately, your money will be segregated from our own funds but will be pooled with the funds of other investors. Where a pooling event occurs, such as a default by CFM or our bankers, you will not have a claim against a specific sum of money in a specific account; your claim would be against the client money pool, held by us in general. The funds may then be distributed on a pro rata basis to all investors which could result in each investor receiving less back than that which is held on their behalf before such an event.
- 4.6 You will receive communications issued to shareholders/unitholders (including annual reports and accounts) and we will arrange for you to attend and vote at meetings of shareholders/unitholders.

## 5 Internet

CFM may make available to you the capability to deal with CFM over the internet or other electronic medium in which case other conditions may apply in addition to these Terms and Conditions.

## 6 Cancellation Rights

Cancellation rights may be available to you if you have invested as a result of independent financial advice. If you have invested via a financial adviser you may be entitled to cancellation rights within 14 days of receiving your notification of cancellation, provided you return your cancellation instruction to us within the 14 days. We will then return your investment to you less any fall in value your investment may have experienced in the interim. For ISA investors, cancellation rights will only apply to the first payment into your ISA. An ISA subscription cancelled within the said cancellation period does not count as a subscription to an ISA.

## 7 Withdrawal, Transfer and Termination

### 7.1 General

You may close or make withdrawals from an account by giving us written instructions, or instructions by any other method deemed acceptable by us. Faxed or emailed instructions will only be accepted with our prior approval. Shares and Units will be sold at the price calculated at the next valuation point.

### 7.2 Transfer of your ISA (if applicable)

- You may transfer your current tax year's stocks and shares ISA to another ISA manager provided it agrees, by returning the appropriate transfer application form, available from CFM. All investments in the account in respect to the current tax year must be transferred to the new ISA manager and you may not subscribe to the new ISA account until after the transfer has been effected (and provided the subscription limit for the current tax year has not been reached). Your new ISA manager will send us your written request.
- Your instructions will take immediate effect on receipt but will not cancel or amend any instructions you have already sent to us. You may indicate a date by which the transfer is effected (not being less than 7 business days after). We will sell the Shares or Units held in your account and transfer the proceeds and any uninvested cash in your account (or, if agreed by us, transfer your ISA) to the new ISA manager within 30 days (normally within seven business days), subject to the new ISA manager and any particular circumstances which may delay the transfer. There is no penalty or charge for transferring your ISA.

### 7.3 Termination

- If you want to close your account after the 14 day cancellation period, CFM will require written instructions of this. Your instructions will take immediate effect on receipt but will not cancel or amend any instructions you have already sent to us. CFM will normally pay to you the value of your account within seven Business Days of receipt of your instructions. There is no penalty or charge for closing your account and no notice period is required.
- We may, in our discretion, decide to close your account by giving you 30 days written notice (unless there are circumstances which justify closing the account earlier). For example, we may give you written notice to close your account if it is no longer feasible to continue it because of changes to the ISA Regulations, or if you breach these Terms and Conditions or if by reason of any failure to satisfy the ISA Regulations, your ISA has or will become void. We will not be liable to you for any loss, liability or damage you may suffer if we do close your account.

## 8 Death of an investor

In the event of your death, any exemption from tax will end immediately. Subject to this CFM will continue to deal with your account in accordance with these Terms and Conditions and will deal with your investments in accordance with the instructions received from your legal personal representative(s) who will become subject to these Terms and Conditions. Your personal representative(s) must provide us with proof of death and of their appointment. Following receipt of proof which is acceptable, CFM will pay the net proceeds of your account to your personal representative(s). Any tax refunds claimed on your behalf after you die will be repaid to HMRC. CFM will provide appropriate statements with regard to the account and any relevant tax certificate to your personal representative(s) in accordance with the ISA Regulations.

