

**Advance Frontier Markets Investment Plan (“the Plan”)  
Advance Frontier Markets Fund Limited**

**KEY FEATURES**

**Aims**

Advance Frontier Markets Fund Limited ("AFM" or "the Fund"), the participating company in the Plan, aims to achieve long-term capital growth by investing predominately in a diversified portfolio of funds and other investment products which derive their value from Frontier Markets.

**Your investment – purchases and sales**

The minimum lump sum investment for participants in the Plan is £250. If you wish to save monthly the minimum regular contribution is £25.

Direct debits will be collected on the first business day of each calendar month.

Purchase orders under the monthly savings plan are aggregated together and shares in AFM are acquired once cleared funds are available. Lump sum purchases are executed as soon as reasonably practical once orders have been received by the Plan Manager. It is not possible for you to specify a price at which the shares are to be acquired.

Purchases and sales will be transacted with AFM's broker and reasonable effort will be made to deal on terms favourable to investors and in a timely manner. However the Plan Manager, AFM, the investment manager and AFM's broker cannot be held liable for adverse short-term fluctuations in the share price.

You may cancel or suspend your contributions whenever you wish and you may close your Plan by selling your shares at any time. Plan closures (including sale of your entire holding) are subject to a closing fee (see later under “How will charges affect my investment?”).

Your investment should be viewed as a long-term commitment (see risk factors below).

Shares held through the Plan can be sold by sending a written request to the Plan Manager by post, facsimile or email or by telephoning the Plan Manager. Cheques for the net proceeds will on request be sent out as soon as practicable after the due Stock Exchange settlement date.

**Your investment - risk factors**

The value of your shares and the income from them can rise or fall.

Charges on the fund will reduce the return on your investment. When you sell your shares you may get back less than you invested.

Although over the long term there is normally a fairly close relationship between a closed end fund's share price and underlying net asset value per share, it is not uncommon for some closed end funds' share prices to trade at a sizeable discount to net asset value per share in the short term.

The AFM portfolio is substantially invested in funds that invest in Frontier markets. Such markets may be more volatile than more mature markets.

Shares of AFM are denominated in US dollars and the movement in exchange rates against sterling will affect the investment return for UK investors.

**Description of the Plan - Frequently asked questions**

**What is the purpose of the Plan?**

The Plan provides investors with a low-cost and convenient way to buy shares in Advance Frontier Markets Fund Limited.

**Who is the Plan Manager?**

Jarvis Investment Management plc of Tudor House, 78 Mount Ephraim, Tunbridge Wells, Kent TN4 8BG. All correspondence should be sent to this address.

**Who is the Investment Manager?**

Advance Emerging Capital Limited of, 1<sup>st</sup> Floor, Colette House, 52-55 Piccadilly, London, W1J 0DX.

**How do I invest?**

To make an initial lump sum investment, complete an application form and send it, with your cheque made payable to Jarvis Investment Management, to the address given on the application form. Subsequent lump sum investments can be made simply by sending Jarvis a cheque with your account number and instructions on the reverse or in an attached note.

If you wish to save monthly you can do so through our Regular Savings Plan. You will need to complete the relevant section on the application form, the Direct Debit mandate and enclose a cheque for your first payment.

Proof of identity and proof of address are required if this is your first investment in the Plan (see the section "Money Laundering" on the application form).

If you do not wish to participate in the Plan, shares in AFM can be bought through a stockbroker in the normal way.

Post dated cheques are not accepted.

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

We will send you an Annual Report and a Half yearly Report which will tell you about the performance of AFM and the investments it makes.

A great deal of up to date information is available on the Investment Manager's website [www.advance-emerging.com](http://www.advance-emerging.com) or the Funds website [www.frontiermarketsfund.com](http://www.frontiermarketsfund.com)

Investors who sign up to the email alert service will get notification when monthly updates are available on the website.

