

## PORTFOLIO MANAGEMENT AGREEMENT

This agreement sets out the terms under which KW Investment Management Limited (“the firm” or “we”) provide portfolio management services to its clients (“you”). It is based on UK law. The firm will communicate at all times in English. If you would like us to provide this document in large print or on audio tape, please let us know. If you have any specific requirements concerning our on-going service to you, please discuss these with us.

### 1. CLIENT CATEGORISATION

We intend to classify you as a Professional Client. This means that you will lose certain protections under the Financial Services and Markets Act 2000 enforced by the Financial Conduct Authority. In addition, we will not have to adhere to all of the rules as set out by the Regulator in respect of financial promotions and we will not have to ensure that you understand all the risks associated with the transactions and services we provide. You have the right to request a different classification. Please contact us to discuss this if you require this option. Nothing in the agreement shall exclude any liability of KW Investment Management Limited to you under the FCA rules and is subject to the FCA rules and in the event of conflict the FCA will prevail.

### 2. OUR SERVICE

We provide whole of market advice on equity and fixed interest investments and collective investments such as Unit Trusts/ OEICS/Investment Trusts, ETFs, etc. You have requested that we provide a investment management service on the basis of this agreement. Words and phrases defined in the FCA rules shall have the same meaning within this agreement.

We shall not be liable for any error of judgement by you or any loss suffered by you in relation to the service we provide under this agreement unless such loss arises from the negligence, wilful default or fraud by the firm, its directors or employees.

By signing this agreement, and any related documents, both parties acknowledge and agree that they do not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether

a party to this agreement or not) other than as expressly set out in this agreement. Nothing in this clause shall, however, operate to limit or exclude any liability to fraud.

We shall have no liability nor be deemed to be in default of this agreement as a result of delays or failure to perform obligations under this agreement to the extent that the cause is beyond our control.

### 3. SERVICES TO BE PROVIDED

We offer our clients a choice of the following investment management services:

#### ***3.1 Acting as Discretionary Investment Manager***

By appointing us as discretionary managers, you appoint the firm to manage an investment portfolio on your behalf in order to meet your individual objectives. As discretionary managers, the firm’s investment managers will make decisions relating to the management of the portfolio without prior reference to you (subject to any guidelines or conditions you advise us of).

#### ***3.2 Acting as Advisory Investment Manager***

By appointing us as advisory managers, you appoint the firm to manage an investment portfolio on your behalf in order to meet your individual objectives. As advisory managers, the firm’s investment managers will make recommendations relating to the

management of the portfolio and will refer to you (subject to any guidelines or conditions you advise us of ) for your consent before implementing those recommendations.

## **4. INVESTMENT OBJECTIVES AND RISKS**

Your portfolio will be invested according to your individual needs. This will be based on the stated objective details in the accompanying Investment Parameters Appendix and any details provided by you, in writing, in the future.

As part of the management of your portfolio we will provide full analysis of the investment portfolio in relation to investment markets generally, investment trends, relative performance to the agreed benchmark as a whole and any other issues that could be considered to be of relevance to a portfolio of this type.

### **4.1**

The attached Investment Parameters Appendix asks you to complete the investment objective for your portfolio.

### **4.2**

You will keep us informed of any changes in your investment objectives from time to time.

### **4.3**

Unless you tell us otherwise there is no restriction on the amount or on the proportion of the fund comprised in the portfolio which may be invested in any category or in any one investment.

### **4.4**

You accept that all investments carry a degree of risk; the value of your investments and the income they produce can go down as well as up and there is no guarantee that the amount originally invested will be recovered.

### **4.5**

You agree that transactions for you may be aggregated with those of other clients.

### **4.6**

You agree that we may employ the services of such third-parties in connection with your business as we consider appropriate. In the case of third party stockbrokers, we will generally instruct them on an execution only basis which means that they will not be advising you on the merits of the transaction.

