

keyfacts[®]

SVM Investment Trusts

Key Features and
Terms & Conditions

HAWK-EYED STOCKPICKERS



The Financial Services Authority is the independent financial services regulator. It requires us, SVM Asset Management Limited, to give you this important information to help you to decide whether our Investment Trust products are right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Investing in the SVM Investment Trusts

Investment trusts are public companies, listed on the London Stock Exchange, whose business is to invest in the shares of other companies. They have a board of directors who have a duty to look after the interests of shareholders and who appoint the investment manager. Investors are able to benefit from an investment manager's expertise as well as diversifying their investment into a wide range of companies. Investment trusts are also able to borrow a limited amount of money to make additional investments, which can enhance their performance. This is known as gearing the investment trust. Additionally, because the managers are investing large sums at institutional rates, dealing charges are kept to a minimum.

SVM manages three investment trusts, which are available through the SVM Investment Trust Savings Scheme and ISA.

SVM Global Fund

SVM UK Active Fund

SVM UK Emerging Fund

We also offer a Savings Scheme product when investing for children and have made SVM Global Fund and SVM UK Active Fund available for this.

SVM Asset Management Limited (SVM) (the 'Manager') will manage your individual savings account ('ISA') and/or Savings Scheme. SVM is authorised and regulated by the FSA. The Administrator of the SVM Trusts is BNP Paribas Fund Services UK Limited ('the Administrator') and they too are regulated by the FSA.

Its Aims

SVM's Trusts aim to provide investors with a cost-effective way of investing in shares with the aim of achieving above average capital growth and with different investment remits as shown below. You can make an investment in the SVM Trusts by purchasing through the savings scheme or tax efficient ISAs.

SVM Trust	Objective
SVM Global Fund	Exploits global opportunities to provide long-term growth - providing shareholders with a diversified international portfolio and unique access to specialist funds including hedge and private equity.
UK UK Active Fund	Aims to achieve superior returns by actively managing a portfolio of principally UK listed companies that offer attractively priced growth.
SVM UK Emerging Fund	Long-term capital growth from investments in smaller UK companies with a particular focus on the Alternative Investment Market.

Your Investment

ISAs

An ISA allows you to invest a certain amount of money in each tax year free of income and capital gains taxes. Each year you can choose to invest in a shares or cash ISA. SVM offers a shares ISA where you can invest a maximum of £10,200 with a

single manager. If you also subscribe to a cash ISA in the same tax year, then the amount you can invest in a shares ISA must not exceed £10,200 when you aggregate both ISAs together.

Your Commitment

Savings Scheme You can invest through the Scheme either by lump sum investments paid by cheque or by regular monthly instalments through your bank account. The minimum initial lump sum and minimum monthly investment are noted on the Application Forms, and you can start and stop paying whenever you like. You can sell some or all of your shares in your investment at any time in writing subject to a withdrawal charge of £30 (plus VAT). There is no limit on the number of shares you can purchase through the Scheme.

ISA You can either invest by lump sum or regular monthly savings up to a maximum of £10,200 per person for the shares ISA. This limit may be altered by legislation. The minimum initial lump sum you can invest is £1,000 per investor and £200 per trust. The minimum monthly investment is £50 per investor and £25 per trust, and you can start and stop paying whenever you like.

ISA Transfer You may transfer the cash value of ISAs held with other plan managers. The minimum amount you may transfer to us is £1,000 (in cash only). The minimum investment per trust is £200. The maximum amount you can transfer is limited only by the cash value obtained from the sale of your ISAs held with other plan managers. Your existing manager may charge for making a transfer.

Risk factors

Past performance should not be seen as an indication of future performance. Stockmarket and currency movements may cause the value of your investment and the income from it to fall as well as rise and you may not get back the amount originally invested. Where underlying investments are made in unquoted companies their potential volatility may increase the risk to the value of, and the income from, your investment. Where investments are made in unquoted securities there may be difficulties acquiring, valuing and disposing of the stock. An investment trust is a public limited company the shares of which are quoted on the London Stock Exchange. The price of the shares depends on the supply of and the demand for them and therefore may not necessarily be the same as the value of the underlying assets per share ('Net Asset Value' or 'NAV'). It may be higher than (at a premium to) or lower than (at a discount to) the NAV. Moreover, the level of premium or discount varies in accordance with supply and demand. Investment trusts can borrow money, and use derivatives, which then can be used to make further investments. In a rising market, this can enhance returns to shareholders. Correspondingly, if the market falls, losses may be greater. Hence, to produce a benefit to shareholders the level of gearing needs to be carefully judged and monitored. The favourable tax treatment given to ISAs may not be maintained. The rates of and reliefs from taxation may change over time and apply directly to you as an investor. Capital growth may be constrained by a proportion of a Trust's management fees being charged to capital.

How do I invest in the SVM Trusts?

Savings Scheme

Lump sum Lump sum investments can be made by completing the Application Form and returning it to the Scheme Administrator at the address given on the form, with a cheque made payable to **'SVM Asset Management Ltd'**. Alternatively, you can return the Application Form and cheque through your Financial Adviser. Top up investments can be made at any time with further lump sums subject to the required minimum per Trust. There is no maximum lump sum investment amount. Please supply either a personal cheque which matches the name on the Application Form (cheques drawn on a joint account are acceptable), or a Bank/Building Society cheque endorsed with your name to show that you are the account holder. If the cheque is drawn from a third party account or you are unable to provide a cheque as described, the Administrator may ask you to supply evidence of identity and residential address before processing your application.

Regular monthly savings If you wish to save through regular contributions, you can do so by completing the Direct Debit Instruction on the Application Form and returning the completed Form to the Administrator or returning it to your Financial Adviser. Your first payment must be made by a personal cheque. You may alter the monthly amount at any time by giving written notice to the Scheme Administrator. There is no maximum regular investment amount (subject to the maximum permitted for ISAs).

