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**A. General Terms****1. Definitions, Construction & Interpretation**

- 1.1. Words and expressions defined in the handbook of rules and guidance of the Financial Conduct Authority ("**FCA**") as amended from time to time ("**FCA Handbook**") which are not otherwise defined in this IMA shall, unless the context otherwise requires, have the same meaning in this discretionary investment management agreement ("**IMA**").
- 1.2. Furthermore, in this IMA:
  - 1.2.1. all laws, rules and regulation (in particular, the FCA Handbook), including any judicial or administrative interpretation of the same, in force and applicable to this IMA from time to time, shall be referred to as "**Applicable Law**";
  - 1.2.2. unless otherwise indicated, references to Clauses shall be to Clauses in this IMA; and
  - 1.2.3. headings to Clauses are for convenience only and shall not affect the interpretation of this IMA.

**2. Formation of IMA, Custodian Services & Client Categorisation**

- 2.1. The applicant ("**Investor**") has submitted an application to Scalable Capital Limited ("**Manager**") for the Manager to provide discretionary investment management services ("**Service**") to the Investor in accordance with the provisions of this IMA ("**Application**").
- 2.2. For the purposes of anti-money laundering and/or any other client due diligence requirements the Manager must obtain personal information about the Investor such as, but not limited to, (i) obtaining confidential information about the Investor from credit bureaus for the purpose of verifying their identity, contact details and address, (ii) searching PEPs and Sanctions lists for records linked to the Investor and/or (iii) any other information that has been submitted to the Manager by the Investor (collectively "**KYC Queries**"). The Investor consents to such KYC Queries.
- 2.3. This IMA will constitute a binding agreement between the Investor and the Manager once:
  - 2.3.1. the Investor has submitted the Application on the online platform through which investors can sign up to and access the Service ("**Platform**");
  - 2.3.2. any anti-money laundering and other client due diligence has been completed to the Manager's satisfaction; and
  - 2.3.3. the Manager has notified the Investor that the Application has been accepted ("**Acceptance**").
- 2.4. The Manager will not:
  - 2.4.1. accept deposits from the Investor;
  - 2.4.2. receive and/or safeguard assets of the Investor;
  - 2.4.3. provide any other custodian services (altogether, "**Custodian Services**"); and/or
  - 2.4.4. provide pension scheme administrator and/or trustee services.
- 2.5. In order to receive the Service, the Investor is required to enter into an agreement for the Custodian Services ("**Custodian Agreement**") with the custodian bank designated by the Manager and named in the Execution Policy in Chapter B ("**Custodian**"). To this end, as part of the Application, the Investor is required to accept and agree to the terms of the Custodian Agreement on the Platform. The Custodian Agreement may also specify that the Custodian will provide certain other services to the Investor, such as management of individual investment products within the Portfolio, in which case these additional services will fall within the definition of Custodian Services for the purpose of this IMA.
- 2.6. The Investor hereby:
  - 2.6.1. authorises the Manager to represent the Investor in all matters related to managing the Portfolio and the Service in relation to the Custodian, companies, funds or other entities which directly or indirectly form part of the Portfolio or other third parties; and
  - 2.6.2. appoints the Manager as its Representative ("**Representative**" having the meaning given to it in the Custodian Agreement).
- 2.7. The Service will be governed exclusively by the IMA. The Custodian Services will be governed exclusively by the Custodian Agreement. If any provision of the IMA conflicts with a provision of the Custodian Agreement, the Investor and the Manager shall cooperate in good faith (also involving the Custodian, if need be) to resolve the issue in line with Applicable Law and in the best interests of both parties.
- 2.8. The Service will generally be provided on the basis that the Investor is and will be treated as a Retail Client. However, where appropriate and if the circumstances require, the Manager may make a determination to treat the Investor as an Elective Professional

Client. In such circumstances, the Investor may at any time request to be treated as a Retail Client and benefit from the higher level of protection under the applicable regulations for Retail Clients. Where the Investor has been categorised as a Retail Client, in certain circumstances the Investor may request to be treated as an Elective Professional Client. If the Investor is classified as an Elective Professional Client pursuant to such a request, the Investor will lose the protections afforded to Retail Clients (apart from those also provided to Elective Professional Clients) under the FCA Handbook, details of which shall be provided.

- 2.9. The Manager has entered into agreements with various pension scheme administrators (individually "**Operator**") and pension scheme trustees (individually "**Trustee**") to allow the Investor to have their SIPP managed by the Manager (individually "**SIPP Agreement**"). In case of SIPPs the Services will be provided to the Investor on and subject to the additional SIPP terms set out in Chapter E ("**Pension Terms**").