## 9 Limitation of liability and Indemnity

- We will use all reasonable care and skill in the set up and management of your investment.
- We will not be responsible for any failure or delay due to circumstances beyond our reasonable control (including, but not limited to, breakdown, failure or malfunction of any computer systems, telecommunications links, industrial disputes, postal delays, failure of third parties to carry out their obligations, the suspension of trading by any exchange or clearing house, the acts of governmental or regulatory authority (including changes to Applicable Law), the absence of, or inaccuracy in any information provided to us by you or on your behalf, or natural disasters ('Force Majeure')). We will, where possible, take such reasonable steps as we can to bring those circumstances to an end as soon as possible.
- CFM accepts no liability for any type of special, incidental, indirect or consequential damage or loss suffered by you (nor for any loss of profits, opportunity or goodwill).
- You hereby indemnify and hold harmless CFM from and against any and all third-party claims relating to or arising from or in connection with these Terms and Conditions or the transactions contemplated herein, except to the extent such claims are determined to have resulted solely from the negligence, fraud or wilful default of CFM, its employees or agents.
- We will not be liable to the extent that we properly rely on information supplied by you or on your behalf. In particular, CFM will not be liable for any tax or other imposition in respect of any transaction entered into on your behalf.
- Nothing in these Terms and Conditions shall exclude or limit:
  - our liability for death or personal injury resulting from our negligence; or
  - liability for any losses or expenses suffered by you as a direct result of our wilful default or fraud; or
  - any other liability which cannot be excluded or limited by law, including our liability under the FSA Rules and FSMA.

## 10 Statement and Notices

CFM will send the investor a valuation and transaction report at least twice yearly for each. For specific dates please refer to the Simplified Prospectus. Copies of the annual and half yearly reports will also be issued. CFM will arrange, if you elect, to receive information issued to shareholders and to attend and vote at shareholder meetings.

## 11 Delegation of functions

- Subject to Applicable Law, CFM may delegate any of these functions or responsibilities under these Terms and Conditions to any person provided that before doing so we satisfy ourselves that such person is competent to carry out those functions and responsibilities.
- On giving you at least 30 days notice, we may appoint an Associate as manager of the account in our place. In such circumstances, that Associated Company will manage the account in accordance with these Terms and Conditions.
- You may not assign any of your rights or obligations in relation to your investments other than in accordance with these Terms and Conditions.

## 12 Variation/Replacement of these Terms and Conditions

We may, from time to time, make any changes to these Terms and Conditions (including charges and fees). Where possible, we will give you at least 30 days prior notice of any change that could affect your rights against us or liabilities to us. In particular, we may vary these Terms and Conditions for the following reasons:

- to comply with Applicable Law;
- to reflect decisions of the Financial Ombudsman Service;
- to comply with industry guidance and codes of practice;
- to rectify errors, inaccuracies or ambiguities; or to take account of any corporate restructuring within the Capita group of companies; or
- to reflect alterations in the scope and nature of the services provided to you under these Terms and Conditions resulting from the alterations made to our system capabilities or administration procedures.

## 13 Conflicts of Interest

- You acknowledge and agree that when we (or our agents or delegates) enter into a transaction for you, we may (a) share charges with our affiliated companies and other third parties, or receive and retain remuneration from them in respect of transactions carried out on your behalf. Details of any such remuneration or sharing arrangements are available to you on request (b) be acting as agent or making arrangements for you on your instructions in relation to transactions in which we are also acting for other customers; or (c) be in a position where we have some other material interest in relation to the transaction.
- In accordance with FSA Rules, CFM has in place arrangements, which may be updated from time to time, to manage conflicts of interest that arise between itself and its clients or between its clients. CFM will deal with potential conflicts of interest in accordance with its Conflicts of Interests Policy which provides that it will identify and manage conflicts of interest to ensure fair treatment of all clients and ensure that it acts in the client's best interests. If it is not possible to manage or avoid a potential conflict of interest then Capita Financial Group ('CFG') may seek to disclose the general nature and/or sources of conflict to you before undertaking business for you. CFG will provide full details of the Conflicts of Interest Policy upon receipt of a written request from you.

