



SICAV INVESTMENT SERVICES LIMITED

FEE-BASED INDEPENDENT INVESTMENT ADVICE

Treating customers fairly

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Preamble

This document is supplementary to (and to be read in conjunction with) the following documents:

- Key Facts about our investment services
- Key Facts about the cost of our services
- Terms of Business letter

You will usually receive the first two documents along with a questionnaire for you to complete which, with your permission, can be supplemented by further information which we can source directly from your accountant or solicitor.

The questionnaire will ask you to give details of your financial circumstances and state precisely your financial planning objectives and attitude to investment risk. The collation of in-depth information regarding your financial circumstances is vital to the advice process. Whilst you are at liberty not to disclose certain details if you do not wish to, these cannot then be taken into account when preparing our recommendations.

The Terms of Business letter will be tailored according to the basis of remuneration we agree together and the information you have provided.

The above documents cannot however set out every scenario and the intention of this leaflet is to give you a “real-world” understanding of how we work for you once the “take-on” documents are in place.

FSA means Financial Services Authority, SIS means Sicav Investment Services Limited.

Who we are

"What is best for the commission-based adviser is not always best for the client"

It is the above conflict of interest which is at the heart of our fee-based approach to the financial planning services we provide for our clients.

Whilst the Financial Services Act has established that Independent Financial Advisers must consider and make recommendations from the whole spectrum of available products/investments, we believe that impartiality is only truly intrinsic within a fee-based relationship.

Commissions are paid directly from investors' money at rates which bear no relation to the work involved in arranging a given contract. As a result, we

attest that the only fair basis to work upon with clients is where levels and bases of remuneration are clearly established at outset and reflect the nature of the tasks to be undertaken/services provided.

We pride ourselves on our ability to offer you a personal service. Notwithstanding, we have an extensive range of contacts through which to employ specialists in particular fields if necessary.

We foster a long term business relationship with our clients and practice growth has been achieved primarily through referral.

Staff:

Name:	Paul Storrie
Position:	Director
Principal functions:	Investment business and other advice to clients
Age:	44
Industry experience:	23 years
Telephone extension:	3203
Email address:	paul@sicavgroup.com
FSA reference no:	PAS01191

Name:	David Halverson
Position:	Director
Principal functions:	Financial controller, investment business administration, IT manager
Age:	44
Industry experience:	19 years
Telephone extension:	201
Email address:	dave@sicavgroup.com
FSA reference no:	DAH01195

Name:	Samantha Lane
Position:	Tax technician
Principal functions:	Self-assessment tax returns and other tax accounts
Age:	31
Industry experience:	8 years
Telephone extension:	3202
Email address:	samantha@sicavgroup.com

All staff work from home. However, in spite of that, we enjoy all the usual office facilities such as fully networked computer and phone systems. For face-to-face meetings, we are happy to travel to your home or can easily arrange conference room facilities.

The majority of our clients are UK tax-resident high net-worth individuals and our core activity is advising them upon the investment of available capital and how to make their investments more tax efficient from the point of view of UK Income Tax, Capital Gains Tax and Inheritance Tax. In the course of such work, we will give general advice in relation to Wills, trusts and taxation matters and assist clients with the administration of Trusts, Estates and Small Self-Administered Pension Schemes (“SSAS”) which, amongst other things, involves the preparation of Personal, Trust and SSAS tax returns.

Are our charges reasonable?

For fee-only advice, our compliance consultants (SimplyBiz Services, who are contracted to over 1,300 IFA firms) are of the opinion that the following would currently be a typical fee scale for an IFA practice: Director: £175 per hour, Financial adviser: £125 per hour, Administration: £45 per hour.

It is anticipated that the majority of our pure investment advice will be billed under our Portfolio Review service (described below) wherein fees are based upon a percentage of funds under management.

What do some of the clauses in our Key Facts documents and Terms of Business letter mean in practise?