All investors will receive a six monthly statement and will also receive a consolidated tax certificate at the end of each tax year.

The prices of shares, yield and discount/premium information are quoted every day in the Financial Times under AIM, Investment Companies on the London Share Price pages.

Lump Sum investors will receive a confirmation of their investment on each purchase of shares.

You must notify the Plan Manager in writing without delay of any change of address and any other information that may affect the administration of the Plan.

### **Is there any tax?**

Shareholders who are resident in the United Kingdom may be liable to United Kingdom income tax or corporation tax in respect of dividend income received from the Company and to United Kingdom capital gains tax or corporation tax on chargeable gains in respect of capital gains realised on a disposal of shares.

If you are in any doubt about your tax position you should consult a professional tax adviser.

**How can I find out the price of my shares?** The shares of AFM are traded on AIM and listed on the Channel Islands Stock Exchange. The price will vary from day to day depending on the relative numbers of buyers and sellers, the performance of the underlying investments and general market conditions.

### **What documentation will I get?**

As soon as an investor joins the Plan and sends the form and cheque, a letter of acknowledgement will be sent to their registered address and an account number will be allocated within 24 hours of processing. They will be sent a six monthly Statement of Account giving the number of shares acquired and details of their cost. This should be retained indefinitely for capital gains tax purposes. Each Statement of Account also shows the total number of shares which the investor holds in the Plan and the cash balance carried forward. No certificates will be issued to investors. An advice note will be issued following each lump sum investment.

### **Nominee**

In order to minimise both costs and paperwork, all shares will be registered on your behalf in the name of JIM Nominees Limited or any other such nominee appointed by the Plan Manager.

You will receive all the Annual and Interim Reports, Notices of Shareholder Meetings and Voting Forms for AFM. To instruct the Plan Manager's nominee how to vote in respect of your shares you should complete the relevant forms and return them to the Plan Manager. Please note that the Plan Manager's deadlines for return of instructions may be shorter than the Fund's corporate action timetable.

### **Will I receive any income?**

AFM does not expect to make distributions of income to shareholders. Any income distributed by the Fund will be paid annually and will be automatically reinvested.

### **How will charges and expenses affect my investment?**

Total charges include charges for the Plan and charges on AFM as the underlying investment Fund.

The charges of the Plan consist of an annual management charge of 1%. In addition, there is a commission charge of £9.50 plus VAT for all lump sum investments although this is reduced to £5.00 plus VAT for the first three months of the operation of the Plan.

The Investment Manager receives a basic management fee payable by the Fund monthly in arrears equal to one twelfth of 1.25 per cent. of the lower of Market Capitalisation and Net Asset Value.

The Investment Manager may also receive a performance fee. Any such fee will be paid annually in arrears out of the assets of the Fund. The performance fee in respect of a particular Performance Period will be an amount equal to 12 per cent. of the amount (if any) by which the Net Asset Value per Share at the end of that Performance Period, before the deduction of any performance fee, exceeds the Target Net Asset Value per Share (subject to a high watermark) multiplied by the weighted average number of Shares in issue during the relevant Performance Period.

The Fund also has to pay the other costs of its operation including directors' fees, administrators' fees and custodian's fees. For the purposes of the table below these have been estimated to be 0.6% of the assets of the Fund.

Investors should be aware that typically there will be a spread between the price at which shares can be bought in the market and the price at which they can be sold. The spread varies and for illustrative purposes we have assumed that it will be 1% when calculating the figures given in the table below.