## 14 Data Protection

- The Data Protection Act 1998 ('DPA') provides protection to individuals by governing, amongst other things, the way in which personal data is held and used. Individuals are also afforded rights of access to such information held about them. CFM will protect your personal information in accordance with the principles of the DPA.
- You agree that:
  - CFM may keep personal details which you or others have provided to it, and any information we know from running your account or processing orders, on a database and use or disclose such information to carry out the functions described in these Terms and Conditions and/or the Prospectus;
  - CFM may disclose your personal data to a promoter, fund manager, administrator or the depository of the relevant fund(s), or any person with legal, administrative or regulatory power over CFM, or as otherwise consented to in writing by you. In addition, CFM may disclose such personal data to any sub-contractor involved in carrying out functions for us including sub-contractors outside of the EEA in countries which do not have similar protections regarding personal data and its use. However, CFM is committed to protecting the confidentiality and security of personal data it collects and will ensure that such sub-contractor has put in place proper security measures to ensure at least the same level of protection as is required under the DPA; and
  - under the DPA, individuals are entitled, on payment of a fee of £10 currently (inclusive of VAT) to a copy of the information CFM holds about them.

- CFM may transfer or dispose of the personal data to a person to whom it transfers its rights and responsibilities under these Terms and Conditions.

## 15 Recordings of telephone conversations

To ensure that CFM carries out your instructions accurately, to help CFM continually improve its service and in the interests of security, we may monitor and/or record your telephone calls with CFM. Any recordings remain our sole property.

## 16 Contracts (Rights of Third Parties) Act 1999

Except as specifically provided in these Terms and Conditions, nothing in these Terms and Conditions shall confer or is intended to confer on any third party any benefit or the right to enforce any terms contained herein under the Contracts (Rights of Third Parties) Act 1999.

## 17 Complaints

If you have any queries or complaints please write to us in the first instance at Capita Financial Managers Limited ('CFM'), 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds, LS12 6NT. Your complaint will be fully investigated and a full resolution sought. Our complaints procedure is available upon request.

If you are not satisfied, you may also have a right of complaint direct to the Financial Ombudsman Service.

If we cannot meet our obligations, you may be entitled to compensation from the Financial Services Compensation Scheme ('Scheme'). A leaflet with further details is available on request from the Scheme. 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 £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. These amounts of compensation may change from time to time and you should check your entitlement with the Scheme. Further information about compensation arrangements is available from the Scheme. You can contact the Scheme by calling their Helpline on 0207 892 7300, logging onto their website at [www.fscs.org.uk](http://www.fscs.org.uk) or writing to the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN.

## 18 General

- If any provisions of these Terms and Conditions is held invalid, illegal or unenforceable for any reason, such provision shall be severed and the remainder of the provisions in these Terms and Conditions shall continue in full force and effect with the invalid provision eliminated.
- These Terms and Conditions and any disputes arising out of or in connection with them (whether based in contract, tort, breach of statutory duty or regulation or otherwise) are governed by and construed in accordance with English Law and both you and CFM submit to the exclusive jurisdiction of the English Courts.

## 19 Savings Directive

For investors who are resident outside the United Kingdom for tax purposes, if certain conditions apply, information regarding your investment and any interest paid may be passed to HM Revenue & Customs in order to be passed to other tax authorities. For further information please see the Simplified or Full Prospectus.

**Personal Details (Please complete in BLOCK CAPITALS)**

Please provide separate details for each joint or designated applicant. Joint applicants must each sign. In the case of joint holders, all payments and correspondence will be sent to the first named holder.

**Please note:**

ISA accounts can only be set up as individual accounts.

Trusts must be set up in individual's names – designations can be used.

**Sole or first named joint applicant (ISA & Non-ISA)**

Title (Mr/Mrs/Other) :	Nationality :
Surname :	Town & Country of Residence :
Forename(s) :	Place of Birth (Town or City) :
Permanent Address :	Country of Birth :
	Date of Birth :
	National Insurance Number :
Postcode :	or Tax Identification Number* :
Daytime Telephone Number :	<small>*Only if available, not all countries operate a system of Tax Identification Numbers</small>
Existing Account Number (if applicable) :	Please tick here if you do not have a National Insurance Number <input type="checkbox"/>
<p><b>ISA APPLICANTS ONLY:</b> We are unable to process your application without your date of birth and National Insurance Number (or confirmation that you do not have one). Your National Insurance Number can be found on your payslip, Form P45 or P60, or pension order book.</p>	
<p>If your application is on behalf of a child, please write the child's initials here          If your application is on behalf of a trust, please write the designation here</p>	