Key Facts about our investment services (IDD - Initial Disclosure Document)

The content of this document is dictated by the FSA and is intended to give you a broad overview of how we work for you and what we are able to advise upon.

Key Facts about the cost of our services (Menu)

You have the choice to pay us by fees only, or (and this is our usual basis of operation) by a combination of fees plus trail/renewal commissions. Section 4 specifies our differing hourly charge-out rates dependent upon which option you select. If you select the combination of fees plus trail/renewal commissions, tables 1 and 2 give an indication of the amount of trail/renewal commission that we might receive.

Customer Classification

The principal implication of being treated as a “Professional client” means that we will not be obligated to give you any risk warnings in respect of securities that we recommend you purchase. One consequence of this is that should you lose money on a given investment, it would be difficult for you to argue that you were unaware of the inherent risk involved in such a purchase.

We only have authority from the FSA to deal with Professional clients. Our decision to do this is not because we wish to hide anything from you. Quite the contrary in fact and we would be delighted to discuss any aspect of an

investment we recommend. However, to give clients risk warnings in respect of every single investment that they make (considering that at any one time, a client may be buying and selling multiple holdings) has proved impractical and is also something that our clients have said that they don't want and don't want to be charged for.

You should only consent to be treated as a Professional client if you are an experienced investor and have a good understanding of the investment market. That is not to say that you have to be an expert and be aware of all the many derivative investment vehicles available. However, you should have a working knowledge of the mechanics of basic asset classes, such as fixed interest, equity, index-linked and property, and be versed as to the historic volatility in capital values that each has experienced.

If, however, you feel that you are less familiar with investments in general than as set out above, you should reconsider whether we are best placed to advise you.

Your Attitude to Investment Risk

The mere fact that you are treated as a Professional client most definitely does not mean that we will assume you are a risk-taker as far as your investment capital is concerned. Far from it. Understanding of risk does not imply an acceptance of it. We therefore ask you to specify against our "Guide to Investment Risk" where you are broadly happy for your overall investment portfolio to be placed.

In general, our clients run diversified portfolios so as to achieve inflation-beating returns irrespective of the economic/taxation climate. Having said that, we are able to offer portfolios with diverse benchmarks if need be, from very low risk to unquoted fledgling companies (the latter may be run by third parties).

Confidentiality clause

To protect the investment/tax planning schemes/ideas that we may disclose to you, our Terms of Business incorporate this clause under which you agree not to disclose to any third party any of the advice we give you without our prior consent. The ambit of this clause is to avoid our ideas falling into the hands of competitors and is not intended to be such that it extends to discussions between friends and family as that would be unreasonable. However, if your friends/family did wish to pursue anything further, we would ask that you don't send them any specific written advices that we have given you, but rather that you refer them to us for further details.

Communicating With You

We are geared up to deal with clients by email. For clients where the only means of corresponding with them is by post/telephone, our job is certainly that much more difficult, which ultimately incurs an additional cost in terms of our time spent.

Email correspondence has various advantages:

- There are occasions when we need to communicate things to our entire client bank. To send an email to multiple recipients takes seconds, whereas letters take considerably longer.
- We keep all our documents in electronic format and complete forms on-screen. Being able to then send these documents electronically to clients is considerably easier, cheaper and environmentally friendlier (because we don't have to print and post things), but also generally means a far quicker turn around time. Where items must be printed for signature, we provide 1st class reply-paid labels for their return and are happy to send these in electronic format so that clients have an unlimited supply!
- Emails are far easier to process, respond to and file than letters.
- It is far easier to copy you in on email correspondence we may be having with third parties such as accountants or solicitors.
- Email makes for far easier written dialogue between us since by replying to emails, most email software is capable of appending previous messages on the same subject.
- A thread of email correspondence is the closest one can get to a spoken dialogue, but with the advantage that it is a permanent record of information given and advice rendered.
- Emails are much easier for you to store, file and retrieve.
- Rather than re-iterating previous advice (perhaps given verbally), email enables us to re-send previous email messages.
- As a third means of communication between us, email helps us to develop our business relationship.
- You can put questions to us quickly and simply outside of office hours.
- It is accepted that email language is informal in nature and akin to the spoken rather than the formal written word, which enables you to put things in writing more easily.
- Email software enables receipts to be requested and our software is set-up to do send such acknowledgements, i.e. you can be sure that your email has been received.
- Prospectuses and other information on a given investment can be very bulky. Sending these as attachments to emails is far easier than posting huge envelopes.
- It is far easier to involve multiple parties in email correspondence and/or obtain commentary on a string of emails.