ISA

Lump sum investments can be made by completing the Application Form and returning it to the Administrator at the address given on the Form, or returning it to your Financial Adviser. Lump sum investments must be made by cheque payable to **'SVM Asset Management Ltd'**. Please supply either a personal cheque which matches the name on the Application Form (cheques drawn on a joint account are acceptable), or a Bank/Building Society cheque endorsed with your name to show that you are the account holder. If the cheque is drawn from a third party account or you are unable to provide a cheque as described, the Administrator may ask you to supply evidence of identity and residential address before processing your application. This is required for anti-money laundering purposes. If you wish to save through regular contributions, you can do so by completing the Direct Debit Instruction on the Application Form and returning the completed Form to the Administrator or returning it to your Financial Adviser. Your first payment must be made by a personal cheque.

Dealing Days Dealing will take place on the Dealing Day, normally Thursday of each week. Lump sums will normally be invested once your cheque has cleared and your withdrawal period has ended. For regular savers, the Direct Debit will be collected on or around the 1st of the month and shares will normally be purchased on the next available Dealing Day.

ISA Transfers in

Transfers will be accepted in the form of a cheque from your previous ISA manager. Please be aware that your previous ISA manager may charge a transfer fee. You will receive written confirmation when we have received your Application Form. When the shares have been bought, the Administrator will send you an acknowledgement letter and a statement showing the transaction details. Please note that share certificates will not be issued.

Who can invest in the SVM Trusts?

Savings Scheme Any person over the age of 18 may invest through the Scheme. The Investor need not be an existing holder of shares. Applications may also be made by joint applicants, trustees and companies. The Scheme is open to eligible persons resident in countries outside the UK provided that payments are made in Sterling. It is the responsibility of such persons to satisfy themselves that investing in the Scheme is permitted under the laws to which they are subject to and to satisfy themselves as to the taxation consequences of participation in the Scheme.

ISA Anyone aged 18 or over may invest in an ISA, provided that they are resident or ordinarily resident in the UK for tax purposes. This includes members of the armed forces, the Foreign Office and other Crown employees serving overseas and their spouses or civil partners. Husbands and wives each have their own ISA allowance and so a joint account cannot be opened.

Can I invest on behalf of a child aged under 18 years?

Yes, in the Savings Scheme. You should complete the Application Form with your details and provide the child's initials as a designation where requested in the Personal Details section. The account will be opened in your name followed by the child's initials. A Bare Trust may also be established for the child at the same time. The advantage in this arrangement is that the child's annual CGT allowance, if available, and any accrued taper relief can be used against gains on the shares. More complicated legal trusts can be established to specify other restrictions and professional advice should be sought. For more information on this, please refer to our brochure **'SVM Saving Scheme for Children'**.

Can I use the Saving Scheme to make a gift to another person?

Yes. To make a gift to another person who is over the age of 18, you should complete the Application Form with your details and provide the nominated person's details in the 'Gifting' section of the Application Form. The person receiving the gift must sign in the relevant box agreeing to the Declaration, whilst the person making the gift must send in the cheque. The Scheme Account will be opened in the name of the person who is receiving the gift and they will have sole rights over the investment.

How will I be able to follow the progress of my investment?

A statement will be sent to all investors twice a year covering the six monthly periods to 5 April and to 5 October. This will provide a valuation of your holdings and a description of any transactions made on your behalf during the preceding six months. Details of the share prices of the trusts you have chosen to invest in can be found on our website www.svmonline.co.uk. The weekly net asset value (NAV) for each trust is also available on the SVM website together with copies of the Annual & Interim Reports and other shareholder information. If you wish to obtain an up-to-date valuation you should contact the Administrator directly on 0845 358 1108 and quote your customer account number.

Can I choose to receive my distributions?

All dividends, related reclaimed tax and interest accrued on cash balances will be automatically reinvested into your account. If you wish income to be paid out you must complete the Direct Credit slip on the Application Form. Income payments should be paid in the month received (subject to a minimum amount of £10) into your nominated bank account. If a Bare Trust is established for a Savings Scheme, income can only be reinvested.

Is there any tax?

Savings Scheme You could be liable to pay capital gains tax on a sale of the shares and income tax on any dividends received, whether they are reinvested on your behalf or paid to you. This will depend on your personal circumstances. All dividends will be paid net of tax at the applicable rate and you will receive a tax credit for each payment made. If you have any questions about your tax liabilities, you should consult a professional tax adviser or your Financial Adviser. Please note that non-taxpayers will not be able to reclaim any tax.

ISA No income tax or capital gains tax are payable by you for your ISA. A flat rate tax charge of 20% is deductible on the interest arising from cash held within your ISA. You do not have to declare your ISA on your tax return. The 10% tax credit on dividends from the UK equities cannot be recovered by ISAs.

Can I invest in more than one trust?

Yes. If you are making separate lump sum contributions, you can choose a different trust for each contribution. Alternatively, you can split one contribution between the other trusts provided you invest the required minimum in each trust. If you are making monthly contributions, you can contribute to all of the eligible trusts provided that you invest the required minimum per trust.

Can I switch my investment from one trust into another?

You can sell your shares and switch the proceeds into any of our other trusts whenever you wish. If you intend to switch, instructions must be received in writing by the Administrator. You are able to make one switch per annum at no charge, and thereafter, any subsequent switches may be subject to a charge of £25 per switch, at the discretion of the Manager. Please note that a switch from one Trust to another in the Savings Scheme is a disposal for capital gains tax purposes.

Can I change the amount of my regular savings?

Yes, subject to the minimum and maximum monthly contributions, you can vary this at any time. Simply write to the Administrator with your instructions no later than five Business Days prior to the Direct Debit collection date.

How will charges and expenses affect my investment?

SVM Investment Trust Savings Scheme and ISA charges

There is no initial charge to invest. Transfers out of your Savings Scheme or ISA and switches to a fund platform provider in cash are subject to a £30 fee. A charge of £30 for each line of stock may be imposed for transfers to another nominee. You are permitted one trust switch per annum at no cost and each further switch may be subject to a £25 fee at the discretion of the Manager. Should there be insufficient cash available in your account to meet the charges, the Administrator will sell investments within your account in order to meet the charges outstanding. Void ISAs are subject to a £100 charge per tax year. VAT is payable on all of the charges.

How much will any advice cost?