**Second named joint applicant (non-ISA only)**

Title (Mr/Mrs/Other) :	Nationality :
Surname :	Town & Country of Residence :
Forename(s) :	Place of Birth (Town or City) :
Permanent Address :	Country of Birth :
	Date of Birth :
	National Insurance Number :
Postcode :	or Tax Identification Number* :
Daytime Telephone Number :	<small>*Only if available, not all countries operate a system of Tax Identification Numbers</small>
Existing Account Number (if applicable) :	

**Third named joint applicant (non-ISA only)**

Title (Mr/Mrs/Other) :	Nationality :
Surname :	Town & Country of Residence :
Forename(s) :	Place of Birth (Town or City) :
Permanent Address :	Country of Birth :
	Date of Birth :
	National Insurance Number :
Postcode :	or Tax Identification Number* :
Daytime Telephone Number :	<small>*Only if available, not all countries operate a system of Tax Identification Numbers</small>
Existing Account Number (if applicable) :	

**Fourth named joint applicant (non-ISA only)**

Title (Mr/Mrs/Other) :	Nationality :
Surname :	Town & Country of Residence :
Forename(s) :	Place of Birth (Town or City) :
Permanent Address :	Country of Birth :
	Date of Birth :
	National Insurance Number :
Postcode :	or Tax Identification Number* :
Daytime Telephone Number :	<small>*Only if available, not all countries operate a system of Tax Identification Numbers</small>
Existing Account Number (if applicable) :	

For share class options please see the Share Class Options page.

Standard account – standard accounts are non-ISA accounts and must meet the minimum investment levels as specified in the prospectus and simplified prospectus.

ISA – ISA's are subject to regulatory limitations which are explained in the terms and conditions of this application, and the ISA information page of the Simplified Prospectus; ISA maximum limits for 2008/2009 are £7,200.

ISA Transfers – all ISA transfers must include the appropriate transfer authority and authorisation and declaration.

Monthly savings applications should be accompanied by a cheque for your first instalment and the Direct Debit authority.

Direct Debit collections are made on the sixth of each month, or the first working day thereafter, and invested on the next valuation date. No interest will be paid in the interim.

Your cheque should be made payable to 'Capita Financial Managers Limited'. Lump sum investors may also make direct payments (in Pounds Sterling only) to the following bank account:

**Sterling payments only**

**Barclays Bank Plc, 50 Pall Mall, London SW1Y 5AX**

**Account :** Capita Financial Managers Limited

**Account Number :** 30290122

**Sort Code :** 20-67-59

**Swift Code :** BARCGB22

I agree to opt for quarterly statements.

**Please note:** This application when accepted by Capita Financial Managers Limited will constitute a binding contract and be evidenced by the issue of a contract note or allocation letter. No other acknowledgement will be issued at the time of application and only in the event of a query will there be further communication.

**Data Protection Act:** We may send your details (including account/transaction details) to related third parties (including the Investment Manager and/or sponsor). If you do not wish to receive information on other products and/or services from related third parties, please tick this opt out box.

**Declaration:** To be completed by all applicants. Please note that ISA Accounts can only be set up as individual accounts.

I/we confirm that I/we have read and understood the information contained in this form and confirm that a copy of the Simplified or Full Prospectus has been supplied to me/us. I/we request and authorise Capita Financial Managers Limited to act in accordance with my/our instructions.

Signature :	<input type="text"/>	Date :	<input type="text"/>	Signature :	<input type="text"/>	Date :	<input type="text"/>
Signature :	<input type="text"/>	Date :	<input type="text"/>	Signature :	<input type="text"/>	Date :	<input type="text"/>

**Please complete if you wish to receive income payments**

If an income option is taken, income will be distributed as per the fund(s) payment dates. The income will be paid directly to your account by BACS. (Income is not available in accumulation share classes.)

If you do not indicate that you want an income paid out to you, we will automatically reinvest your income by purchasing additional shares for you.