### 3. Account Types, Cash Transfers & Withdrawals

- 3.1. For the purpose of receiving the Service:
- 3.1.1. the Investor will have an account (General Investment Account ("**GIA**"), Individual Savings Account ("**ISA**") and/or a SIPP) at the Custodian (and for the latter, also at the relevant Operator and Trustee), which will hold the Investor's portfolio of uninvested cash and other investments to be managed by the Manager pursuant to this Agreement ("**Portfolio**");
  - 3.1.2. the Investor shall upon submission of the Application without undue delay transfer cash of the amount indicated in the Application to the Portfolio by bank transfer, Direct Debit or such other payment method as may be permitted by the Manager from time to time;
  - 3.1.3. after the initial cash transfer, the Investor may transfer additional cash to the Portfolio by bank transfer or such other payment method as may be permitted by the Manager from time to time; and
  - 3.1.4. all such cash transfers must be from a bank account in the Investor's name.
- 3.2. The Investor may apply for withdrawal of uninvested cash and/or Investments (as defined at Clause 4.2.1 below) in the Portfolio ("**Withdrawal**") at any time, in which case this IMA shall continue to apply to any remaining uninvested cash or Investments held in the Portfolio.
- 3.3. If the Investor applies for Withdrawal, the Manager will at its sole discretion instruct the Custodian to:
- 3.3.1. sell Investments in the Portfolio in an orderly fashion and return the cash proceeds from such sale to the Investor;
  - 3.3.2. transfer uninvested cash to the Investor; or
  - 3.3.3. a combination of the two.
- 3.4. The Client may fund the Portfolio by means of Direct Debit. To this end, the Custodian will need to disclose personal data of the Client to a third party providing Direct Debit management services and/or the relevant bank. The Client consents to such disclosure. The Client will be asked to confirm a Direct Debit instruction on the Platform.
- 3.5. If the Client asks to cancel a Direct Debit payment after the Manager has claimed the funds, the Manager will return the funds and debit the Client's Portfolio. In the event that the Manager needs to convert some of the Client's assets to cash in order to settle amounts outstanding on the Client's Portfolio, the Client may incur a profit or loss. If the Client's cash account of the Portfolio becomes overdrawn the Manager will contact the Client in order to settle amounts outstanding.

### 4. Service

- 4.1. The Manager will provide the Service to the Investor in accordance with the Investor's best interests, the Applicable Law and the terms of the IMA (in particular, the Investment Strategy and Restrictions in Chapter C).
- 4.2. Subject to Clause 4.1, the Manager will have complete discretion over the Portfolio of the Investor and may act as the Manager judges appropriate in relation to the management of the Portfolio. The Manager may without prior reference to the Investor:
- 4.2.1. buy, sell, retain, exchange or otherwise deal in any kind of asset class and/or financial instrument (together, "**Investment**"), make deposits, or execute transactions (including transactions in, or relating to, units in unregulated collective investment schemes) and effect transactions on any markets;
  - 4.2.2. exercise (or refrain from exercising) any rights stemming from the Investments (e.g. voting, subscription or other rights);
  - 4.2.3. discharge the Management Fee (as defined in Clause 7.1) from the Portfolio; and
  - 4.2.4. execute all other measures relevant for the provision of the Service.
- 4.3. The Manager will not:
- 4.3.1. provide the Service for any Portfolio funded (contributions minus withdrawals) with less than GBP 10,000;
  - 4.3.2. provide financial, investment, tax and/or legal advice; and/or

4.3.3. be responsible for the conduct of the Custodian or the supervision of the Custodian.

- 4.4. If the Investor instructs the Manager to manage several Portfolios, a separate legal relationship between the Investor and the Manager will be formed for each Portfolio which will be independent from the other Investment Management Agreements concluded for the other Portfolio(s) in terms of formation, legal status and termination. Insofar as the Investor does not make deviating Declarations (as defined in this IMA) for each new Portfolio, the initial Declarations shall also form part of the IMA concluded for the management of the new Portfolio.
- 4.5. The Investor may be given the opportunity to subscribe to a stocks and shares ISA on the Platform, which would form a separate Portfolio, and which may be funded by transferring new cash to the Custodian, or by transferring cash and/or investments from another Portfolio at the time of subscription to the ISA. The ISA offered on the Platform is provided by the Custodian. The Custodian will be the ISA manager.
- 4.6. The Investment Strategy and Restrictions in Chapter C will not be breached as a result of any events or circumstances outside the reasonable control of the Manager in particular changes in the price or value of assets of the Portfolio brought about solely through movements in the market. Nonetheless, the Manager will take measures at its sole discretion to bring the Portfolio in line with such Investment Strategy and Restrictions in reasonable time.
- 4.7. To provide the Investor with a means to assess the performance of the Portfolio, each of the investment strategies offered by the Manager has a corresponding benchmark. The investment strategies and corresponding benchmarks that an Investor may be offered can be found in the Investment Strategy and Restrictions in Chapter C. The Investor acknowledges that the benchmarking information provided in Chapter C is for information purposes only and that not all of the investment strategies may be open to each Investor. The Manager does not guarantee, covenant and/or promise in any way a corresponding performance of the Portfolio.