Your Financial Adviser will give you details about the cost of any advice provided. The amount may depend on the size of your investment. We may pay up to 3% of your initial investment to your Financial Adviser or platform provider as commission. An additional 0.5% of the value of your investment each year may be paid to your Financial Adviser or platform provider as renewal commission. Some Financial Advisers may, instead, charge you a fee for their services. Your Financial Adviser or platform

provider should provide you with details of the actual commission received by them.

SVM Investment Trust Charges Annual management charges and other expenses are paid by the trusts. The annual management charges for each of the trusts are detailed in the table which follows. Other expenses, which include bank and custodian charges, are also paid by the trusts and amount to approximately 0.3% per trust per annum. Investment trust shares, as with other listed shares, are priced at an 'offer' price when you buy and at a 'bid' price when you sell. The difference between them is the 'spread', which is approximately 1% and can differ according to the amount of shares being bought and sold and the availability of shares on the market. Details of the current spread can be obtained from the Manager. Stamp duty of 0.5% is payable to the Inland Revenue on all shares purchased.

Trust	Management Fee
Global Fund	0.715%pa of net assets plus 10% of outperformance
UK Active Fund	0.825%pa of net assets plus 10% of outperformance
UK Emerging Fund	0.825%pa of net assets plus 15% of outperformance

An illustration of the effect of these charges and expenses on the maximum lump sum investment of £10,200 and the maximum monthly investment of £850, in SVM UK Active Fund available in the ISA assuming an investment growth rate of 7% each year, is set out below. This rate of growth is prescribed by the regulators in order that you may compare the charges with other investment products. Please note that the figures in the tables are not guaranteed, are based on notional rates of growth, which may not be achieved, and serve only to demonstrate the effect of charges and expenses on the value of an investment.

Effect of charges and expenses on £10,200 lump sum investment in SVM UK Active Fund via the SVM Investment Trust ISA or ISA transfer

At end of year	Total investment to date (£)	Effect of deductions to date (£)	What you might get back with 7% compound growth (£)
1	10,200	328	10,586
3	10,200	674	11,821
5	10,200	1,106	13,200
10	10,200	2,672	17,393

The figures in the last line of the table indicate that after 10 years the effect of expenses on an initial investment of £10,200 could amount to £2,672. In other words, this would have the effect of bringing down investment growth from 7% to 5.5% a year.

Effect of charges and expenses on £850 monthly investment in SVM UK Active Fund via the SVM Investment Trust ISA

At end of year	Total investment to date (£)	Effect of deductions to date (£)	What you might get back with 7% compound growth (£)
1	10,200	270	10,312
3	30,600	1,236	32,786
5	51,000	2,981	57,878
10	102,000	12,066	134,150

The figures in the last line of the table indicate that after 10 years the effect of expenses on a monthly investment of £850 could amount to £12,066. In other words, this would have the effect of bringing down investment growth from 7% to 5.4% a year. The estimated effect on charges and expenses on the other two Investment Trusts in the SVM Investment Trust ISA is shown below.

Effective return on investment growth of 7% pa after 10 years

Trust	£10,200 lump sum	£850 monthly
Global Fund	5.8%	5.9%
UK Emerging Fund	3.9%	3.8%

Savings Scheme

Effect of charges and expenses on £1,000 lump sum investment in SVM UK Active Fund via the SVM Savings Scheme

At end of year	Total investment to date (£)	Effect of deductions to date (£)	What you might get back with 6% compound growth (£)
1	1,000	59	1,001
3	1,000	93	1,098
5	1,000	133	1,205
10	1,000	272	1,519

The figures in the last line of the table indicate that after 10 years the effect of expenses on an initial investment of £1,000 could amount to £272. In other words, this would have the effect of bringing down investment growth from 6% to 4.3% a year.

Effect of charges and expenses on £50 monthly investment in SVM UK Active Fund via the SVM Savings Scheme

At end of year	Total investment to date (£)	Effect of deductions to date (£)	What you might get back with 6% compound growth (£)
1	850	44	575
3	2,550	101	1,871
5	4,250	201	3,290
10	8,500	700	7,464

The figures in the last line of the table indicate that after 10 years the effect of expenses on a monthly investment of £50

could amount to £700. In other words, this would have the effect of bringing down investment growth from 6% to 4.3% a year. The estimated effect on charges and expenses on the other three Investment Trusts in the SVM Investment Trust Savings Scheme is shown below.

Effective return on investment growth of 6% pa after 10 years

Trust	£1,000 lump sum	£50 monthly
Global Fund	3.6%	3.7%
UK Emerging Fund	2.7%	2.7%

The calculations are based on the following assumptions:
a) the investment is withdrawn at the end of the year in question
b) an allowance has been made for operational expenses incurred in managing the funds
c) financial adviser commission payments have not been included
d) dealing costs including stamp duty are not included
e) an allowance has been made for inflation

Deducting Expenses from Capital

Each Investment Trust has its own policy on deducting expenses from capital rather than income. You can find the details in the notes to the financial statements in each Trust's Annual Report and Accounts, available at www.svmonline.co.uk or by request from the Manager.

Can I cash in part of my investment?

Yes, you can make a withdrawal from your account, by giving the Administrator notice in writing. A withdrawal from your account can be made in part or in full at any time and is subject to a charge of £30 (plus VAT) per withdrawal. Shares will be sold at the market price quoted on the next Dealing Day (defined on page 2) following receipt of a written request from you and generally sales proceeds will be dispatched to you by BACS or cheque within five Business Days of the final settlement date. We cannot accept instructions to sell at specific prices and cannot be held responsible for postal delays.

ISA Subject to a minimum amount of £200. If you decide to cash in part of your ISA a minimum of £500 per trust must remain in the account.

Savings Scheme If you decide to cash in part of your account a minimum of £200 per trust must remain in the account to remain operative.

What if I wish to close my account?

Your account can be closed by sending notice in writing to the Administrator. Termination is subject to a charge of £30 (plus VAT). You can stop investing in one trust in your Savings Scheme account while continuing to invest in another.

What if I wish to transfer my Savings Scheme or ISA?

To transfer your account to a new ISA Manager or platform provider you must complete the appropriate documentation, which will be available from that firm. Each transfer is subject to a charge of £30 (plus VAT).