**To the Manager :**      **Bank/Building Society :**

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**Address :**

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**Postcode :**

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**Account Holder Name(s) :**

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**Account Number :**     

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**Sort Code :**             

If you have any queries please phone 0845 300 2110. For your protection telephone calls are recorded.  
Please send the completed form, together with a cheque made payable to 'Capita Financial Managers Limited' if appropriate, to:  
**Capita Financial Managers Limited, 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds, LS12 6NT.**

# CF Charles Stanley Investment Funds Share Class Options

Product Type	Standard	ISA	ISA with Transfer Amount
<b>CF Charles Stanley Regular High Income Fund</b>			
Minimum Lump Sum Investment Amount	£1,000	£1,000	£1,000
	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>
Please delete as appropriate :	Income/Accumulation	Income/Accumulation	
<b>CF Charles Stanley Equity Fund</b>			
Minimum Lump Sum Investment Amount	£1,000	£1,000	£1,000
	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>
Please delete as appropriate :	Income/Accumulation	Income/Accumulation	
<b>CF Charles Stanley International Growth Portfolio</b>			
Minimum Lump Sum Investment Amount	£1,000	£1,000	£1,000
	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>
	Accumulation Shares only in issue		
<b>CF Charles Stanley UK &amp; International Growth Fund</b>			
Minimum Lump Sum Investment Amount	£1,000	£1,000	£1,000
	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>
	Accumulation Shares only in issue		

I apply to subscribe to a stocks and shares ISA for the tax year 2008/2009 and each subsequent year until further notice.

I declare that:

- all subscriptions made, and to be made, belong to me;
- I am 18 years of age or over;
- I have not subscribed, and will not subscribe, more than £7,200 in total to a cash ISA and a stocks and shares ISA in the same tax year;
- I have not subscribed, and will not subscribe, to another stocks and shares ISA in the same tax year that I subscribe to this stocks and shares ISA;
- I am resident and ordinarily resident in the United Kingdom for tax purposes or, if not so resident, either perform duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or I am married to, or in a civil partnership with, a person who performs such duties. I will inform Capita Financial Managers Limited if I cease to be so resident and ordinarily resident or to perform such duties or be married to, or in a civil partnership with, a person who performs such duties;
- the information I have given is correct to the best of my knowledge and belief. I will inform Capita Financial Managers Limited if any information provided in this ISA Application and Declaration changes;
- I have read and agreed to be bound by the Terms and Conditions set out in this document and accept that they may be varied Capita Financial Managers Limited's discretion, as provided therein and
- I have received and read the Simplified Prospectus that has been provided to me.

I authorise Capita Financial Managers Limited:

- to hold my cash subscription, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash and
- to make on my behalf any claims to relief from tax in respect of ISA investments.

I agree that if I invest in a Monthly Savings Plan (regular monthly payments), the amount(s) indicated will be deducted each month until further notice.

Full name :

Signature :

Date :

I agree that

- (i) this application is subject to acceptance by the current ISA Manager;
- (ii) to inform you of any changes in my circumstances;
- (iii) I have read and understood this form and confirm that a copy of the Simplified or Full Prospectus has been supplied to me; and
- (iv) **Applicable for current tax year ISA transfers only** – I am resident and ordinarily resident in the United Kingdom for tax purposes or if not so resident, perform duties which are by virtue of section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or I am married to or in a civil partnership with a person who performs such duties, and will inform Capita Financial Managers Limited if I cease to be so resident and ordinarily resident to perform such duties or be married or be in a civil partnership with a person who performs such duties.

I authorise Capita Financial Managers Limited

- (i) to hold my cash transfers, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments;
- (ii) to make on my behalf any claims to relief from tax in respect of ISA investments.

Signature :

Date :

**Transfer authority (to be completed by the ISA investor)**

To the existing ISA Manager :	ISA Plan Reference Number(s)	Transfer Amount	or	Percentage
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text" value="£"/>		<input style="width: 95%;" type="text" value="%"/>
Address :	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text" value="£"/>		<input style="width: 95%;" type="text" value="%"/>
Apply the proceeds of the ISA transfer(s) to (insert sub-funds below) :				
Postcode :	<input style="width: 95%;" type="text"/>			

I authorise my existing ISA Manager (as specified above) to transfer the ISA (account number above) to Capita Financial Managers Limited. I authorise my existing ISA Manager to provide Capita Financial Managers Limited with any information, written or non-written, concerning the ISA and to accept any instructions from them relating to the ISA being transferred.