The table below is intended to give an indication of the effect of charges on your investment and it assumes that £1,000 is invested as a lump sum, that the investment is sold at the end of the period, that no performance fee accrues to the investment manager and that there is no change in the discount or premium at which the shares trade over the period, i.e. the difference between the total net asset value and the market capitalisation remains stable. The figures in the table assume a total return from the investment of 6% per annum before charges. Please note that figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

<i>End of Year</i>	<i>Total investment (£)</i>	<i>Effect of Deductions to Date (£)</i>	<i>What you might get back with 6% per annum growth (£)</i>
<b>1</b>	<b>1,000</b>	<b>-48</b>	<b>1001</b>
<b>3</b>		<b>-109</b>	<b>1,063</b>
<b>5</b>		<b>-174</b>	<b>1,129</b>
<b>10</b>		<b>-354</b>	<b>1,313</b>

The last line in the table shows that over 10 years the effect of total charges and expenses could amount to £354. Putting it another way, this would have the same effect as bringing down investment growth from 6% per annum to 2.8% per annum.

### **Can I sell part of my shares?**

Investors may make partial sales of shares held for their account in the Plan at any time subject to a £250 minimum. Investors must write to the Plan Manager by post, facsimile or email, indicating how many shares they wish to sell. Telephone instructions cannot be accepted.

### **How do I leave the Plan?**

Any investor can leave the Plan at any time by giving written notice to the Plan Manager. If notice is received by the twentieth day of the month, any regular savings contributions made that month and/or dividends received that month for reinvestment, plus any uninvested balance, will be returned. If notice is received later than the twentieth day, any such contributions received that month will be deemed available for investment, invested in the Plan and the Plan closed during the following month. Participation will terminate on receipt by the Plan Manager of notice of death or insolvency of an investor, except that in the case of joint investors, the Plan Manager shall be entitled to treat the surviving or remaining joint investor(s) as solely entitled to continue participation in the Plan notwithstanding the death or insolvency of anyone of the joint investors.

### **Termination of and alteration to the Plan**

The Plan Manager may terminate the Plan by giving at least two months' notice in writing to all investors. At the end of the period of notice no further action will be taken by the Plan Manager on the authority of investors' Direct Debit instructions, the Plan Manager will arrange for all accounts to be closed, share certificates to be issued and sent to investors for all shares held on their behalf and all cash balances returned to investors.

The Plan Manager reserves the right to amend, modify or suspend the Plan at any time. An investor shall receive prior notice in writing of any material amendment, material modification or suspension of the Plan. The Plan Manager shall in its sole opinion determine what is material. The Plan Manager may also amend the Plan in order to comply with any change in statutory or other regulatory requirements or, by agreement with the Board of AFM, appoint another company to act as Plan Manager in its place. A material modification will not apply to an investor who has notified the Plan Manager in writing within fourteen days thereafter that he dissents from the material modification. In the case of an investor who dissents from a material modification, the Plan Manager will return all the uninvested cash balances of any such investor and arrange for their shares held under the Plan to be transferred to him.

When a material modification of the Plan is to be made, no investment will be made during such fourteen day period which affects the investor's participation in the Plan.

### **Queries and complaints**

For further information or if you wish to complain about any aspect of the service you have received please contact Jarvis Investment Management plc at the above address. If your complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Making a complaint will not prejudice your right to take legal proceedings. Full details of the complaints procedure are available upon request from the Plan Manager.

If you wish to verify a complaint you may request a copy of our recordings or electronic files of telephone conversations between you and the Plan Manager on payment of a fee of £20 plus VAT. This charge will be reimbursed to you if we are found to be at fault.

### **Cancellation**

Investors have no right to cancel the investment contract.

### **Compensation**

The Financial Services Compensation Scheme does not apply to investment companies or to their registered shareholders. Shareholders' rights, however, are protected under Guernsey Companies Law. Also, the Plan is operated by a company authorised under the Financial Services and Markets Act 2000, and your shares are held under a nominee account which is also authorised under the Financial Services and Markets Act 2000. Therefore, you may, in certain circumstances, be entitled to compensation within the terms of the latter Act.

**Advance Frontier Markets Investment Plan**  
**Advance Frontier Markets Fund Limited**

**TERMS AND CONDITIONS**

Please ensure that you read the Terms & Conditions below and understand the potential risks involved before you invest your money in the Plan. If in doubt we recommend you consult your Independent Financial Adviser.