### **4.7**

We draw your attention to the additional effect of currency movements on the portfolio. This exchange rate risk can lead to potential gains or losses for the portfolio.

## **5. ACCOUNTING FOR TRANSACTIONS, CUSTODY AND YOUR MONEY**

### **5.1**

We shall account to you on demand in respect of the transactions implemented on your behalf.

### **5.2**

Investment certificates will be held by the firm in accordance with our Safe Custody procedure.

### **5.3**

Dividends or interest received on investments will be dealt with according to the instructions set out in section 2 of the signed Institutional Investment Management Agreement Schedule.

## 5.4

For cleared funds held in our client account, we will pay a sum on a monthly basis equivalent to a rate of 25 basis points below the Bank of England base rate. For other currencies the rate is available upon request.

## 5.5

We may charge a fee for the electronic transmission of money.

## 5.6

If you decide to appoint an external custodian, then you accept the following conditions:

### 5.6.1

You are responsible for all additional costs in relation to the custodian service appointed by you.

### 5.6.2

Responsibility for safe custody and settlement shall rest with you and the appointed custodian.

### 5.6.3

You will notify us in writing of the details of your custodian and notify us promptly of any changes to your custodial service in the future.

### 5.6.4

You will instruct your custodian to accept our instructions, on your behalf, in relation any transaction in cash or investments.

### 5.6.5

Your custodian shall keep us promptly informed of all corporate actions (including dividends and interest) and shall supply copies of all relevant documentation, and statements, that we would reasonable require to manage the investments.

## 6. SAFE CUSTODY PROCEDURE

We will maintain a register of the title documents held on your behalf, together with details of the date each document came into or left the custody of the firm. A statement detailing the title documents held for you will be included in the periodic review. This statement will include uncertificated investments such as those held within the CREST settlement arrangements, overseas investments and unit trust/OEIC holdings and which are deposited with authorised custodians. The statement will also give details of investments held by the firm in certificated form (e.g. bearer stocks, certain overseas investments and investments that cannot be held within CREST). This will also include details of any liens or other security interest held over your investments.

**Where a third-party custodian is appointed by us, we will:**

- use due skill, care and diligence in appointing such
- a person
- not appoint or recommend a third-party custodian
- who is not an authorised custodian (being authorised by the Financial Conduct Authority) until we have disclosed this fact to you
- require that the person has appropriate arrangements for the safekeeping of your assets
- request that a statement is prepared at least twice in each calendar year detailing the title documents held by them on your behalf

The firm will not disclaim responsibility for losses of investments due to fraud, wilful default or negligence. No investments or documents of title will be released to a third party without your authority. Such authority is implied where instructions are given by you to us to sell, transfer or otherwise dispose of the investment or where you have given us discretionary powers to manage your investments. We are not liable for acts and omissions by third parties, such as, but not limited to, our banks, stockbrokers/ counterparties and custodians unless we have failed to exercise due diligence in selecting, instructing or supervising such third parties, nor do we assume responsibility or liability for any action(s) and/or inaction(s) of such third parties and/or its agents, and we shall not be liable for any delay or loss of any kind while cash and/or investments are in the custody or control of a third party or the agent of a third party; all claims in connection with the act of a third party or the agent of a third party shall be brought solely against such party and/ or agents.

## 7. FEES AND DEALING COSTS

### 7.1

We will charge you fees and expenses for the services detailed in this agreement as set out, in the Investment Parameters Appendix.

### 7.2

We may deduct our fees and expenses as assessed under 7.1 from the funds managed under this agreement. If you have decided to use an external custodian, you authorise the firm to deduct any fees due from directly from your custodian.

### 7.3

If there is insufficient cash available within the portfolio to discharge any of our fees, then we reserve the right to sell investments held to cover these liabilities.

## 8. EXECUTION POLICY

We are required to establish and implement an order execution policy and to provide appropriate information on our order execution to our clients. This information is provided to you as a Professional Client.