Where a period of notice is required for closure/part transfer of the existing ISA, I give my consent to either: [ISA investor to tick as appropriate].

- 1. serve the full notice period before this instruction can be processed;
- OR
- 2. proceed immediately with the transfer and bearing any consequential penalty which may be applied.

Name :	<input style="width: 95%;" type="text"/>
Signature :	Date :

**Transfer authority (to be completed by the ISA investor)**

To the existing ISA Manager :	ISA Plan Reference Number(s)	Transfer Amount	or	Percentage
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text" value="£"/>		<input style="width: 95%;" type="text" value="%"/>
Address :	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text" value="£"/>		<input style="width: 95%;" type="text" value="%"/>
Apply the proceeds of the ISA transfer(s) to (insert sub-funds below) :				
Postcode :	<input style="width: 95%;" type="text"/>			

I authorise my existing ISA Manager (as specified above) to transfer the ISA (account number above) to Capita Financial Managers Limited. I authorise my existing ISA Manager to provide Capita Financial Managers Limited with any information, written or non-written, concerning the ISA and to accept any instructions from them relating to the ISA being transferred.

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- 1. serve the full notice period before this instruction can be processed;
- OR
- 2. proceed immediately with the transfer and bearing any consequential penalty which may be applied.

Name :	<input style="width: 95%;" type="text"/>
Signature :	Date :

**Transfer authority (to be completed by the ISA investor)**

To the existing ISA Manager :	ISA Plan Reference Number(s)	Transfer Amount	or	Percentage
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text" value="£"/>		<input style="width: 95%;" type="text" value="%"/>
Address :	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text" value="£"/>		<input style="width: 95%;" type="text" value="%"/>
Apply the proceeds of the ISA transfer(s) to (insert sub-funds below) :				
Postcode :	<input style="width: 95%;" type="text"/>			

I authorise my existing ISA Manager (as specified above) to transfer the ISA (account number above) to Capita Financial Managers Limited. I authorise my existing ISA Manager to provide Capita Financial Managers Limited with any information, written or non-written, concerning the ISA and to accept any instructions from them relating to the ISA being transferred.

Where a period of notice is required for closure/part transfer of the existing ISA, I give my consent to either: [ISA investor to tick as appropriate].

- 1. serve the full notice period before this instruction can be processed;
- OR
- 2. proceed immediately with the transfer and bearing any consequential penalty which may be applied.

Name :	<input style="width: 95%;" type="text"/>
Signature :	Date :

I accept that this application is governed by Capita Financial Managers Limited Terms of Business, a copy of which has been or will be supplied to me.

I hereby indemnify Capita Financial Managers Limited for any loss suffered should it subsequently be discovered that the applicant(s) was/were entitled to cancellation rights and no cancellation notice was sent as a result of the undernoted.

I confirm that the applicant(s) named in this application is/are entitled to cancellation rights under the Conduct of Business (Cancellation) Rules.  
(Tick only if cancellation rights apply)

Or, I confirm that the applicant(s) named in this application is/are not entitled to cancellation rights under the Conduct of Business (Cancellation) Rules because:

- The applicant(s) is/are subject to a customer agreement waiving such rights.
- The applicant(s) responded to an 'off the page' advertisement as defined by the Financial Services (Conduct of Business) Rules.
- The application form was completed outside the United Kingdom as the result of either advice given by me or an advertisement issued outside the United Kingdom.
- The applicant is an execution only customer.
- We confirm we have undertaken money laundering checks in line with the current regulations.

Should you wish to rebate all or part of your commission entitlement, please indicate the amount to be rebated in the box below.

%

Adviser's Initials

Adviser's Name :

Telephone Number :

Mobile Number :

Fax Number :

If you are interested in receiving information regarding e-commerce, please tick this box :

Adviser/Agent Stamp & Authorisation