



Heritage Terms and Conditions

Regulation

Heritage Capital Management Limited (“Heritage”) is authorised and regulated by the Financial Conduct Authority (“FCA”) of 12 Endeavour Square London E20 1JN and is bound by its rules.

Consumer Duty

Heritage has adopted and complies with the Consumer Duty Rules which put the needs of clients first. Delivering good outcomes for clients is at the heart of our business strategies and objectives.

We will aim to ensure that:

- our investment products and services meet your needs
- the price and value outcomes of our products and services meet your needs
- you understand our products and services
- we provide ongoing support for you, and
- we identify any vulnerable clients who might suffer harm by investing with us and treat them fairly.

We will:

- act in good faith towards all our retail clients
- avoid causing foreseeable harm to you
- enable and support you to meet your investment objectives.

We will also ensure that key information is clear, variable and accessible, and our website will be the main source of general information.

A full copy of our Consumer Duty policy is published on our website and is available on request.

Treating Customers Fairly (TCF)

Heritage pays due regard to the interests of our clients and treats them fairly by putting their interests at the heart of our business.

To achieve this we seek through our TCF policy to ensure that:

- we have a clear understanding of our clients’ investment objectives, investment horizon, investment experience, attitude to risk, financial standing and resources;
- our clients are able to understand the nature of the services we are providing to them including our charges, terms and conditions, as well as the risks involved in the markets and securities in which we invest on their behalf;
- all of our communications with our clients will be straight forward and easily understood;
- any complaint(s) are dealt with in a clear, unambiguous and impartial manner; and
- that as we develop as a business we will ensure that new and existing members of staff are trained on and understand this policy.

A full copy of our TCF policy is published on our website and is available on request.

Client Categorisation

Under FCA Regulations, we must confirm to you your ‘client categorisation’ with Heritage. We intend to treat you as a ‘Retail Client’ which entitles you to the maximum level of protection.

This means that:

- you will be treated by us in accordance with the FCA requirements for retail clients. Should you ever have a reason to complain about our services we will provide you with a formal and straightforward procedure for handling any complaints you may make (full details of which are available on request and are also published on our website).
- you may have rights to statutory compensation in the event that something goes wrong with our service.

Anti-Money Laundering

We, like all financial and investment-related businesses, are obliged to conform with the UK Money Laundering, Terrorist Financing and Transfer of Funds Regulations and the Proceeds of Crime Act, and also to adhere to the guidance notes from the Joint Money Laundering Steering Group. These require financial institutions to verify the identity and place of residence of each investor. We are also required to determine the source of funds available for investment. We will therefore request from you information as to how the funds or assets forming your investment portfolio were obtained or accumulated. This process of verification may require sight of certain documentation, which we will request from you if it is required.

We must also draw your attention to the following:

- the provision of false or inaccurate information may result in a report being made to the authorities;
- our custodians and bankers will not accept any funds for investment until our verification requirements have been met;
- we take no responsibility for any delay in investing where money-laundering verification is outstanding;
- failure to provide timely and sufficient verification may result in the return of completed applications and monies.

Appropriateness

When providing investment services, we ask you to provide information regarding your knowledge and experience relevant to the specific type of product or service provided, so as to enable us to assess whether the product or service is appropriate for you. When assessing appropriateness, we must determine whether you have the necessary experience and knowledge in order to understand the risks involved in relation to the product or service provided.

We shall be entitled to rely on the information provided by you unless we are aware or ought to be aware that the information is manifestly out of date, inaccurate or incomplete. When assessing appropriateness, we may use information we already have in our possession. Where reasonable, we may infer knowledge from experience. If we are satisfied that you have the necessary experience and knowledge in order to understand the risks involved in relation to the product or service, there is no duty to communicate this to you.

The record of our appropriateness assessment is recorded in section 2 above.

We are not required to ask you to provide information or assess appropriateness if the service only consists of the non-discretionary execution of instructions.

Our appropriateness policy is published on our website and further details are available on request.

Our services

Heritage is an investment manager and we transact business within investment accounts in the ways described below. We are not a financial planner or adviser. We do not consider, for example, whether you should be allocating monies to pensions or ISAs. These are decisions you will have made or will have been advised on by your professional financial adviser. We will provide investment services based on your risk profile and will exercise our discretion based on our understanding of the information you provide to us.

On a discretionary basis: This is when you ask Heritage to manage your portfolio on your behalf on a discretionary basis. We shall provide you with a portfolio management service within which, in accordance with the objectives and restrictions set out in this agreement, you grant us the absolute discretion to manage your portfolio by selecting the appropriate investments without having to seek your prior authorisation. It is helpful to us to have an understanding of your investment objectives, your circumstances and what is called your attitude to risk (that is your approach to risk and reward). We will

not be providing advice, but merely wish to understand as fully as possible your requirements so that we can exercise our discretion appropriately. Our Investment Agreement addresses many of these points but it may be helpful to us both to have discussed these points in greater detail. If your approach or circumstances should change it would be helpful to know this.