### 8.1 General Principles

When executing or routing orders on your behalf in relation to financial instruments we will take all reasonable steps to achieve what is called “best execution” of your orders. This means that we will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account the characteristics of you as a client, your client classification and the characteristics of the order, the financial instruments that are the subject of that order and the Execution Venues to which that order can be directed.

### 8.2 Order Execution Policy

Subject to any specific instructions from you, when executing orders on your behalf or transmitting them to another entity for execution, we shall take all reasonable steps to achieve the best possible execution result for your order taking into account the execution factors listed below.

#### 8.2.1 Execution factors

The execution factors that will be taken into account are:

- Price
- Costs of the transaction
- Speed of execution
- Likelihood of execution and/or settlement
- Size and complexity of the order and
- Characteristics and nature of the order

Ordinarily price and overall costs for transacting the deal will merit a high importance in obtaining the best execution result for your order. However, in some circumstances we may determine that other factors listed above may be more important in determining the best execution result for your order. We will exercise our own discretion in determining these factors.

### **8.2.2 Execution Venues**

We will act for you as agent but will use several brokers/counterparties to carry out our order executions in the market and will consider on each transaction the most appropriate broker/ organisations to achieve the execution factors mentioned above.

### **8.3 Delivering Best Execution**

Having given consideration to the Execution Factors and General Principles referred to above, we will select the most appropriate venue(s) from those available and execute your order accordingly. Whenever there is a specific instruction from you, we will carry out the order in accordance with that specific instruction and we will be deemed to have complied with the best execution requirement to the extent of that instruction.

### **8.4 Review and Monitoring**

We will monitor execution quality and compliance with our Execution Policy on an on-going basis. You will be notified of any material changes to the Execution Policy.

### **8.5**

Unless specified within the Investment Parameters Appendix, then we will not commit you to any form of underwriting or sub-underwriting.

### **8.6**

We reserve the right to carry out transactions which maybe subject to stabilisation, unless specified in the Investment Parameters Appendix.

## **9. INSTRUCTIONS**

For discretionary portfolio management, we will implement instructions at our discretion without prior reference to you.

Where you issue us with instructions, we will implement these as soon as possible after they have been received from you. Such instructions may be conveyed to us in writing, by fax, email or verbally including by telephone. We reserve the right to record all conversations given over the telephone.

Where instructions are issued by you for the purchase of investments, instructions will not be executed until the firm is in possession of cleared funds to effect settlement of the deal(s), unless agreed in advance with us. However, the firm cannot accept liability for any losses arising from the non-receipt of instructions and/or money.

## **10. UNSOLICITED CALLS**

We may need, or wish, to communicate with you to invite you to enter into an investment but may only do so with your specific agreement. Your signature to the Institutional Investment Management Agreement Schedule indicates that you are willing for us to communicate with you in this way by post, fax, telephone, email or face-to-face, at reasonable times, unless you advise us that any of these methods are insecure or inappropriate.

## **11. COMMUNICATION BY EMAIL**

Communication by email carries particular risks including non-delivery and security. We will take reasonable steps to minimize these risks and protect the integrity of computer systems by virus-screening and by using a password set by you to secure emailed documents. Should you elect to receive any documentation from us via email you undertake that you will not make available your password and/or any of your personal details which may compromise the security of your investment portfolio to anyone. Where such disclosure of your password and/or any of your personal details which may compromise the security of your investment occurs, you undertake to inform KW Investment Management Limited immediately so that we can take appropriate security measures. Please advise us if you do not wish us to communicate by email.

## 12. CONFLICT OF INTEREST

The Financial Conduct Authority (“FCA”) requires us to take all reasonable steps to identify conflicts of interest between us and our clients.