## 5. Dealing & Execution Policy

- 5.1. The Manager's Execution Policy is set out in Chapter B.
- 5.2. The Investor acknowledges that:
- 5.2.1. the Manager will not ordinarily accept instructions from the Investor with regard to the execution of orders as such instructions from the Investor may prevent the Manager from following the Investment Strategy and Restrictions in Chapter C;
  - 5.2.2. the Portfolio may be invested in a range of Investments and that, although some may be publicly traded, there may be no relevant market or exchange, and consequent rules and customs, and there may be varying practices for different Investments;
  - 5.2.3. the Manager may instruct the Custodian to trade outside of a regulated market or Multilateral Trading Facility; and
  - 5.2.4. it is the Investor's responsibility to check before submitting the Application to become an Investor, if any professional rules of conduct (e.g. for accountants, lawyers or other professional persons) prevent him/her from using the Service.

## 6. Reporting

- 6.1. The Investor will receive from the Manager a periodic report within four weeks after the end of each calendar quarter covering the preceding calendar quarter in respect of the Portfolio containing information required to be included in such reports under the FCA Handbook ("**Periodic Report**"). In addition, the Manager will inform the Investor by means of a special report if the loss threshold applicable to the chosen investment strategy displayed in the Investment Strategy and Restrictions in Chapter C is breached ("**Special Report**").
- 6.2. The Investor acknowledges that
- 6.2.1. any valuations comprised in such statements may be prepared by the Manager; and
  - 6.2.2. the Investments are traded on regulated markets and prices are available each day the respective Investments are traded on these markets; the Investments made through the Service will be valued in accordance with (where applicable) available market prices and/or the valuation guidelines of the Custodian.
- 6.3. The Investor may elect to receive information on transactions executed in respect of the Portfolio on a transaction-by-transaction basis. Such information will then be provided to the Investor promptly on the Platform.

## 7. Management Fee & Taxes

- 7.1. The management fee payable by the Investor to the Manager for the Service is specified in the Fee Schedule in Chapter D ("**Management Fee**"). All liabilities, costs and expenses which the Manager incurs under this IMA will be covered by the Management

Fee. Any value decreasing encumbrances on the Portfolio (such as lombard loans, overdrafts and/or overdraft facilities) shall be disregarded for the purposes of calculating the Management Fee.

- 7.2. The Management Fee will be deducted by the Custodian from the Portfolio on instruction of the Manager. Such deduction may be implemented either by collecting uninvested cash in the Portfolio and/or selling Investments in the Portfolio and collecting the proceeds from such sale.
- 7.3. The Investor shall be responsible for the payment of any taxes, stamp duties, duties and other fiscal liabilities.

## **8. Representations, Warranties and Undertakings**

- 8.1. The Investor represents, warrants and undertakes to the Manager on an ongoing basis that:
  - 8.1.1. the Investor maintains full legal capacity and all necessary authority, permissions and powers and has taken all necessary action to enable the Investor lawfully to enter into this IMA and to enter into any transactions and to grant any security interests, rights and powers referred to in this IMA;
  - 8.1.2. there is not pending or, to the Investor's knowledge, threatened, any action, suit or proceeding before any court, tribunal, governmental body, agency or official or any arbitrator that purports to affect or is likely to affect, the legality, validity or enforceability against the Investor of this IMA or ability to perform the Investor's obligations under this IMA;
  - 8.1.3. the Investor is a resident of the United Kingdom (or the "UK", being residents of England, Scotland, Wales and Northern Ireland but not the Isle of Man) or of the Channel Islands (which for the purpose of this IMA shall mean Guernsey and/or Jersey only) and is over the age of 18;
  - 8.1.4. the Investor is not a US Person or national of any country listed in the United States Department of Treasury's Office of Foreign Assets Control website at <http://www.treas.gov/ofac>;
  - 8.1.5. the Investor is the sole beneficial owner of the Portfolio;
  - 8.1.6. the Investor is willing and financially able to sustain a (total) loss of the funds in the Portfolio;
  - 8.1.7. the Investor's Application and receipt of the Service complies with Applicable Law (in particular anti-money laundering regulations);
  - 8.1.8. all information that the Investor provides to the Manager on the Platform or otherwise under this IMA is true, complete and accurate in all material respects; and
  - 8.1.9. the Investor will cooperate with the Manager to enable the Service to be provided in a proper manner and in accordance with all Applicable Law.
- 8.2. The Investor will notify the Manager immediately should any of the abovementioned representations, warranties and undertakings (together, "**Representations**") become inaccurate or should any material circumstances relevant to the Representations change.

## **9. Delegation & Assignment**

- 9.1. The Manager may employ agents and consultants, including associated persons and entities (each, an "**Associate**"), to perform any consulting, administrative or ancillary services to assist the Manager in performing the Service, in which case it will act with due diligence in the selection, use and monitoring these agents and consultants.
- 9.2. The Manager may assign its rights or transfer its obligations under this IMA to any appropriately authorised and regulated person, such assignment or transfer being effective upon written notice to the Investor. This IMA is personal to the Investor and the Investor may not assign or transfer it.
- 9.3. The Custodian may be entitled under the Custodian Agreement to transfer any of its rights and/or obligations under the Custodian Agreement and, subsequently, transfer the money and/or assets within the Portfolio held by the Custodian to this third party or someone nominated by this third party. Where the Custodian does this, the Manager shall be entitled, but not obliged, to continue to provide the Service with regard to the transferred money and/or assets.