On a non-discretionary basis: This is when you provide us with instructions as to precisely how you want us to invest your monies. We are not exercising any discretion and we are in regulatory terms conducting your business on an execution only basis. For non-discretionary accounts we will only act upon your instructions. We may offer information from time to time at your request, however we will not act without your consent, in accordance with the objectives and restrictions set out in this agreement. All instructions to us must be made in writing either by email or letter.

Potential Investments

We provide portfolio management services in respect of most investments, including the Heritage Investment Funds, fixed interest securities, stocks and shares, collective investment schemes such as unit / investment trusts and open-ended investment companies (OEIC's). Should any of these be unacceptable to you, please specify or notify us before signing the agreement.

Restrictions on types of investment

If you wish to place any restriction on:

- the types of investment in which your funds may be invested;
 - the amount or the proportion of these funds which may be invested in any kind of investment or in any one investment;
 - the markets in which these funds may be invested;
- you must indicate such restrictions in Section 2.

Any changes in the restrictions or prohibitions on investment must be expressly notified to us in writing.

Risk notices

There is a correlation between the degree of risk entailed in an investment and the potential return that may be derived from it. It is generally accepted that the greater the risk, the greater the potential return. Our primary investment objective is to maximise the return consistent with the level of risk you are prepared to accept.

Note: Most investments are subject to some degree of risk and values can go down as well as up. Also, past performance is not necessarily a guide to future performance.

We will advise you if the overall value of your investment portfolio at the beginning of each quarter falls by more than 10% by no later than the end of the business day in which this threshold is exceeded.

We will not, without specific instructions from you, arrange to borrow on your behalf, lend securities on your behalf or commit you to a contract the performance of which may require you to supplement the funds in your portfolio.

Communicating with you

We will communicate with you and receive instructions from you via letter or e-mail. All communications will be in English. Where you instruct us to arrange something (such as to send cash in addition to any regular income distributions to your bank account, to liquidate the portfolio, to transfer some holdings to another account in your name, etc) we require you to confirm your instructions by letter or e-mail. Funds held in investment cash accounts can only be used for investment purposes and we are only able to arrange for funds to be transferred to an account in your name and are not able to make any third party payments (except for fees and tax payments).

Once your account has been opened, a formal valuation of the overall portfolio and a cash transactions statement will be sent to you after each quarter end. By signing this agreement you acknowledge that we will report to you quarterly and consent to release us from the obligation to send you contract notes as and when they arise, unless specifically requested by you.

If applicable and requested a statement can be sent to you after the end of the relevant Tax Year. It will only contain information since Heritage took over the management of the portfolio, so in the first year you may need to refer to other sources for information on the earlier part of the Tax Year.

Ad hoc and interim reports are also available on request.

Your money and securities

Heritage does not provide custody and administration services in respect of the securities and cash held in your investment account. In order to protect the investments and cash in your portfolio, we have appointed Multrees Investor Services Limited (Multrees) to act as custodian on your behalf. We reserve the right in our discretion to change and/or appoint any other person as your custodian that we consider has the necessary skill, knowledge and expertise. A copy of the Custody Agreement is published on our website and is available on request. Your custodian will not deal directly with you and will communicate exclusively with Heritage as your agent. Where Multrees is obliged to notify you of something or obtain your consent it will do so by notifying or receiving consent from or through Heritage.

In carrying out the management of your portfolio, we will place instructions to deal with Multrees for execution as your broker. We have entered into an Ancillary Services Agreement with Multrees as your agent, a copy of which is published on our website and is available on request. You expressly authorise us to:

- give instructions on your behalf to your custodian and broker
- place orders and enter into transactions, including foreign exchange transactions, on your behalf
- deal with your portfolio of investments and cash as contemplated by this agreement, and the Custody and Ancillary Services Agreements.

Cash in your accounts will attract interest as outlined in the Custody Agreement.

Best execution

We will act in accordance with your best interests when placing orders with your broker, Multrees, for execution. Multrees may execute the order itself or use a third-party broker for execution, and has a best execution policy that we are satisfied will enable us to act in your best interests. We can provide you with a summary of Multrees' best-execution policy upon request. You hereby agree that your broker may effect transactions on your behalf outside a regulated market or multilateral trading facility or an organised trading facility. When executing deals on your behalf, orders may be aggregated with those of other clients of Multrees as your broker.