**1. Descriptions**

The "Plan" means the Advance Frontier Markets Investment Plan.

The "Fund" means Advance Frontier Markets Fund Limited.

The "Plan Manager" means Jarvis Investment Management plc.

The "Nominee" means JIM Nominees Limited or such nominee as the Plan Manager may appoint subsequently.

An "Investor" means an investor participating in, and holding shares through, the Plan and includes the recipients of gifts of shares made through the Plan.

**2. Methods of Investment**

Any person over the age of 18, whether or not an existing shareholder in the Fund, may apply to acquire, through the Plan, Ordinary Shares in the Fund.

There are three methods of investing under the Plan:

**(A) Occasional investments and gifts**

(1) Any Investor may make a lump sum payment through the Plan for investment in the Ordinary Shares of the Fund. The minimum lump sum which may be invested in the Fund in this way is £250. The initial application should be made by completing the Application Form and submitting it to the Plan Manager with a cheque payable to Jarvis Investment Management. Subsequent contributions of any amount (subject to the £250 minimum) may be paid by cheque at any time. Cheques should be made payable to Jarvis Investment Management and should be sent directly to the Plan Manager, enclosing details of the Investor's full name, address and Plan account number. It is not necessary to complete a new Application Form.

(2) A gift of Ordinary Shares in the Fund may be made through the Plan subject to a minimum amount of £250.

(3) If a gift of shares is to be made, the name of the person for whom the shares are to be purchased should be specified on the Application Form and if shares are to be purchased for a person under 18, the name of the adult who is to hold the shares on the minors behalf should be specified, and that adult will be treated as holding the shares under the Plan for the benefit of the minor and the donor should, therefore, suitably complete the Application Form so as to instruct the Plan Manager that the shares are to be held by the adult on behalf of the minor.

**(B) Regular monthly investment**

(1) Any Investor may invest a regular monthly amount through the Plan in the Ordinary Shares of the Fund.

(2) The minimum amount which may be invested in the Fund under this method is £25 per month. Applications should be made by completing and submitting the Application Form with a cheque payable to Jarvis Investment Management for the first monthly contribution. The Direct Debit instruction to the Investor's Bank/Building Society enables the Plan Manager to collect future monthly contributions directly from the Investor's Bank/Building Society account on the first business day of each month.

(3) Additional contributions of any amount (subject to the £250 minimum) may be paid by cheque at any time. Cheques should be made payable to Jarvis Investment Management and should be sent directly to the Plan Manager, enclosing details of the Investor's full name, address and Plan account number. It is not necessary to complete a new Application Form.

(4) An Investor may increase or decrease the amount of the monthly contribution at any time (subject to the £25 minimum) by giving written notice to the Plan Manager. For monthly Plans, instructions received by the twentieth day of a month will be put into effect the following month, and instructions received after that date will be put into effect the month after that.

**(C) Dividend reinvestment**

(1) Dividends declared on the Fund will be automatically reinvested into Ordinary shares of the Fund.

**3. Operation of the Plan**

The Plan Manager is responsible to the Investors for the safe custody of funds received, and, subject to their availability, the purchase of Ordinary Shares in the Fund in accordance with their instructions, the registration of the shares in the name of the Plan Manager's nominee company, the distribution of the Statements of Account detailing each purchase and the maintenance of the necessary records.

The Plan Manager may, at its discretion, employ an agent or agents to operate the Plan or any part thereof on its behalf and may delegate all or any of its rights and functions in relation to the Plan to its agent or agents from time to time. All funds received under the Plan will be paid into a separate non-interest bearing client money account with HSBC or other approved bank maintained in respect of the Fund on behalf of the Plan Manager until the monies are invested pursuant to the Plan.