## **10. Conflicts of Interest**

- 10.1. Conflicts of interest cannot be entirely excluded. For this reason, the Manager has taken appropriate precautionary measures to ensure the proper handling of such conflicts. These measures are laid down in detail in the Conflicts of Interest Policy which has been made available to the Investor in the course of the onboarding process. The Investor hereby confirms that he/she has read and agrees to the Manager's Conflicts of Interest Policy.
- 10.2. The Investor acknowledges and agrees that:
  - 10.2.1. certain directors and employees of the Manager may be investors through the Service;
  - 10.2.2. the Manager, and/or its directors, officers, employees, consultants, expert advisers and clients, may co-invest with the Service on the same terms and conditions without prior reference to the Investor or obtaining the Investor's consent;

- 10.2.3. other portfolios or funds or entities managed or advised by the Manager may invest in or otherwise transact with an investee company from time to time; and
- 10.2.4. the Manager and/or its directors, officers, employees, consultants, expert advisers and clients may already have invested in or otherwise transacted with an investee company in which an Investment is made through the Service or in an Investment which is connected with an Investment or transaction made through the Service.

10.3. The Manager will normally act as the agent of the Investor, who will therefore be bound by its actions under this IMA. To the extent that any fiduciary or equitable duties arise as a result of the provision of the Service such duties shall not prevent or hinder the Manager, or any Associate, in effecting transactions with or for the Investor.

## 11. Liability

11.1. The Manager will at all times act with reasonable care and due diligence. Nothing in this IMA shall exclude or limit in any way any duty or liability owed to the Investor under Applicable Law where it would be unlawful to do so. This includes liability for

- 11.1.1. death or personal injury caused by the Manager's negligence or the negligence of its employees, agents or subcontractors;
- 11.1.2. for fraud or fraudulent misrepresentation;
- 11.1.3. for breach of the Investor's legal rights in relation to the Service, including the right to receive services which are as described and supplied with reasonable skill and care; and
- 11.1.4. for breach of any applicable rule of the FCA Handbook.

11.2. Subject always to clause 11.1:

- 11.2.1. the Manager will only be liable for loss to the Investor arising under this IMA if and to the extent that such loss is directly due to a breach of this IMA or a negligent act or negligent omission or fraud of the Manager, its employees, directors, officers or agents;
- 11.2.2. if the Investor uses the Service for any commercial or business purpose, the Manager will have no liability to the Investor for any indirect or consequential loss, loss of profit, loss of business, business interruption, damage to an Investor's business or reputation, or loss of business opportunity; and
- 11.2.3. each party's total liability to the other party, whether in contract, tort (including negligence) or otherwise, arising under or in connection with this IMA shall be limited to an amount equivalent to the sum of ten (10) times the (annual) Management Fee calculated on the basis of the preceding 12 months or, if the Service has been made use of for a shorter period of time, of an extrapolation of the Management Fees paid.

11.3. The Investor agrees to indemnify (which means a full reimbursement) the Manager and its Associates and their respective employees, directors, officers or agents ("**Indemnified Persons**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements or suits, including legal costs, expenses and disbursements (together, "**Losses**"), which may be imposed on, incurred by or asserted against the Indemnified Persons in relation to the Service and which result from the Investor's breach of this IMA, negligence, fraud or provision to the Manager or Custodian of inaccurate information, except to the extent that any Losses directly relate to or are caused by the negligence, wilful default or fraud of any Indemnified Person.

11.4. The Manager gives no representation or warranty as to the performance of the Portfolio. Some Investments are high-risk investments and may be non-readily realisable investments. There may be a restricted market for such Investments and it may therefore be difficult to sell the investments or to obtain reliable information about their value. Investors should carefully consider the suitability of Investments in the capital markets and the risk warnings provided by the Manager as part of the onboarding process or as otherwise communicated from time to time.

11.5. In the event of any failure, interruption or delay in the performance of the Manager's obligations resulting from acts, events or circumstances not reasonably within the Manager's control (including, but not limited to acts or regulations of any governmental or supranational bodies or authorities and acts of war, terrorism or civil unrest as well as other cases of force majeure) the Manager shall not be liable to the Investor for consequent loss in the value of, or failure to perform investment transactions for the account of, the Portfolio.

## 12. Term & Termination

12.1. This IMA will continue in force until it is terminated by one of the parties in accordance with this Clause 12.

12.2. This IMA may be terminated on notice:

- 12.2.1. by the Investor at any time, with such notice having legal effect on the next following business day (meaning a day when the London Stock Exchange is open for trading) ("**Business Day**");