Our fees

As remuneration for providing portfolio services a fee based upon the agreed percentage of the market value of the investment portfolio at the end of each calendar quarter, payable in arrears, will be levied. You undertake to maintain sufficient cash in your account to enable the automatic settlement of fees from your account on the due dates. If we receive any commission or other remuneration from any third parties, we will inform you. These will accrue for your benefit and will either be paid by us into your account or invested on your behalf. You will be liable for any dealing tax, stamp duty, levy, commission or other third party charges or disbursements. Our standard tariff of fees are as follows (unless otherwise agreed) and will have been made available to you before you sign this agreement and are also published on our website. Our standard tariff of fees also includes illustrations of the impact that our and third party charges will have on your return based where possible on actual costs over the last calendar year.

Investment management fees are based on a % of the portfolio value and are charged quarterly.

Heritage Funds - Holdings in any of the Heritage Funds are subject to a charge of 0.0625% per quarter (**0.25% pa**).

All other investments - The fees for investments in listed equities, investment funds, bonds, cash and any other holdings within the Heritage investment account are dependent on the basis of management.

Discretionary portfolio management - 0.25% per quarter (**1.0% pa**)

Non-discretionary - 0.125% per quarter (**0.5% pa**)

Please Note: The minimum portfolio size is £100,000, the minimum quarterly charge is £50 and the minimum investment in the Heritage Funds is £20,000 (except for the SVS Heritage Balanced Portfolio Fund which has a £10,000 minimum investment) or equivalent.

A minimum cash balance equivalent to at least one year's fees is required to be maintained on the investment account and Heritage reserves the right to sell sufficient investments at its sole discretion (including for non-discretionary accounts) to maintain the minimum cash balance.

Transaction fees - 0.25% of the transaction value. The transaction fee charged by Heritage on the sale and purchase of investments is based on the value of the transaction and where applicable is in addition to any stamp duty, exchange fees and brokers charges etc. Foreign currency conversion transactions attract a 0.5% commission/fee.

There are no transaction fees or initial or exit charges for investments in the Heritage Funds for Heritage clients.

Redemption of shares in the Heritage Funds - a bid-offer spread of 1.0% is applied to redemptions from the Heritage Managed Portfolio Fund to cover the costs duties and charges that would be incurred in realising the assets of the Fund, so as not to dilute the value of the holdings of the remaining investors.

Non-investment related administration: Any additional administrative work of a non-investment related nature that is required to be performed will be charged on a time basis.

Dealing and conflicts of interest

We will not enter into any transaction which may cause any conflict with our duty to you. In the unlikely event that a conflict of interest arises, we will take all appropriate steps to manage and resolve it, and disclose it to you should it have the potential to adversely affect your interests as a client. Our conflicts of interest policy is published on our website and is designed to ensure the interests of our clients are paramount. Further details regarding our conflicts of interest policy are available on request.

Gifts, benefits and inducements

Heritage has an established gifts, benefits and inducements policy to ensure that it meets its obligations to act honestly, fairly and professionally in accordance with the UK Bribery Act. Heritage or an employee of Heritage must not pay or accept any fee or commission from third parties, or provide or receive any non-monetary benefit from third parties in relation to business carried on for you, unless it does not impair compliance with our duty to act in your best interests; it is designed to enhance the quality of the service to you; it has been clearly disclosed to you; and it relates to proper fees which are necessary for the provision of our services.

Investment managers at Heritage must not accept any good or service in addition to the execution of your orders unless it is designed to enhance the quality of the relevant service to you and there has been prior disclosure to you.

The giving or receiving of any lavish gifts or benefits is strictly prohibited at Heritage and all gifts and benefits given to or received from any party must be reasonable in respect of the relationship in question; must be given openly and not in secret; and must be legal.

All gifts received and entertainment are recorded in our gifts register. Our gifts, benefits and inducements policy is published on our website and further details are available on request.

Limits on our liability

Neither we nor any person connected with us owes any duty to disclose to you any fact, matter or action which comes to our notice or to the notice of any employee, director or agent in the course of rendering similar services to others or in the event that such disclosure would be a breach of confidence or duty to any other person.

Neither Heritage nor any of its employees, officers or agents from time to time shall be liable for any loss suffered by you or any beneficial owner of the investment account in the absence of gross negligence, wilful default or fraud on the part of Heritage, its employees, officers or agents.

Neither we nor any person connected with us nor any director, employee or agent of ours have any liability for:

- any loss of opportunity whereby the value of any investment which we have sold on your behalf might have increased;
- any decline in the value of any investment, which we have held or purchased on your behalf;

- any adverse tax consequences which may arise as a result of us carrying out any action permitted under the terms of this agreement;
- any indirect or consequential loss or damage suffered by you as a result of us carrying out or failing to carry out any actions permitted under the terms of this agreement;
- any failure by us in the performance of any obligations under this agreement occasioned by act of court, war, fire, flood, civil commotion, insurrection, failure of communication or computer systems, failure of energy or other supplies or any other reason beyond our control;
- any acts or omissions of any third party.