We operate our business on the principle that we manage any conflicts of interest between ourselves, including employees, associates and clients, and between one client and another, in a fair and commercial manner. There may be occasions when we may recommend one or more of

our clients to buy an investment in which one or more of our clients have given us instructions to sell, or vice versa. In these circumstances, we would not proceed with the transaction if this would disadvantage any of the clients involved. In certain cases, we may decline to act for you or decline to carry out a transaction on your behalf.

We maintain and operate organisational, procedural and administrative arrangements designed to identify and manage actual and potential conflicts. These arrangements form part of the reasonable steps we have taken to prevent conflicts of interest from adversely affecting the interests of clients.

**Specific conflict management arrangements include, but are not limited to:**

### **ORDER MANAGEMENT**

We have a policy in place governing client order priority whereby all trading on behalf of our clients should take place fairly and in due turn so as to avoid a potential conflict of interest.

### **PERSONAL ACCOUNT DEALING (“PAD”)**

Relevant employees of the firm are subject to our PAD policy. A key feature of the policy is to ensure that there are no potential conflicts of interests between the employee’s PAD and that of our clients. All relevant employees are required to have PAD trades approved before dealing, to ensure that dealing does not occur in securities in circumstances where they should be restricted.

## 13. COMPLAINTS PROCEDURE

The firm operates an internal complaints handling procedure, a full copy of which is available on request. If you have any complaints about the investment services we have provided, you should address these to the Compliance Officer.

## 14. SECURITY OF ASSETS

Your assets are carefully segregated and ring-fenced from the assets of the firm. We have full Professional Indemnity Insurance cover in place.

## 15. AMENDMENT AND TERMINATION

### **15.1**

These terms may be amended by notice to you in writing sent by post, email, fax or hand delivered at least fourteen days before any amendment is to take effect.

### **15.2**

This agreement may be terminated at anytime, without penalty, by either party giving three months notice in writing to the other to that effect but this will be without prejudice to the completion of transactions already initiated on your behalf.

### **15.3**

On termination we will provide your new adviser with any information they may require.

### **15.4**

There is no minimum duration to this agreement.

## 15.5

If we stop acting for you (for whatever reason) we remain entitled to payment of our fees up to the date of termination at the rate specified in this Agreement and others as agreed from time to time.

## 16. CLIENT IDENTIFICATION

In order to comply with the Money Laundering Regulations 2007 we are legally obliged to ask you to provide us with evidence of your identity. We reserve the right to decide how to undertake the verification of your identity and may outsource to a third party if we consider this appropriate. We will write to you separately if we require any information from you to verify your identity.

As part of our compliance with the money laundering regulations, we are unable to accept payment in cash of any sum. Where we pay money to you, it will be paid by cheque or bank transfer, not in cash or to a third party.

## 17. NOMINEE SERVICE

Unless otherwise agreed, we will provide a nominee service that enables the firm to complete the administrative arrangements for buying or selling securities or dealing with rights issues and takeover offers. You retain beneficial ownership of your securities at all times. All certificates for certificated holdings (other than bearer securities and certain foreign investments which must be deposited with authorised custodians) will be held by the firm for you and kept in safe custody in accordance with the Financial Conduct Authority safe custody rules.

### 17.1

Unless otherwise agreed, you authorise the firm to register your current holdings of stocks and shares and all stocks and shares held, purchased or otherwise acquired for you in the future to be held on your behalf as your nominee. You agree that your securities may be held by our appointed custodians, to our order, for your account. You agree that your investments may be held in certificated or uncertificated form, including investments within the CREST settlement arrangements.

### 17.2

You agree that for audit purposes, it may be necessary for us to forward to you statements of securities held by you or held to your order at the time.

### 17.3

You agree that we will hold your stocks and shares in accordance with the safe custody rules of the Financial Conduct Authority.

### 17.4

You agree that your stocks and shares may be held by one or more third parties (including clearance systems, overseas agents, etc.) and that we do not accept any liability or responsibility for the obligations of such third parties.

### 17.5

You agree that tax may be deducted from payments due to you if it is due to be deducted under any applicable law or practice.