Can I transfer another ISA to my SVM Investment Trust ISA?

Yes. Please call Customer Services on 0845 358 1108 for an ISA Transfer Form. Alternatively, you can obtain a copy of this form from our website, www.svmonline.co.uk. This form must be completed and returned to us.

How is uninvested cash held within my account?

Cash awaiting investment is held by the Administrator in a client account maintained in accordance with the FSA Client Money Rules. No interest will be paid on cash pending investment. Instead any interest accrued will be used to contribute towards the cost of administering the ISA and Savings Scheme.

What are my cancellation rights?

ISAs You may withdraw your ISA Application or ISA Transfer Form at any time during the seven day cooling off period. The period begins from the day after we acknowledge your application. If the Administrator does not receive a withdrawal notice from you, shares will be purchased for you and in the case of ISA transfers the ISA Transfer Form will be sent to your current Manager. Our terms and conditions will apply once an account has been opened for you.

For direct investments into Investment Trusts (i.e. non IFA advised), no cooling off rights will apply.

Corporate Activity

You will have the right to elect to attend and to vote either directly at shareholders meetings or by proxy by making a written request to the Administrator. You will be sent Notices of meetings together with a form for directing the Nominee how to vote on your behalf on any resolution. If any of the Trusts makes a scrip or capitalisation issue of shares, your account will be credited with the shares allotted to you. If any of the Trusts makes an offer of shares or other securities on a rights or other basis to shareholders, the Administrator will either sell sufficient rights to take up the balance, lapse or sell the nil paid rights for all Investors.

Queries and Complaints

If you have any administrative queries about the SVM Investment Trust products or require an up-to-date valuation, please contact the Administrator on our Customer Services Helpline: 0845 358 1108 or, alternatively write to SVM Asset Management Limited, Block C, Western House, Peterborough Business Park, Lynchwood, Peterborough PE2 6BP. If you have any general product queries, please contact SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH (Telephone: 0131 226 6699).

The Manager operates an internal complaint handling procedure in accordance with FSA regulations, details of which are available on request. In the first instance, you should address any complaint to the Administrator. If thereafter you remain dissatisfied with the outcome of the complaint you should refer the complaint to the Manager. If you are still dissatisfied with the response then you may refer it to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Alterations to the plan

The Manager and the Investment Trusts in which you invest reserve the right to alter the terms of, or to terminate, the Investment Trust products, on giving Investors in the products reasonable written notice.

Compensation

If the Manager or Administrator are unable to meet their financial liabilities to you, you may be entitled to compensation from the Financial Services Compensation Scheme. See paragraph 38 on page 10 for more details.

Additional Information

Further information on the Trusts including Report and Accounts

are available on our website, www.svmonline.co.uk. If you would prefer to receive a printed copy please call the SVM Marketing Team on 0131 226 6699 or write to SVM Asset Management, 7 Castle Street, Edinburgh EH2 3AH.

SVM ISA and Savings Scheme Terms & Conditions

SVM Asset Management Limited (the 'Manager') will manage the individual savings account (ISA) and Savings Scheme, ('SVM Trusts') for you (the 'Investor') according to the following terms and conditions. We classify you as a Retail Client for the purposes of FSA Rules unless we agree otherwise. This means that you obtain the highest level of investor protection. The Administrator of the SVM Investment Trust Products is BNP Paribas Fund Services UK Limited ('the Administrator').

1. Investment Objective

The investment objective is to protect your investment from income and capital gains tax by investing, subject to the provisions of the Individual Savings Account Regulations, as amended from time to time in the Investment Trusts ('SVM Trusts') as selected by you either in your application or by subsequent instructions to the Administrator:

- (i) SVM Global Fund plc
- (ii) SVM UK Active Fund
- (iii) SVM UK Emerging Fund

The above trusts are also available in the SVM Investment Trust savings scheme.

We also offer a Savings Scheme product when investing for children and have made SVM Global Fund and SVM UK Active Fund available for this.

2. The SVM ISA

Your ISA is designated by the Manager as a Shares ISA under the ISA Regulations as specified in your application. Your ISA will be made up of a shares component only for the purpose of the ISA Regulations and will be managed by the Manager in accordance with those Regulations.

3. Suitability

The services that we provide consist of execution only and/or the reception and transmission of client orders in relation to investments in the SVM Trusts which are provided at the initiative of the Investor. We are not required to assess the suitability of the services offered and therefore you do not benefit from the protection of the FSA Rules in assessing suitability.

4. Eligibility

ISA Investment is open to any individual aged 18 or over and resident (or ordinarily resident) in the UK for tax purposes. If an individual becomes non-resident for UK tax purposes, that individual can retain any investment which they have already made into an ISA but cannot make any further contributions to it. Under the current ISA Regulations, an Investor subscribing to an SVM Investment Trust ISA may not subscribe to another ISA in the same tax year. An Investor who subscribes to an SVM Investment Trust ISA and a cash ISA in the same tax year may not invest more than the maximum permitted between the two ISAs. Shares in an ISA cannot be held in trust for a minor and cannot be held jointly. If an Investor is found to have subscribed to an ISA in breach of the Regulations the relevant ISA will be declared void.

Savings Scheme Investment is open to any individual aged 18 or over. The Investor need not be an existing holder of shares. Applications may also be made by joint applicants, trustees and companies. Investors can open a Scheme Account on behalf of a child and should complete the Application Form with the details providing the child's initials as a designation where requested in the Personal Details section. The Scheme Account will be opened in the Investor's name followed by the child's initials. The Scheme is open to eligible persons resident in countries outside the UK provided that payments are made in Sterling. It is the responsibility of such persons to satisfy themselves that investing in the Scheme is permitted under the laws to which they are subject to and to satisfy themselves as to any taxation consequences of participation in the Scheme. We will treat you as a Retail Client for the purposes of the FSA Rules.