- 12.2.2. by the Manager at any time, with such notice having legal effect on the last day of the calendar month in which notice is given, unless notice is given after the 15<sup>th</sup> day of such calendar month, in which case it will have legal effect from the last day of the next following calendar month.
- 12.3. The IMA shall automatically terminate with immediate legal effect upon:
- 12.3.1. termination of the Custodian Agreement by the Investor or the Custodian; and/or
- 12.3.2. execution and settlement of a Withdrawal of all Investments and uninvested cash in the Portfolio.
- 12.4. The Manager will be entitled to terminate this IMA with immediate legal effect on notice if:
- 12.4.1. the Investor has committed a material breach of any provision of this IMA and, in the case of a breach capable of remedy, fails to remedy such breach within 30 days of receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
- 12.4.2. the Investor gives instructions to the Manager which may prevent the Manager from following its Execution Policy in Chapter B and/or the Investment Strategy and Restrictions in Chapter C and the Investor does not revoke such instructions following notification of the issue by the Manager;
- 12.4.3. due to (partial) Withdrawal the overall value of the assets in the Portfolio falls below GBP 10,000;
- 12.4.4. the Investor is the subject of a bankruptcy petition or order or proposes an individual voluntary arrangement;
- 12.4.5. the Custodian transfers any of its rights and/or obligations under the Custodian Agreement and, subsequently, transfers the money and/or assets held by the Custodian to this third party or someone nominated by this third party; and/or
- 12.4.6. the Manager is insolvent and/or the Manager enters into administration or other insolvency proceedings.
- 12.5. On termination of this IMA, the Manager shall be entitled to complete all orders that are still pending. Apart from that, the Manager will cease any activity with regard to the Portfolio as of the effective date of the termination. Any termination shall not affect any rights or obligations which have already arisen under this IMA.
- 12.6. In the event of the Investor's death, this IMA shall not terminate, but shall remain in full force and effect for the heir(s) of the Investor. In case of multiple heirs, the heirs shall name a representative to which the Manager may direct any reports, invoices and/or declarations under this IMA with legal effect for all heirs. The termination and/or cancellation of this IMA declared by one heir shall take legal effect for all heirs. The Manager shall be entitled to request adequate documentation from the heir(s) as to their status as heir(s).

### 13. Confidential Information

- 13.1. Neither the Manager nor the Investor shall disclose to third parties information the disclosure of which by it would be or might be a breach of duty or confidence to any other person.
- 13.2. The Manager will at all times keep confidential all information acquired in consequence of the Service, except for information which:
- 13.2.1. is in the public knowledge;
- 13.2.2. it may be entitled or bound to disclose under compulsion of Applicable Law or judicial process;
- 13.2.3. is requested by regulatory or tax agencies or a stock exchange;
- 13.2.4. is given to its professional advisers, auditors, insurers where reasonably necessary for the performance of their professional services;
- 13.2.5. is authorised to be disclosed by the other party; or
- 13.2.6. it is necessary to disclose in pursuance of the Service.

### 14. Notices, Instructions and Communications

- 14.1. All notices pursuant to this IMA and any information that requires transmission on a durable medium shall be sent as follows (each, a "Notification"):
- 14.1.1. To the Investor:
- 14.1.1.1. by email to the email address in the Investor's Platform profile ("**Investor Email Address**");
- 14.1.1.2. by sending a message to the electronic mailbox of the Investor accessible on the Platform ("**Investor Mailbox**") which the Investor is obliged to check at least once per calendar month; and/or
- 14.1.1.3. by first class post to the postal address in the Investor's platform profile.
- 14.1.2. To the Manager:
- 14.1.2.1. by email to support@scalable.capital;



- 14.1.2.2. by sending a message to the Manager using the Platform ("**Manager Mailbox**"); and/or
- 14.1.2.3. by first class post to Scalable Capital Limited, Second Floor, 24 Bevis Marks, London EC3A 7JB, UK.

- 14.2. A Notification sent to the Investor Mailbox is deemed to have been received by the Investor upon the earlier of:
- 14.2.1. retrieval by the Investor of the Notification;
  - 14.2.2. receipt of the Notification in the Mailbox and dispatch of a corresponding notification email to the Investor Email Address; or
  - 14.2.3. expiration of the calendar month following the receipt of the Notification in the Mailbox.
- 14.3. A Notification sent by:
- 14.3.1. Email or to the Manager Mailbox is deemed to have been received on the date upon which it is sent, unless it is sent after 17:30 GMT on a Business Day or at any time on a non-Business Day in which case it will be deemed to have been received on the next following Business Day; and
  - 14.3.2. By first class post is deemed to have been received on the second Business Day after posting.
- 14.4. The Manager may rely and act on any Notification or other instruction or communication which is delivered by means of the Platform or from the Investor Email Address, unless the Manager has been made aware of breach of security, loss, theft or unauthorised use of a username, password or security information.
- 14.5. The rights to cancel, withdraw, terminate and/or any other rights of the Investor may be exercised by the Investor by sending a Notification to the Manager.
- 14.6. Insofar as the provision of securities prospectuses, investment conditions and other investment information by reference to a website is permissible by Applicable Law, the Investor agrees to this form of disclosure.

## 15. Amendments

- 15.1. The Manager may propose amendments to this IMA via Notification to the Investor. The amendments are deemed to have been accepted by the Investor, if the Investor does not object by means of a Notification within six weeks upon receipt of such proposal.
- 15.2. The Manager may amend the terms in this IMA with immediate effect by giving the Investor notice by means of Notification where such amendment is necessary in order to comply with Applicable Law.
- 15.3. The terms of this IMA may otherwise be amended with the express consent of the Investor (which may include consent given by means of a tick-box on the Platform).