#### **4. Acquisition of Shares**

The following procedure will apply to the acquisition of Ordinary Shares in the Fund:

(1) Amounts paid by way of regular monthly investment and/or dividend reinvestment which are received by the twentieth day of any month (subject to minimum investment levels) will be invested in the Fund not later than the first business day of the following month.

(2) Amounts paid by way of occasional investments and gifts or additional contributions which are received by the Friday of any week will be invested as soon as is reasonable practical and not later than the Friday of the following week.

(3) Any amounts not received in time for investment as described above or any uninvested balances arising from the minimum investment level not being met for dividend reinvestment or any amounts which the Plan Manager is not able to use for investment in shares as directed by the Investor will be held without interest for investment during the following month as appropriate.

(4) All sums received for investment under the Plan will, subject to the Plan Manager's discretion, be aggregated and used to acquire Ordinary Shares for each Investor in the Fund by the relevant dates set out in these Terms & Conditions.

The Plan Manager will, when acquiring Ordinary Shares in the Fund, do so at the discretion of the Plan Manager by either:

(a) purchasing the shares on the London Stock Exchange through the Fund's broker at the prevailing market price; or

(b) if the Fund has available for subscription new Ordinary Shares which are either traded on AIM or are the subject of an Application to the London Stock Exchange for those shares to be traded on AIM, by subscribing for such shares (free of stamp duty) at the offer price, provided that:

(i) the directors of the Fund agree to allot the new Ordinary Shares to the nominee of the Plan Manager on behalf of the relevant Investors (at which time an offer to the Investors to subscribe for such shares shall be deemed to have been made to and accepted by the relevant Investors);

(ii) the allotment of such shares on behalf of the Investors shall be subject to those shares being admitted to trading on AIM.

(5) Fractions of shares will not be purchased and any balance of uninvested cash arising in consequence will be held in a non-interest bearing client money account and added to future contributions for later investment.

(6) There will be added to the cost to each Investor of Ordinary Shares acquired on any occasion the transaction charges set out in Section 10.

(7) It is thought unlikely that market conditions or other circumstances will mean that the Plan Manager is unable to purchase all the shares required under the Plan in any month, but if this should happen and the Plan Manager is unable so to purchase all the shares required under the Plan in that month, any shares purchased in that month will be allocated first to any Investors for whom the Plan Manager was unable to purchase the full amount in the previous month and the balance will then be allocated pro rata among the Investors in the current month. The remaining amount of any such uninvested cash will be carried forward interest-free along with any other uninvested cash held by the Plan Manager under the Plan and will be added to the contributions for investment in the following month.

(8) All transactions will be subject to, and in accordance with, the applicable rules of the London Stock Exchange and the FSA. In particular, any purchases (or sales) of Shares in the Fund may be aggregated with any transactions for other investors. All reasonable steps will be taken to ensure that any purchase (or sale) of Shares for you that is aggregated with other transactions is effected on the best terms generally available in the market for transactions of a similar size and nature at the time of execution (having regard to such matters as may be considered reasonable).

Aggregation of transactions may result in your obtaining on some occasions a favourable price, and on others a less favourable price, than if the purchase (or sale) on your behalf had been executed separately.

#### **5. Sale of Shares**

Shares held through the Plan can be sold by sending your instructions in writing by post, facsimile or email or telephoning the Plan Manager. Sales of shares will be aggregated and carried out by the Plan Manager on the day following their receipt of the instructions. In the event that the Plan Manager is unable to sell the shares required to be sold by the relevant date the Plan Manager will effect the sale as soon as is practicable thereafter. Cheques for the net proceeds will be sent out as soon as practicable after the due Stock Exchange settlement date.