5. Methods of Investment

There are three methods of investing in the SVM Investment Trusts:

(a) ISA Lump Sum Investment Lump sum subscriptions can be made at any time. The minimum initial investment is £1,000 per investor, £200 per Trust. This may be topped up to the maximum permitted amount under the ISA Regulations at any time during the tax year with further lump sums of £200 per Trust. Initial investments should be made by completing the Application Form and submitting it to the Administrator with a cheque made payable to 'SVM Asset Management Client Account'. Additional lump sum payments for any Trust can be made at any time after commencement of the ISA. A cheque payable to '**SVM Asset Management Ltd**' should be sent to the Administrator with written instructions, including the Investor's full name, address and SVM Investment Trust ISA account number. An additional Application Form will not be required if the top-up investment is made in the same tax year as the last application was made. For further investments to be made in a separate tax year, an Application Form for the new tax year must be submitted.

Savings Scheme Lump Sum Investment Lump sum subscriptions can be made at any time. The minimum initial investment is noted on the Application Form. This may be topped up at any time with further lump sums subject to the required minimum investment amounts. There is no maximum lump sum investment amount. Initial investments should be made by completing the Application Form and submitting it to the Administrator with a cheque made payable to 'SVM Asset Management Client Account'. Additional lump sum payments for any Trust can be made at any time after opening an account with the Savings Scheme. A cheque payable to '**SVM Asset Management Ltd**' should be sent to the Administrator with written instructions, including the Investor's full name, address and Savings Scheme account number.

(b) Regular Monthly Investment Regular monthly investments can be made through Direct Debit on completion of valid bank details on the Direct Debit Mandate issued with the Application Form. Payment will be collected on or around the 1st day of the month and invested on the next available Dealing Day. The Investor must ensure that he/she completes the Direct Debit Instruction correctly. The minimum monthly investments are noted on the Application Form and are subject to Inland Revenue maximum subscription limits. If an Investor chooses to invest through regular monthly Direct Debits, he/she can also make occasional lump sum investments as described above (subject to Inland Revenue maximum ISA subscription limits).

Cheques: Please supply either a personal cheque which

matches the name on the Application Form (cheques drawn on a joint account are acceptable), or a Bank/Building Society cheque endorsed with your name to show that you are the account holder. If the cheque is drawn from a third party account or you are unable to provide a cheque as described, the Scheme Administrator may ask you to supply evidence of identity and residential address before processing your application. Any payments, documents and notices will be sent by post at the risk of the Investor. Cheques should be drawn on a UK Bank or Building Society account denominated in Sterling. The Investor may increase or decrease the level of his/her regular monthly investment at any time (subject to Inland Revenue maximum ISA subscription limits) by giving written notice to the ISA Administrator no later than five Business Days prior to the Direct Debit date.

(c) Transfer In Facility A transfer facility allows an investor to transfer the proceeds of an ISA held with another ISA Manager into the SVM Investment Trust ISA subject to a minimum amount of £1,000 per Investor and £200 per Trust. This is done by completing a Transfer Instruction Form available on request from the Manager. Investors may not transfer existing holdings into the SVM Investment Trust ISA. Investors are not charged to transfer funds into the SVM Investment Trust ISA.

6. Investments

Amounts received for investment (subject to the Manager's discretion and deduction of the charges described below) shall be aggregated and used to acquire shares in the SVM Trusts for each Investor in accordance with the Investor's instructions and as described below. Instructions cannot be accepted from an investor to purchase a specific number of shares. The Administrator may aggregate any purchase (or sale) of shares in the Investor's account with transactions for other investors. The Administrator will take all reasonable steps to ensure that all purchases (and sales) of shares are effected on the best terms generally available in the market for transactions of a similar size and nature at the time of execution. Aggregation of transactions may result in the Investor obtaining, on some occasions, a more favourable price and, on others, a less favourable price than if the transaction had been executed separately. The Administrator will normally acquire shares in the SVM Trusts by purchasing the shares on the London Stock Exchange through a stockbroker.

Cash subscriptions Subject to receipt of all necessary documentation by the Administrator, net subscriptions will be invested on the basis set out below. Dealing will be carried out weekly by the Administrator every Thursday, or if Thursday is not a Business Day, the next Business Day thereafter (a '**Dealing Day**'). In order to purchase shares a completed Application Form should be forwarded to the Administrator. Telephone requests cannot be accepted. When your cheque has been banked the money will be invested on the next available Dealing Day. Direct Debits will generally be collected on the 1st day of any month and will be invested on the next available Dealing Day. If the Administrator is provided with insufficient or inaccurate information with which to process your investment application (for example if the Application Form is not correctly or fully completed), your Application Form and cheque, if applicable, will be returned to you by the Administrator. Your investment will not be made until the Administrator has received a valid application and method of payment. Fractions of shares will not be purchased. Any amounts not received in time for investment as described above, or any uninvested balances arising from the minimum investment amount (£10) not being met for dividend reinvestment, or any amount which the Administrator is not

able to use for investment in shares as directed by the Investor, will be held for investment until the first Dealing Day after the uninvested balance in respect of a relevant Trust reaches the minimum amount required for investment. For Investors who make monthly contributions all sums carried forward will be invested together with their next monthly contribution. If market conditions or other circumstances mean that the Administrator is unable to purchase all the shares required under the SVM Trust on the Dealing Day, any remaining subscription money will be used to purchase shares as soon as practicable thereafter.

Interest Cash awaiting investment is protected and held by the Administrator in a client bank account maintained in accordance with the FSA Client Money Rules. No interest will be paid on cash pending investment. If an Investor's account holds more than 50% in cash for more than six months without instructions to invest then the Manager reserves the right to close the account and return all monies to the Investor. If the Investor fails to cash any cheques sent to him/her within six years of the payment date then the SVM Trusts will be entitled to retain the money to help cover the cost of administering the Trusts. Before forfeiting the money to the scheme the Administrator will contact Investors at their last known addresses giving them 28 days' notice to make a claim. The Manager will continue to make good any valid claim against any released balances.

Dividend Reinvestment Dividends and related reclaimed tax will be reinvested in further shares of the type to which they relate on the next Dealing Day following receipt by the Manager or as soon as practicable thereafter, subject to being in excess of the minimum investment amount. Alternatively Investors can choose an income payment facility by indicating this choice on the Application Form. Income will be paid monthly directly into the Investor's nominated bank or building society account, subject to a minimum payment of £10.