### 17.6

Voting Rights – we reserve the right to procure the voting rights of investments held in the portfolio. However, we are not entitled to exercise these rights without your agreement or specific instruction. We shall be able to count such holdings for the purposes of constituting a quorum at a general meeting of any connected fund.

## 18. INVESTMENT PARAMETERS APPENDIX

The Portfolio Management Agreement Schedule should be signed in conjunction with a KW Investment Management Limited Parameters Appendix, which establishes relevant facts to be considered in the management of the Institutional Investment. Please do not sign this schedule until the Investment Parameters Appendix has been completed and signed.

## 19. DATA PROTECTION

The information you have provided is subject to Data Protection legislation. We are fully committed to respecting your privacy and to protecting any information you provide to us. Details contained on our database will not be passed to anyone else for marketing purposes.

We use the information you provide for the provision of financial services for you, to complete any transaction including associated administration, for updating client records, analysis to help us manage our business, statutory returns and legal and regulatory compliance. You agree that we may transfer or copy any data that we hold for you to any associated company within the KW Wealth Group.

Full details of Data Protection Our Privacy Policy can be found on our website at [www.kingswood-group.com](http://www.kingswood-group.com). If you have any questions about this Policy or wish to exercise any of your rights, please get in touch with us either at [GDPR@kingswood-group.com](mailto:GDPR@kingswood-group.com) or by writing to the:

*Data Protection Officer at the following address:*

**Graydon Butler**  
**Kingswood Group**  
**13 Austin Friars**  
**London EC2N 2HG**

We hope that you will never have reason to complain about the way we process your personal information or with the way we've handled a request by you in relation to your rights. However, if something does go wrong please bring it to our attention as soon as you can. We will try to resolve the matter fairly and quickly. Please contact us on the same details above. You also have the right to make a complaint to the Information Commissioner's Office.

*Their address is:*

**Information Commissioner's Office Wycliffe House**  
**Water Lane**  
**Wilmslow**  
**SK9 5AF**

Your data may be used for direct marketing purposes and we may from time to time send you information which we think might be of interest to you. If you do not wish to receive that information, please notify us.

## 20. YOUR RESPONSIBILITIES

### 20.1

By signing the agreement scheduled you confirm that you have full authority to employ the firm as your investment manager. You also agree to provide complete and accurate information both in the Investment Parameters Appendix and any material changes in the future.

### 20.2

The agreement prevents you from trading in any investments held in the portfolio or authorising any other party to do so.

### 20.3

You agree to provide any information that we would require to comply with any applicable disclosures relating to FCA rules, City Code on Takeovers and mergers, rules and regulation on any relevant jurisdiction or exchange.

This agreement may be executed in any number of counterparts and by the parties on separate counterparts but shall not be effective until each of the parties has executed at least one counterpart. Each counterpart shall constitute an original agreement, but all the counterparts together shall constitute one and the same instrument.



## 21. REGULATOR

We are regulated by the Financial Conduct Authority whose address is:

**25 The North Colonnade**

**Canary Wharf,**

**London, E14 5HS**

**Telephone Number: 0845 606 1234**

We are registered in accordance with United Kingdom Data Protection Legislation and will use your personal data strictly in accordance with that legislation.

*Kingswood, Kingswood Group and KW Institutional are trading names of KW Wealth Planning Limited (Companies House Number: 01265376) regulated by the Financial Conduct Authority (Firm Reference Number: 114694) and KW Investment Management Limited (Companies House Number: 06931664) regulated by the Financial Conduct Authority (Firm Reference Number: 506600) with a registered office at 13 Austin Friars London EC2N 2HE. KW Investment Management Limited is also regulated in South Africa by the Financial Sector Conduct Authority (Firm Reference Number: 46775). Both companies are wholly owned subsidiaries of Kingswood Holdings Limited which is incorporated in Guernsey (registered number: 42316) and has its registered office at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 1WW.*