For part disposals, the minimum proceeds arising from the sale should be £250. There is no minimum requirement where the entire shareholding of an Investor is being sold. The net proceeds due to each Investor will be his/her proportionate share of the total proceeds of the sale of shares in the Fund less the transaction charges set out in Section 10 below. While this sale service is presently available to Investors, it is not a part of the Plan. While the facility to sell shares acquired under the Plan through the Plan

Manager will be available, Investors are of course free to use their own broker or other agent for the sale of shares held under the Plan. If they do so, it is important in order to avoid delay in receiving payment for such sales that Investors advise their broker or other agent promptly that the shares to be sold are held by and registered in the name of the Plan Manager's nominee company under the Plan.

Any Investor or his/her executors or personal representatives so selling or otherwise transferring any shares held by the Plan Manager's nominee company under the Plan will require to give formal notification of such sale or transfer to the Plan Manager in the form prescribed from time to time. Copies of such forms are obtainable from the Plan Manager. The Plan Manager will then arrange for the appropriate stock transfer form in favour of such person or persons as may have been specified in the notification notice or, if no such person or persons shall have been specified, a transfer out notice (or an equivalent settlement transfer under any other Stock Exchange settlement system) to be prepared and executed by the Plan Manager's nominee company holding the relevant shares and sent to such person within the United Kingdom as the selling Investor or his/her executors or personal representatives has or have indicated on the prescribed form. Any stamp or other duties or taxes payable on the transfer of shares will be payable by the Investor or the transferee.

## **6. Leaving the Plan**

Any Investor can leave the Plan at any time by giving written notice to the Plan Manager. If notice is received by the twentieth day of the month, any regular savings contributions made that month and/or dividends received that month for reinvestment, plus any uninvested balance, will be returned to him/her. If notice is received later than the twentieth day, any such contributions received that month will be deemed available for investment, invested in the Plan and the Plan closed during the following month. Participation will terminate on receipt by the Plan Manager of notice of death or insolvency of an Investor, except that in the case of joint Investors, The Plan Manager shall be entitled to treat the surviving or remaining joint investor(s) as solely entitled to continue participation in the Plan notwithstanding the death or insolvency of anyone of the joint investors. The Plan Manager may require an Investor to leave the Plan by notice in writing:

- (a) when a payment which ought to have been made by or on behalf of an Investor (including any sums due under a reinvestment option) has not been made on the due date; or
- (b) when an Investor has otherwise breached any of the Terms & Conditions or provisions of the Plan; or
- (c) if any of the information given by or on behalf of the Investor on applying to join the Plan proves to be incorrect; or
- (d) when an Investor disposes of all his/her shares acquired under the Plan.

Upon a participant leaving the Plan, any documents of title held on his/her behalf will be returned.

The Plan Manager will arrange as soon as practicable after termination for a valid stock transfer in favour of the Investor of the shares owned by him/her under the Plan or, subject to satisfactory evidence of title being produced, in favour of his/her executors or personal representatives, to be presented for registration to the Registrar for the time being of the Fund and will use its reasonable endeavours to ensure that such transfer is duly registered. Each Investor irrevocably authorises the Plan Manager (and its agents) to arrange for the execution, presentment and effecting of such transfer into his/her name or that of his/her executors or personal representatives. The Investor or his/her estate as appropriate will be responsible for any stamp duty on such transfer. Subject to the deduction of such stamp duty and the charges referred to in Section 10, any uninvested cash balance will be returned to the Investor or his/her executors or personal representatives as appropriate.

## **7. Holding of Shares**

No certificates will be issued to Investors in respect of any Ordinary Shares acquired under the Plan. All shares acquired will be registered in the name of JIM Nominees Limited or any other nominee company of the Plan Manager, which will hold the shares on behalf of Investors.

The nominee company will retain the shares held by it under the Plan in safe custody: Shares will thereafter be transferred into the name of an Investor in the Plan only:

- (a) on termination of the Plan or on that Investor ceasing to participate in the Plan; or
- (b) with the consent of the Plan Manager which will be given only in exceptional circumstances.