7. Money Laundering

To comply with UK money laundering legislation, the Administrator may require to verify the identity and residential address of new and existing Investors. For UK Investors this may involve requesting documentary evidence in order to verify names and addresses. Investors are advised that the Administrator will endeavour to ensure that all cleared funds are invested as quickly as possible in terms of the regulations. However, where positive verification is required, this must be obtained before instructions can be processed, or any money is repaid to the Investor.

8. Beneficial Ownership of the Shares

All shares held within the SVM Trusts will be, and must remain, in the beneficial ownership of the Investor.

9. Administration of the Investments

The Manager may, at its discretion, employ agents to operate the SVM Trusts (or any part) on its behalf and may delegate any of its rights and functions in relation to the SVM Trusts to its agent from time to time. The Manager will, however, satisfy itself that any person to whom it delegates any of its rights and functions is competent to carry out the same.

10. Holding of Shares

The Administrator will keep records which identify each Investor's investments separately. All shares acquired will be registered in the name of Puddledock Nominees Limited, or any other nominee company owned by the Administrator and approved by the Manager, which will hold the shares on behalf of the Investors. The Administrator will be responsible for the

acts and omissions of such nominees. Investments cannot be lent to third parties and no borrowings may be made by the Manager or the nominee against the security of the Investments. All documents evidencing title to the Investments shall be held by the Administrator in safe custody.

You should note that where investments are registered collectively in the same name, the Investor's entitlement may not be identified by separate certificates or other physical documents of title and, if the Administrator or its nominee should default, any shortfall may be shared pro rata among all Investors whose investments are so registered.

11. Shareholder's Rights

(a) Annual and Other Shareholder's Meetings The Investor will have the right to elect to attend and vote either directly at shareholders' meetings or by proxy. The Investor will be sent notices together with a form for directing the Nominee how to vote on his/her behalf on any resolution. Requests to attend shareholder meetings must be made in writing to the Administrator.

(b) Annual and Interim Reports The annual and interim reports for the SVM Trusts can be accessed on the SVM Asset Management website at www.svmonline.co.uk

(c) Scrip or Capitalisation Issues If any of the SVM Trusts makes a scrip or capitalisation issue of shares, the Investor's account will be credited with the shares allotted to his/her account.

(d) Rights Issues etc If any of the SVM Trusts make an offer of shares or other securities on a rights or other basis to its shareholders, the Administrator will either sell sufficient rights to take up the balance, lapse or sell the nil paid rights for all investors.

(e) Other Matters The Investor will be notified by the Manager of any proposals for take-overs or reorganisation and given the opportunity to direct the Nominee as to how their rights are to be dealt with.

12. Transfers out of the ISA

Subject to the ISA Regulations, the Investor has the right at any time by notice in writing to the Administrator to transfer in cash all or part of the ISA (with all rights and obligations of the parties to it) to another Manager, within such time as shall be agreed. Instructions to transfer all of the ISA investments will entitle the Manager to terminate the ISA. A charge of £30 is made for any such transfer.

13. Transfers out to another nominee

Investors can transfer their holdings to another nominee or fund platform but should note that a charge of £30 may be deducted for each line of stock to be transferred. If there is insufficient cash in an account to pay the charges then a sufficient number of shares will be sold to meet the charges. A transfer of cash only is charged at £30.

14. Switches

All switches are subject to the minimum investment limits specified in Clause five. Investors are permitted one free switch between the SVM Trusts per annum. Any additional switches are charged at £25 each at the discretion of the Manager. Instructions to switch must be sent in writing to the Administrator. Switches kept within a Savings Scheme or ISA product will be dealt with on the next Dealing Day if received by 5pm on the preceding Business Day. Switches from a Savings Scheme to an ISA or vice versa will be sold on the next Dealing Day and purchased on the Dealing Day

the following week. Investors should note that this means the prices for those sales and purchases will be subject to market conditions and can vary greatly. Switches may also have capital gains tax implications for you depending on your tax liabilities for that year.

15. Statement of Investments

The Administrator will issue six monthly reports to the Investor which will show details of any transactions carried out in the period since the date of the last statement, and showing the accumulated number of shares within the ISA and or Savings Scheme and a valuation of those shares. Statements, in accordance with FSA Rules, will be sent within 25 Business Days of the periods ending 5 April and 5 October each year.

16. Records

The Administrator will maintain all such records relating to the ISA as are required by the ISA Regulations. The Administrator will make such returns to the Inland Revenue for the purposes of taxation and provide all such details of taxation to the Investor as it may be required to do under the ISA Regulations. The Administrator will notify the Investor in writing if, by reason of any failure to satisfy the provisions of the ISA Regulations, the ISA has, or will, become void for the purposes of the ISA Regulations. Void ISAs are subject to a £100 charge per tax year.

17. Charges and Commissions

SVM Investment Trust ISA and Savings Scheme Charges An initial charge of up to 3% of your initial investment and an annual administration fee of 0.5% per annum may be payable only if you invest through an Independent Financial Adviser and you instruct us to pay commission to him/her. The annual administration fee is payable, in two equal instalments, in March and September. Transfers out are subject to a £30 fee. Full or partial withdrawals and transfers to a fund platform provider may be subject to a charge of £30 per withdrawal or transfer. You are entitled to one Trust switch per annum at no cost and any further switches will be subject to a £25 fee at the discretion of the Manager. Should there be insufficient cash available in the Investor's SVM Trusts to meet the charges the Administrator will sell investments from the account to pay the charges. Void ISAs are subject to a £100 charge per tax year.

VAT (where relevant) is payable on all of the charges noted in this document.

SVM Trust Charges Annual management charges and other expenses are paid by the SVM Trusts. The annual management charges for each of the SVM Trusts are detailed in the table below. Other expenses, which include bank and custodian charges, are also deducted from the Trust and amount to approximately 0.3% per Trust per annum. Investment Trust shares as with other listed shares are priced at an 'offer' price when you buy and at a 'bid' price when you sell. The difference between them is the 'spread', which is approximately 1% and can differ according to the amount of shares being bought and sold and the availability of shares on the market. Details of the current spread can be obtained from the Manager. Stamp duty of 0.5% is payable to the Inland Revenue on all shares purchased.