## 16. Data Protection

- 16.1. The Manager must process personal data of the Investor to be able to provide the Service. The Manager will process this personal data with due care and pursuant to applicable data protection laws.
- 16.2. The Manager fulfills its duty to inform the Investor on the data processing by providing pre-contractual information which contains the corresponding disclosures.

## 17. Declarations & Entire Agreement

- 17.1. Upon completion of the onboarding process, the suitability assessment and the selection of the relevant investment strategy, the Investor makes, inter alia, the following declarations on the Platform (altogether "**Declarations**"):
- 17.1.1. confirmation of the Investor's receipt of the documents "Investment Management Agreement", "Pre-contractual Information" and "Risks of Investing in Capital Markets" (together, "**Additional Information**");
  - 17.1.2. confirmation of the correctness and completeness of all information provided by the Investor as part of the Application and onboarding process ("**Investor Details**"); and
  - 17.1.3. confirmation that the Investor is the beneficial owner of the prospective Portfolio and acts solely on his/her own account.
- 17.2. All Chapters of this IMA, the Additional Information, the Investor Details and the Declarations comprise the entire agreement of the Manager with the Investor relating to the provision of the Service. The Investor Details will be made available to the Investor on the Platform for reference.



17.3. If any provision of the IMA conflicts with a provision of the Additional Information, the provision of the IMA will prevail.

**18. Miscellaneous**

18.1. The Investor acknowledges that the Additional Information explains the cancellation rights of the Investor, the Manager's complaints procedure and the Financial Services Compensation Scheme.

18.2. The language of this IMA, and any communication or notice relating to it, is English.

18.3. Unless stipulated otherwise in the IMA, no person who is not a party to this IMA has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this IMA, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.

18.4. If any term, condition or provision of this IMA shall be held to be invalid, ineffective or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this IMA. In case of the invalidity, unenforceability or ineffectiveness of a provision, both Parties are obliged to negotiate about an effective and reasonable substitute provision, which is close to the economic objective of the ineffective provision.

18.5. This IMA and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this IMA or its subject matter or formation (including non-contractual disputes or claims).

**B. Execution Policy****1. General**

1.1 In accordance with FCA Best Execution obligations, the Manager will take all reasonable steps to obtain the best possible result on a consistent basis when executing orders on behalf of clients.

**2. Obligation to Best Possible Execution**

2.1 For retail clients the criterion for the best possible execution will primarily be the overall costs, i.e. the sales or purchase price and all other costs associated with the execution of the order. Other qualitative criteria such as size, speed, liquidity, likelihood of execution and settlement as well as nature or any other consideration relevant to the execution of a particular order shall also be considered, unless they are inconsistent with the best possible outcome for the client.

2.2 The Manager does not execute the orders placed in the name and on account of the Investor itself, but makes use of the Custodian as executing entity. The Manager may aggregate transactions for the Portfolio and the Service with those of its other investors ("**Aggregation**"). The Aggregation allows for a more cost-efficient execution of the transactions and, thus, is in this regard beneficial for the Investor. However, the Aggregation may also be detrimental for the Investor. Firstly, the Aggregation may have a negative impact on the market pricing of the relevant asset. Secondly, large order volumes may lead to a reduced allocation quota of the asset to the Investor. For the latter case the Manager has established guidelines which govern the fair and reasonable allocation under consideration of the impact of volume and price as well as the requirements of the FCA Handbook.

2.3 Details with regard to the execution of orders by the Custodian (in particular the Aggregation and determination of an average price) are stipulated in the terms governing the execution by the Custodian. The Manager has reviewed these terms for compliance with best execution principles and the Investor's interests. The Investor approves the execution of orders by the Custodian and the corresponding terms governing the execution process.

**3. Selected Custodian Bank**

3.1 The name and address of the Custodian is as follows: Winterflood Securities Limited, The Atrium Building, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2GA.

3.2 To safeguard the best possible results for the investors, the Manager has chosen the Custodian for execution of orders. This decision particularly based on the following considerations: The competitive pricing of the Custodian enables the Manager to offer cost efficient investment management services. Furthermore, the modern technical infrastructure of the Custodian allows the effective technical connection with the infrastructure of the Manager. Finally, the Custodian has ample experience in trading of the relevant financial instruments.

## **C. Investment Strategy and Restrictions**

### **1. General**

- 1.1 The aim of all investment strategies under this IMA (“**Investment Strategies**”, each one an “**Investment Strategy**”) is to make use of profit opportunities while observing the applicable constraints.
- 1.2 The Manager exclusively invests in index funds and Exchange Traded Funds (“**ETFs**”) as well as, potentially, Exchange Traded Commodities (“**ETCs**”) (collectively “**Index Trackers**”). ETFs and index funds are funds which reproduce a stock index, e.g. the FTSE 100, and which are not subject to an active investment strategy implemented by a fund manager. That is why they are also called passive index funds. ETCs consist mostly of derivatives traded on exchanges and designed to track the performance of a single commodity or a commodities index, such as industrial metals or agriculture. Index Trackers give investors access to a wide range of asset classes such as stocks, bonds, commodities and real estate.
- 1.3 If the underlying assets of the Index Tracker are traded in another currency than the Index Tracker itself, currency risks exist. The index may nominally increase, but the corresponding Index Tracker may decrease in value, if the currency in which the underlying assets are traded decrease in value vis-à-vis the currency of the Index Tracker. These currency risks may be taken by the Manager when providing the Service.
- 1.4 Credit-financed transactions and trading of leveraged financial instruments as well as short sales, arrangements for securities financing or other transactions which give rise to obligations to contribute additional payments or securities are not permissible.