Your warranties

You warrant that the investments and funds governed by this agreement are:

- free from all liens, charges and encumbrances;
- owned beneficially by you; or
- if not owned beneficially by you, that you have been vested as trustee with full discretionary powers to apply in such manner as you think fit;
- obtained honestly and legitimately in all aspects.

You warrant that you have all legal power and authority to enter into this agreement and that you are not prohibited in any way from so doing.

Your information

Under the UK Data Protection Act and the EU General Data Protection Regulations, by accepting these Terms, you agree that we may collect, use, store and otherwise process the personal information you provide. This is for the purposes of providing the services to you under this Agreement, administering your account, and related purposes. Such purposes include, for example, verifying your identity. The information that we hold about you is confidential and will not be used for any purpose other than in connection with the provision of services to you, unless it is information that is already publicly available.

This confidential information will only be disclosed to third parties in the circumstances described below:

- to Multrees as your custodian, broker and administrator
- where required by law, or if requested by any regulatory authority or exchange having control or jurisdiction over Heritage;
- to investigate or prevent fraud, money laundering, terrorism or other illegal activity;
- if it is in the public interest to disclose such information, and
- at your request or with your consent.

Under the UK Data Protection Act and the EU General Data Protection Regulations, you are entitled to a copy of the information we hold about you. To exercise your right to access information that we hold about you, please contact: The Data Protection Officer at Heritage Capital Management Limited

Please inform us if any information we hold about you is inaccurate or no longer valid so that we can correct or update our records. We are required for legal and regulatory reasons to keep certain documents relating to your Account for at least six years following the termination of your relationship with us, unless required by other laws and regulations such as the UK Data Protection Act not to do so. You will not be at liberty to request the destruction or deletion of any record relating to you unless we are required to do so by law or other regulatory requirement. We may also be unable to inform you what action we have taken including whether we have deleted or destroyed records.

For more information about our data protection policy, please see our Data Protection Statement on our website.

FATCA and CRS

Under the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) Heritage is required to identify and report to Her Majesty's Revenue and Customs (HMRC) regarding any of our accounts held by clients who are tax resident in the US, Jersey, Guernsey, the Isle of Man, The British Virgin Islands or other Crown Dependencies, and many other countries around the world. For each identified reportable client, HMRC requires information on their name, address, taxpayer identification number and the total gross amounts paid or credited to the client during the calendar year. Under UK law, Heritage must report this information to HMRC. If a client fails to co-operate with Heritage regarding their tax residency, then we will still be obliged to disclose details to HMRC if we

believe a client may be a reportable client based on the information we currently hold. A tax self-certification form is attached to this Agreement for completion and signature.

Variation

Any amendment to these arrangements will be notified to you in writing. Such changes will become effective on a date to be specified in the notice. If you wish to initiate any amendments to these arrangements then you must convey your requirement to us in writing. Such amendment will be conditional upon our agreement. No amendment will affect any outstanding order or transaction or any legal rights or obligations, which may have previously arisen.

Termination

If you wish to terminate your account you should notify us of your wish to do so in writing. Your account(s) will be closed as soon as practicably possible after we receive your written notice. Please be aware that any transactions already initiated before we receive your instructions will be completed. Should Heritage wish to terminate these Terms we may do so by giving you 30 days notice of the intention to do so.

You accept responsibility for appointing a new custodian able and willing to accept a transfer of the securities in your account within 30 days of the termination notice and you informing us of these instructions. Heritage cannot accept responsibility for any loss that you may suffer as a result of you being unable to deal with your assets during the transfer and re-registration process with your new custodian.

Complaints

A copy of our complaints handling procedures is available on request and is published on our website. If you are an eligible complainant and have any complaint about the service you have received or an investment which you have bought, please write in the first instance to:

The Compliance Officer, Heritage Capital Management Limited, Broadway House, Tothill Street, London SW1H 9NQ

Should this prove unsatisfactory, if you fulfil the Financial Ombudsman criteria, you will have the right to complain to:

Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR.

Compensation

Heritage Capital Management Limited maintains Professional Indemnity Insurance. Any valid claim in respect of investments implemented through Heritage Capital Management Limited may also be entitled to redress through the Financial Services Compensation Scheme (FSCS). If a UK financial services firm is unable, or likely to be unable, to pay claims against it you may be able to get compensation from the FSCS. The service is free to customers and is independent from financial services firms. It is funded by levies charged to the financial services industry. Different rules and compensation limits apply depending on what the claim is for. Full details of the cover can be provided upon request and/or are available via the FCA or FSCS websites.

Governing law

These Terms are governed by and shall be interpreted under English law. You expressly submit to the non-exclusive jurisdiction of the English courts.

Last updated: April 2024