Trust Management Fee

SVM Global Fund	0.715% per annum of net assets plus 10% of outperformance
SVM UK Active Fund	0.825% per annum of net assets plus 10% of outperformance

SVM UK Emerging Fund	0.825% per annum of net assets plus 15% of outperformance
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18. Termination and Withdrawal by the Investor

Without prejudice to the completion of transactions already initiated, the Investor will have the right to terminate the ISA at any time by notice in writing to the Administrator. The Administrator will make such transfers in cash and payments out of the ISA as the Investor directs. The Investor will have the right to make a withdrawal from the ISA by giving the Administrator notice in writing to transfer in cash all or part of the ISA Investments or to pay their cash value to him/herself. Withdrawals are subject to a minimum amount of £200 per Trust and a minimum remaining balance of £500 per Trust, except where the entire holding in that Trust is withdrawn. The ISA will be treated as being terminated on the date the final payment of the proceeds is made to the Investor. Proceeds of the shares realised will be remitted to the Investor within five Business Days of settlement. On the death of the Investor, the ISA will be terminated. The shares will be realised in full and the proceeds paid or transferred to the Investor's personal representatives, on receipt of all necessary documentation. On termination or withdrawal, an acknowledgement, including details of the market value of the shares, will be sent to the Investor or the personal representative. Should a withdrawal bring an Investor's balance below the minimum specified, the Administrator may treat this as an instruction to sell the remaining shares in the ISA and will send the proceeds to the Investor. The Manager may, however, choose to waive this minimum.

19. Sales of Shares

Shares in the SVM Trusts can be sold by giving notice in writing to the Administrator. The sale of shares will be carried out by the Administrator on the next Dealing Day (defined on page 6) at the quoted market price for requests received by 5pm on the preceding Business Day. Telephone requests and instructions to sell at specific prices cannot be accepted. In the event that the Administrator is unable to sell the shares required to be sold by the relevant date, the Administrator will effect the sale as soon as is practicable thereafter. Generally, payment of the net proceeds will be made within five Business Days of the settlement date to the Investor's designated bank or building society account, or by cheque if valid bank account instructions are not held by the Administrator unless further verification of identity or bank details are required.

20. Closing an ISA

An investor can close an ISA completely, or sell his/her total shareholding in any one of the available Trusts by giving written notice to the Administrator. The investor should note that if he/she totally redeems his/her shareholdings, whether or not the maximum subscription limit has been reached, he/she will be unable to take out another ISA in that tax year under Inland Revenue regulations.

21. Notices

The Administrator will send an acknowledgement letter and contract note to the Investor within one Business Day of receipt of an Investor's application to purchase shares in the SVM Trusts. For an Investor who makes monthly payments a contract note will be sent within one Business Day of the first investment and thereafter only as part of the six monthly investor statement. Following receipt of a written notification from an Investor to make a withdrawal from the SVM Trusts or to change an existing

instruction, the Administrator will send an acknowledgement letter directly to the investor within one Business Day. On closure of a SVM Trust account or partial withdrawal, a transaction report will be dispatched to the investor within five Business Days of the settlement date. On a switch between the SVM Trusts the Administrator will send the Investor an acknowledgement letter and contract note within one Business Day of the settlement date. Investors also have the right upon request to inspect copies of entries in the records maintained on behalf of the Manager relating to transactions carried out on their behalf and to inspect contract notes and transaction statements relating to such transactions. For the purposes of these Terms and Conditions, the registered address of the Investor to which all cheques, notices, documents and other communications shall be sent shall be the address of the Investor shown in the Application Form sent to the Administrator. If the Investor notifies the Administrator in writing of any change in such address, the new address will then become the Investor's registered address for the purpose of these Terms and Conditions. All notices and other communications to the Administrator should be given in writing addressed to BNP Paribas Fund Services UK Limited, Block C, Western House, Peterborough Business Park, Lynchwood, Peterborough PE2 6BP. All notices and other communications to the Manager should be given in writing addressed to SVM Asset Management Limited, 7 Castle Street, Edinburgh EH2 3AH unless the Manager in its discretion agrees to accept the same by fax or email.

22. Assignment

The Shares cannot be assigned, pledged or charged by the Investor.

23. Risk and Responsibility

We provide our services to you on an execution only basis. This means that the Manager and the Administrator cannot give advice on whether the SVM Trusts or participation in the ISA or Savings Scheme are suitable for potential investors, and cannot be held liable for any loss that may be suffered by Investors except as a result of the wilful default, fraud or negligence of the Manager or the Administrator. We do not take responsibility for any loss to any Investor as a result of any failure by his/her own bank to make payments in accordance with the Direct Debit Instruction.

The SVM Trusts will not be held liable for any loss that may be suffered by any Investor or for any misconduct or irregularity on the part of the Manager or the Administrator in carrying out their responsibilities under the scheme.

As with all equity investments, past performance should not be seen as a guide to future performance and stockmarkets and currency movements may cause the value of shares, and the income from them, to fall as well as rise and investors may not get back the amount originally invested. Where underlying investments are made in unquoted companies their potential volatility may increase the risk to the value of and the income from the investment. Where underlying investments are made in unquoted securities, there may be difficulties in acquiring, valuing and disposing of the stock. An Investment Trust is a public limited company the shares of which are quoted on the London Stock Exchange. The price of the share depends on the supply of and the demand for them and therefore not necessarily the same as the value of its underlying assets per share ('Net Asset Value' or 'NAV'). It may be higher than (at a premium to) or lower than (at a discount to) the NAV. Moreover, the level of premium or discount varies in accordance with

supply and demand. Investment Trusts can borrow money, which then can be used to make further investments. In a rising market, this gearing can enhance returns to shareholders. Correspondingly, if the market falls, losses may be greater. Hence, to produce a benefit to shareholders the level of gearing needs to be carefully judged and monitored.