### **2. Investment Strategy**

- 2.1 The investment strategy of the Manager is based on a model of portfolio optimisation. The aim is to maximise the return possibilities while observing the relevant constraints of the applicable Investment Strategy / Risk Category, in particular the composition and weighting of individual asset classes in the Portfolio. Not only the potential return and risks of individual asset classes are considered, but also the dependencies of the asset classes amongst each other.
- 2.2 To optimise the returns and to minimise losses of the Portfolio, the Manager will regularly review if the Portfolio complies with the corresponding risk category while exploiting its return potential. If required, the Manager will rebalance the Portfolio accordingly.
- 2.3 The different risk categories are defined by and named after the relevant Value at Risk (“**VaR**”).
- 2.4 VaR is a statistical risk measure widely used by banks and insurance companies. VaR indicates a certain risk threshold which will not be exceeded with a certain degree of probability. The VaR used by the Manager indicates the annual loss which will not be exceeded with a probability of 95% (one-year VaR with a confidence level of 95%). A VaR of 12% means, for example, that the Portfolio should not lose more than 12% of its value within one year or, put differently, an annual loss of 12% may occur on average in one of twenty years (1/20, i.e. 5% probability).

### **3. Asset Classes**

- 3.1 The chosen investment strategy will be implemented by investments in government bonds, covered bonds, corporate bonds, stocks, real estate, commodities as well as holding cash.
- 3.2 The investments in these asset classes take place exclusively by means of indirect investments in shares of Index Trackers which in turn hold and/or replicate the relevant assets.
- 3.3 The guidelines with regard to weighting of the individual assets in the Portfolio to be observed by the Manager are indicated in the columns under “Maximal weighting of asset classes in the Portfolio” of the chosen investment strategy in the chart below.

### **4. Benchmark**

- 4.1 A Morningstar® fund category corresponding to the relevant risk exposure of the investment strategy shall serve as the benchmark.
- 4.2 The relevant benchmark is indicated in the column under “Benchmark” in the table below.

**5. Loss Threshold**

5.1 The loss threshold is breached, if losses in the Portfolio exceed the loss threshold. Deposits or withdrawal of cash shall be disregarded. Reference date shall be the last report received by the Investor (Periodic Report or Special Report).

5.2 The relevant loss threshold is 10% for each Investment Strategy.

**6. Table**

Investment Strategy / Risk Category	Maximal weighting of the asset classes in the Portfolio							Benchmark (Morningstar® Category EAA Fund GBP)
	Government Bonds	Covered Bonds	Corporate Bonds	Stock	Real Estate	Commodities	Cash	
3% VaR	70%	70%	70%	25%	10%	10%	100%	Cautious Allocation
4% VaR	70%	70%	70%	30%	10%	10%	100%	Cautious Allocation
5% VaR	70%	70%	70%	35%	10%	10%	100%	Cautious Allocation
6% VaR	70%	70%	70%	40%	10%	10%	100%	Cautious Allocation
7% VaR	70%	70%	70%	45%	10%	10%	100%	Cautious Allocation
8% VaR	70%	70%	70%	50%	10%	10%	100%	Moderately Cautious Allocation
9% VaR	70%	70%	70%	55%	10%	10%	100%	Moderately Cautious Allocation
10% VaR	70%	70%	70%	60%	10%	10%	100%	Moderately Cautious Allocation
11% VaR	70%	70%	70%	65%	15%	15%	100%	Moderately Cautious Allocation
12% VaR	70%	70%	70%	70%	15%	15%	100%	Moderately Cautious Allocation
13% VaR	70%	70%	70%	75%	15%	15%	100%	Moderate Allocation
14% VaR	70%	70%	70%	80%	15%	15%	100%	Moderate Allocation
15% VaR	70%	70%	70%	85%	15%	15%	100%	Moderate Allocation
16% VaR	70%	70%	70%	90%	20%	20%	100%	Moderate Allocation
17% VaR	70%	70%	70%	90%	20%	20%	100%	Moderate Allocation
18% VaR	70%	70%	70%	90%	20%	20%	100%	Moderately Adventurous Allocation
19% VaR	70%	70%	70%	90%	20%	20%	100%	Moderately Adventurous Allocation
20% VaR	70%	70%	70%	90%	20%	20%	100%	Moderately Adventurous Allocation
21% VaR	70%	70%	70%	90%	25%	25%	100%	Moderately Adventurous Allocation
22% VaR	70%	70%	70%	90%	25%	25%	100%	Moderately Adventurous Allocation
23% VaR	70%	70%	70%	90%	25%	25%	100%	Adventurous Allocation
24% VaR	70%	70%	70%	90%	25%	25%	100%	Adventurous Allocation
25% VaR	70%	70%	70%	90%	25%	25%	100%	Adventurous Allocation

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## D. FEE SCHEDULE

The Manager offers a cost-transparent investment management service. The Manager provides the service of investment management. The Custodian ensures the implementation of the investment decisions which arise from the investment management service.