We employ eFax to receive faxes on our behalf (eFax is owned and operated by j2 Global Communications, a US corporation quoted on NASDAQ) and *the fax number quoted is a premium rate telephone number*. We use this service because:

- eFax convert these faxes into email attachments (in pdf format) which are then immediately forwarded to Paul's email address (shown above) and are received by him in the same manner as any other email correspondence.

- it enables us to take receipt of faxes at any time even when parts of our computer network may not be active.
- it avoids us having to convert or scan faxes into an appropriate electronic format.

Please note that we receive no monetary incentive from eFax for using their service.

Commissions

If you have elected to remunerate us by way of a combination of fees plus trail/renewal commissions, our hourly rates are discounted because we will also be receiving trail/renewal commissions. In many instances, the latter are capable of being transferred to another FSA authorised firm in the future. Therefore, in order to protect our interests, in the event that such commissions are subsequently diverted away from us, our Terms of Business incorporate a clause whereby we reserve the right to charge a fee to our clients commensurate with the resultant loss of income.

In a few instances, trail/renewal commissions can be substantial. Where large amounts are involved, the Terms of Business include terms for reconciling these against our fees.

Regarding the last paragraph in this section, if we do receive an introductory fee/share of fees when we refer you to another professional practice, please rest assured that we will only accept such fees if they are without prejudice to the fees that the third party charges you. Put another way, the fees you pay to the third party will be the same whether you are introduced by us or if you made contact directly – we will not permit other professional practices to charge you a higher sum in order to compensate for a fee being paid to us.

Money Laundering (ML)

ML is a routine of everyday life for all regulated firms and investments may only be arranged for you once the necessary checks have been undertaken.

You will need to let us have sight of either your passport or driving license, plus either a recent (not more than three months old) utility bill or bank statement or Council Tax demand (any one of which needs to show your name and home address). Furthermore, from time-to-time it may be necessary for us to request to see up to date versions of these documents.

Once we have your documents on file, most third parties will either accept a certificate from us confirming that we have carried out ML checks or will accept certified copies of the ML documents we hold. However, this approach is not universal and some institutions may insist that originals are produced again.

What we undertake to do.....

"Our aim is to increase your wealth and financial security"

This and the following sections expand upon the clauses in our engagement letter dealing with the nature and scope of our services.

Recommendations

These will usually be in writing and following your decision to proceed will be the subject of a specific instruction. The Instruction Letter will give full details of the recommendations to be implemented and the reasoning underlying our advice. We will also set out those items that you have decided not to proceed with. Following your signature and return to us we will then proceed to complete our proposals.

“Portfolio Review” (PR) service

PR is the principal means by which we manage our clients' investment portfolios. We agree with clients the assets that we shall manage and a benchmark index against which our performance may be assessed. Within this service we undertake to monitor and report upon the specified investments and suggest appropriate amendments thereto as necessary on an ongoing basis. If you elect to proceed with this service, the full terms and conditions will be set out in a separate Terms of Business letter.

Specimen reporting documents may be found on our website.

Too much unnecessary paperwork tends to be issued by some management services, such that the principal matter of how the investments are actually progressing becomes obscured. Our reporting is purposely intended to be straightforward and gives a simple means by which to measure our success or failure as managers.