24. Complaints

The Manager operates internal complaint handling procedures in accordance with FSA Rules, which are available on request. In the first instance, the Investor should address the complaint to the Administrator. If thereafter, the Investor remains dissatisfied with the outcome of the complaint they may refer the complaint to the Manager. If the Investor is still dissatisfied with the response then the complaint may be referred to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

25. Regulatory Status

The Manager, the Administrator and the Custodian are all authorised and regulated by the Financial Services Authority. You will be classified as a Retail Client unless we agree otherwise.

26. Amendment of the Terms and Conditions

The Manager has the right to amend any of the Terms and Conditions contained herein and will endeavour to give investors at least 30 days prior notice of any material changes. Incidental changes may be made and notified by way of an update to the Terms & Conditions on our website. Investors have the right to withdraw their investments at anytime by following the procedures noted in this document if they do not agree with any changes we make.

27. Commencement

To apply for investments in the SVM Trusts the Investor must submit to the Administrator a duly completed Application Form provided by the Manager, together with a cheque for the initial investment and in the case of monthly subscriptions, a completed Direct Debit Mandate. Subject to the Manager's overriding right to refuse to accept an application to open an account and the Investor's right to withdraw, the Manager will be deemed to have accepted the Investor's offer to open an account on receipt of the Application.

28. Cancellation Rights

ISAs The Investor may withdraw their ISA Application or ISA Transfer Form at any time during the seven day cooling off period. The withdrawal period begins from the day after the Administrator acknowledges receipt. The Administrator will open an account for the Investor on the expiry of the withdrawal period and the investment will be made on the next Dealing Day and in the case of an ISA Transfer will send the request to the Transferor.

If an applicant does withdraw the application within the 7 day cooling off period then the uninvested amount will be returned to the applicant provided we have received adequate client identification documents to complete all anti money laundering requirements.

For direct investments into Investment Trusts (i.e. non IFA advised), no cooling off rights will apply.

29. Safeguarding your Investments and Compensation

BNP Paribas Securities Services is the Custodian of the SVM Trusts.

30. Material Interests

The Manager shall be entitled, without prior reference to the Investor, to effect transactions with or for the Investor (including transactions as principal with the Investor) in respect of which it or an associated company is or may be interested.

31. Customer Indemnity

The Investor will indemnify the Manager against any expense or liability arising as a result of any misrepresentation or breach of these Terms and Conditions by the Investor.

32. Exclusion of Liability

The Manager does not accept liability for any decrease in the value of investments or for taxation charges arising for any reason, other than as a direct result of the Manager's negligence, wilful default or fraud. We do not accept liability for any loss arising as a result of any delay or loss in the post of payment of money or documents sent to or from us except to the extent that any such loss or delay has been caused by us.

33. Data Protection

Information provided by Investors will be held in confidence and will not be passed on by the Manager or Administrator to other product or service companies. Your details may be used, in the future, by the Manager to send information on other SVM products and services on offer. If you would prefer not to receive such information, please contact the Administrator. The use of your personal information is covered by the registration of the Manager under the Data Protection Act 1998. The Manager is registered as a 'data controller' under the Act and delegates the authority for processing investor data to the Administrator.

34. Conflicts of Interest

The Manager and the Administrator have established policies on the management of conflicts of interest. The intention is to ensure the fair treatment of all our clients.

35. Best Execution

Best Execution is how we process instructions by shareholders in our funds to enable us to deliver the best possible result for our clients when dealing with orders for them under these terms. For this purpose the Administrator has an Order Execution Policy. This summarises how the manager acts to ensure we achieve the best price for you. A copy of the policy is available on request.

36. General

This document is based on the Manager's understanding of tax legislation and Inland Revenue practice at the date of preparation of this document and may be subject to alteration in the future. Please note that the value of tax reliefs and bases may change and depend on personal circumstances. To obtain further information on your own tax position, or the tax information set out in this document, you should consult your tax adviser. Copies of the SVM Investment Trusts Annual and Interim Reports are available on our website at www.svmonline.co.uk. The Manager reserves the right to reject any application to participate in the SVM Trusts without giving any reason.

37. Communications

The Manager will generally only communicate with you by letter or telephone unless we agree otherwise. All our communications and documents will be in English only. Telephone calls may be recorded for security and training purposes and may be used in evidence in the event of any dispute with us.

38. Financial Services Compensation Scheme

If the Manager is not able to meet its financial liabilities to the Investor, you may be entitled to compensation under the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000 per person per firm (for claims against firms declared in default from 1 January 2010). From 1 January 2010 there will be coverage up to £50,000. Details on compensation arrangements are available from the Financial Services Compensation Scheme, 7th floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN.

39. Termination by the Manager

The Manager will be entitled to terminate the administration of the Savings Scheme and/or ISA by giving not less than 30 days prior written notice to the Investor. The Investor may be required to sell all or transfer his holding of shares in the Savings Scheme and/or ISA to another manager or nominee.

40. Commencement of the above Terms and Conditions

The above Terms and Conditions for the SVM Trusts will apply as from August 2010. This document was approved for issue by SVM Asset Management Limited.

41. Governing Law

These Terms and Conditions are governed by the laws of Scotland and are also subject to the ISA Regulations. In the event of any conflict between these Terms and Conditions and any such laws and regulations, the latter shall prevail. The laws of Scotland will apply as the basis for the establishment of relations with you and will be the applicable law for any dispute between us. The Scottish Courts will be regarded as competent courts for any such disputes.

Investment Manager, Savings Scheme and ISA Manager

SVM Asset Management Limited

7 Castle Street, Edinburgh EH2 3AH.

www.svmonline.co.uk

Authorised and regulated by the FSA (Number 146873)

Company Number 125817

0131 226 7660

Administrator

BNP Paribas Fund Services UK Limited

Block C, Western House, Peterborough Business Park, Lynchwood, Peterborough PE2 6BP.

Customer Services: 0845 358 1108

Dealers: 0845 066 1110

Custodian

BNP Paribas Securities Services

Block C, Western House, Peterborough Business Park, Lynchwood, Peterborough PE2 6BP.

Nominee

Puddledock Nominees Limited

or any other suitable agent that the Manager may appoint.

Regulator

Financial Services Authority

25 The North Colonnade, Canary Wharf, London E14 5HS.

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