<b>Management Fee</b>	<p><b>0.75% p.a.</b></p> <p><b>less the Custody and Administration charge as well as the Trading charges due to the Custodian.</b></p> <p><b>less a potential amount carried forward from the preceding calculation period.</b></p> <p>Note: The overall charges to be paid by the Investor for the services of the Manager and the Custodian, thus, amount to 0.75% p.a. (including VAT).</p>
Minimum Management Fee	GBP 0
Amount carried forward	If the calculation of the Management Fee results in a negative amount (disregarding the minimum Management Fee), this amount will be carried forward as allowance.
Basis of calculation	Average market value of the assets contained in the Portfolio on valuation days
Calculation period	Calendar month (if applicable, pro rated)
Calculation ratio	Calendar days in the calculation period divided by the calendar days of the calendar year
Due Date	At the end of the respective calculation period
Value Added Tax (VAT)	Management Fee includes VAT (currently 20%).

**E. PENSION TERMS****1. General**

1.1 The relevant pension scheme ("**Scheme**") is a registered pension scheme for the purposes of Part IV of the Finance Act 2004 ("**Finance Act**"). It has been established for the sole purpose of the provision of pension and lump sum benefits for eligible individuals. The Scheme is intended to be a self invested personal pension scheme. The Scheme is governed by a trust deed and rules as amended from time to time by subsequent executed deeds ("**Rules**"). The Operator is authorised and regulated by the FCA and has been appointed to act as scheme administrator and operator of the Scheme. The Trustee is the entity appointed as bare trustee of the Scheme to hold and control the assets of the Scheme.

1.2 This Chapter contains the (additional) Pension Terms. These Additional Pension Terms apply only if (i) the Investor has applied for an Operator and a Trustee to act as operator of the Scheme and trustee of the Scheme, respectively, and the Manager to act as investment manager in relation to the SIPP as well as (ii) the respective application has been accepted by both Operator / Trustee and the Manager (subject to the usual anti-money laundering, other client due diligence and SIPP-specific requirements) and, thus, the corresponding contracts have been closed. The Pension Terms apply in addition to the other IMA terms and, insofar as they conflict, supersede the latter.

**2. Service**

2.1 The Manager will provide the (investment management) Service with regard to the SIPP for the Trustee, Operator and Investor (member of the Scheme) subject to the following requirements:

- 2.1.1 compliance with the SIPP Agreement;
- 2.1.2 any limitations imposed from time to time on the investment powers of the Trustee as set out in the governing documentation of the Scheme (as amended from time to time);
- 2.1.3 written instructions from the Trustee as to the manner in which investment policy is to be carried out on the Trustee's behalf and the Manager shall accept and affect all written instructions from the Operator even where those instructions may contradict the wishes of the relevant Member or Trustees; and
- 2.1.4 legislation applying to the Scheme and Trustee.

2.2 The Manager will provide the (investment management) Service with regard to the SIPP for the Trustee, Operator and Investor (member of the Scheme) in accordance with:

- 2.2.1 such investment objectives, performance measures and restrictions to be notified to the Manager by the Trustee and Operator from time to time ("**Investment Objectives**");
- 2.2.2 the need for diversification of investments, in so far as appropriate to the circumstances of the Investments held in the (SIPP) Portfolio and in accordance with the Investment Objectives; and
- 2.2.3 the Manager will only undertake transactions in any investment which is permitted to be acquired within the Scheme from time to time ("**Allowable Investments**"). If the Manager is in any doubt as to whether a particular investment is an Allowable Investment it may seek guidance from the Operator whose decision shall be final in this regard and will override any instruction given to the Manager by the Member.

2.3 For the avoidance of doubt, the contractual relationship with the Operator and Trustee will be governed by their terms and conditions ("**SIPP T&Cs**"), while the contractual relationship with the Manager will be governed by this IMA (including the Pension Terms). **Please note that the services provided by the Operator and Trustee are subject to separate fees, charges and/or expenses (not covered by the Management Fee) as laid down in the SIPP T&Cs.**

**3. Contributions & Transfers**

3.1 As a SIPP is a tax-privileged pension scheme, please note that contributions and transfers of sums or assets are governed by the Rules, the SIPP T&Cs and the relevant statutory law.

3.2 In general (subject to the Rules, SIPP T&Cs and the relevant statutory law), the Investor (member of the Scheme) shall only effect contributions to the Trustee which will in turn pass the monies to the custodial bank and the custodial bank shall only effect all pay-outs to the Trustee which then in turn may pass on the monies to the Investor (member of the Scheme).

3.3 Transfers of sums or assets are subject to several requirements and restrictions to be recognised under the Scheme and the law.