Clients have differing investment objectives for the various existing portfolios that we operate, but to date, I am pleased to be able to report that we have outperformed the benchmarks by an average of 25%.

Our fee for operating the service is 0.75% per annum of the ongoing portfolio value subject to a minimum of £1,000. The fee is accrued within the portfolio valuations and invoiced at the half-yearly valuation dates (5th April and 5th October). This is also the point at which income is paid-out, if desired.

We arrange for monthly on account payments to be debited from the portfolio bank account and these payments are reconciled against our fees at the account dates.

This is not a discretionary service and alterations to holdings require your written consent in the form of a simplified Instruction Letter.

The portfolio operates around a Bank of Scotland account into which all income and capital payments are received/paid-out. Whilst we hold the chequebook for the account, we are not usually signatories thereupon.

...and what we don't

Investment advice

We would strongly recommend that this is not given on an ad-hoc basis, but rather that you opt for our PR service as outlined above. Our Terms of Business letter clearly states that unless we have undertaken to keep any investments under review that we have recommended to you, we won't.

Scope of our appointment

The appointment of SIS as your financial advisers cannot and should not be construed as an appointment to look after every aspect of your financial affairs. The engagement letter defines the specific services that we shall provide. Whilst we would not attempt to construe our responsibilities too narrowly, it is the case that if in broad terms, we have not undertaken to deal with something, then you must assume that that aspect/item remains your responsibility to attend to.

Computer records

Please don't assume that because we use computers extensively, information on all aspects of your circumstances is necessarily available at the press of a button nor that it is up to date. In particular, unless the assets in question are within our Portfolio Review service, we would usually only update your portfolio at the time that you ask us to give you further investment advice regarding your holdings.

Retention of title documents

We are not authorised by the FSA to hold any title documents. However, we can arrange safe custody facilities if need be.

What we charge for and what we don't

Banking arrangements

Subject to your agreement (and where this is available) we will arrange read-only access either over the Internet or by phone line to any account that we open on your behalf. We have found that this substantially improves the service that we are able to offer you permitting us, amongst other things, to keep track of your cash balances and check whether or not planned transactions have gone through.

Cater Allen Private Bank (CAPB)

CAPB are a wholly owned subsidiary of Abbey National Plc. All CAPB deposits are fully and unconditionally guaranteed by Abbey National plc, which is part of the Santander Group, one of the 10 largest banks in the world.

Our relationship with CAPB is purely as introducers. When opening a new account, we will prepare and submit all account opening documentation on your behalf without charge.

Once an account has been opened, you will be able to deal with CAPB as you would with any other bank. As a result, unless your CAPB account is part of our Portfolio Review service, if you ask us to become involved in any dealings with it, we will charge the time we spend at our agreed charge-out rates.

Bank of Scotland (BoS)

SIS has its own branch with the bank, sort code: 12-27-45. The address of the branch is Bank of Scotland, Sicav Investment Services Limited, 11 Earl Grey Street, Edinburgh EH3 9BN, which appears on statements, cheque books etc.

SIS performs a number of administrative functions for the branch on behalf of the bank in that all client contact is with us rather than with BoS. As a result, should you elect to open a BoS account with our branch; all of our involvement will be undertaken without charge.

Stockbroking accounts with Stocktrade

Stocktrade are a division of Brewin Dolphin Ltd, members of the London Stock Exchange and authorised and regulated by the Financial Services Authority.

Nominee accounts with Stocktrade bearing the prefixes ALMON and/or SICAV are subject to an agreement between SIS and Stocktrade – clients do not contract/sign Terms of Business with Stocktrade directly.

Whilst these accounts evidence our clients as beneficial owners, Stocktrade treat them as SIS accounts in all other respects. In particular this means that Stocktrade will only deal with/accept instructions from us in respect of these accounts. Whilst you will receive contract notes directly (with a copy to us) in respect of any sales/purchases on these accounts, all other documentation and correspondence will only be sent to us. *Note however that we will never give instructions to Stocktrade to buy or sell an investment held within your nominee account without having agreed this with you beforehand.*

Unless your Stocktrade nominee account is part of our Portfolio Review service, we will charge you for forwarding statements, details of corporate actions etc.

We undertake to resolve all/any errors/mistakes made by Stocktrade on your account for which we receive a levy upon all deals placed on the account. Our levy increases Stocktrade's basic fee for sales/purchases to 0.75% of the deal size, subject to a minimum of £22.50 and a maximum of £90.00. For example:

Deal size	Stocktrade's fee	Our share
£2,500	£22.50	£7.50
£5,000	£37.50	£12.50
£10,000	£75.00	£25.00
£20,000	£90.00	£30.00

We review the amount of the transaction levy every three years in the light of the actual number of errors/mistakes made by our stockbrokers, the time expended by us in resolving these and any compensation payments we may receive from Stocktrade or other third parties.

What we are not responsible for

Banking recommendations

We cannot be held responsible for banking errors made by BoS or CAPB or any other bank to whom we refer/introduce you. Whilst such errors are, of course, undesirable, you must accept the possibility of mistakes being made by any institution with whom you bank and it would be unreasonable for us to have to take responsibility for these merely because we made the initial referral/introduction.

Other recommendations

Here again, you must accept a commercial risk that mistakes may be made by any institution with whom we may arrange investments or other facilities on your behalf. Where errors are made by third parties with whom you have contracted on our recommendation, we will charge if you ask us to become involved in resolving these issues.

Our complaints procedure

Paul Storrie is the present Compliance Officer for the firm. If you are dissatisfied with any aspect of our service, we would ask if you could please communicate your views to Paul directly. This may be done verbally or in writing. Alternatively, you may speak with any member of our staff and they will pass on a message to him.

If Paul is unable to immediately resolve the issue to your satisfaction, he will, within 5 business days, despatch a letter to you:

- In relation to all written complaints, acknowledging the complaint.
- In relation to all oral complaints, acknowledging the complaint and setting out his understanding of the complaint and inviting you to confirm in writing the accuracy of that statement.

If within the above timeframe, Paul has been able to fully investigate the matter; his initial letter will also detail the outcome of that investigation. If not, he will investigate the complaint and respond in writing within 4 weeks. If the investigation has still not been completed by that time, he will highlight the reasons for the delay and provide you with monthly updates in writing thereafter until he has finished researching the matter. In any event, upon eventual completion, he will detail in writing the outcome and options available to you.

All the above letters will be sent to you by recorded delivery/registered post. Upon receipt of the letter detailing the outcome to our investigation, you must respond to this within 8 weeks, failing which, we will consider the matter closed.

In the event that Paul himself is subject to the complaint, then either Dave Halverson or the firm's external compliance consultants, Simply Biz Services plc, will conduct the investigation.

We would stress once again that your consent to be treated as a Professional client precludes you from being able to refer any complaint you may have regarding SIS to the Financial Ombudsman Service.

How to contact us

Sicav Investment Services Limited
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Brentwood
CM14 9DE
T: 01702 304100
F: 0870 420 4249
E: info@sicavgroup.com
W: www.sicavgroup.com
Registered office: 66 Holden Close, Dagenham, Essex RM8 2QT
Vat No. 761 5653 20
Registered in England no. 03816082
Date of incorporation: 29th July 1999
Directors: Paul A Storrie, David A Halverson
Authorised and regulated by the Financial Services Authority
We are entered on the FSA Register No 229048 at www.fsa.gov.uk/register

Disclaimer

This document is only intended to give you, at outset of your business relationship with us, a broader understanding of who we are and how we operate as a firm. It is not intended to form part of a legally binding contract between us or replace, amend or supplement the terms of the engagement letter(s) you sign with us.

Sicav Investment Services Limited, December 2007