Subject to the Financial Services and Markets Act 2000 (as amended) and the FSA rules, The Plan Manager will not be responsible for any loss which you may suffer through depreciation in the value of your Plan investments, or as a direct or indirect result of changes in market conditions, or any error of fact or judgement, or any action taken or omitted to be taken, by us or any third party (including the Plan Nominee), however arising unless such loss involves fraud, negligence or willful default committed, or breach of the Financial Services and Markets Act 2000 or any regulations made under it, by the Plan Manager or any of our officers, employees or agents.

As required by FSA Rules, a statement of your rights to compensation in the event of our inability to meet any of your liabilities to you is available on request.

## 8. Notices

As soon as an Investor joins the Plan and sends in his/her first Application Form, a letter of acknowledgement will be sent to his/her registered address and he/she will be allocated an account number. Every six months, he/she will be sent a Statement of Account giving the number of shares acquired and details of their cost. This should be retained indefinitely for Capital Gains Tax purposes. Each Statement of Account also shows the total number of shares which the Investor holds in the Plan and the cash balance carried forward.

An advice note will be issued following each lump sum investment.

Investors also have the right upon request to inspect copies of entries in the records maintained on behalf of the Plan Manager relating to transactions carried out on their behalf and to inspect Contract Notes and vouchers relating to such transactions.

Following the sale of shares on the instructions of an Investor, a statement will be sent to the Investor showing the number of shares sold and the net proceeds of sale.

Additional copies of documentation may be obtained from the Plan Manager at the Investor's request subject to the payment of a fee of £2.50 (plus VAT) for each copy requested.

For the purpose of these Terms & 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 Plan Manager (or in the case of joint Investors, the address of the first named Investor). If the Investor (or joint Investors if more than one) notifies the Plan Manager 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 & Conditions.

A notice shall be deemed to have been duly given if properly addressed and posted in a prepaid envelope to the Investor forty-eight hours after the same has been posted.

All communication to the Plan Manager in relation to the Plan must be addressed to: Advance Frontier Markets Investment Plan, Jarvis Investment Management plc of Tudor House, 78 Mount Ephraim Tunbridge Wells, Kent TN4 8BG. The Plan Manager may, by notice in writing to all Investors, alter the address to which such communications are to be sent.

## 9. Rights and Benefits as an Investor

### (A) Dividends

Dividends issued for the Fund will be automatically reinvested.

### (B) Scrip or capitalisation issues

If the Fund makes a scrip or capitalisation issue of shares, the Investor's account will be credited with the shares allotted for his/her account and this allotment will be reported to him/her on a special advice note.

### (C) Rights issues etc

If the Fund makes an offer of shares or other securities on a rights or other basis to its shareholders, the Plan Manager will make arrangements, if possible, for such offer to be passed on to the Investor, so he/she will have the opportunity to instruct the Plan Manager to arrange to take it up on his/her behalf. If he/she does not take up the offer by the time specified by the Plan Manager, the Plan Manager will, if possible, sell the rights or allocation in nil-paid form and credit the proceeds (if any) to his/her account.

### (D) Annual and other shareholders' meetings

Each Investor will be sent notices of meetings, as if his/her shares were registered in his/her own name, and forms, directing the Plan Manager how to vote on a poll on his/her behalf on any resolution and indicating whether he/she wishes to attend the meetings. The forms can then be returned for the Plan Manager to vote as instructed.

### (E) Other Matters

Each Investor will, so far as is reasonably practicable, be notified by the Plan Manager of any proposals for takeovers or reorganisations for his/her attention and be given the opportunity to direct the Plan Manager as to how he/she wishes rights to be dealt with or votes cast in a poll.

## 10. Costs and Transaction Charges

The following costs and transaction charges will be borne by each Investor:

(a) an annual management charge of 1% (plus VAT)

(b) a charge of £9.50 (plus VAT) for each lump sum investment (reduced to £5.00 (plus VAT) for the first three months of the operation of the scheme);

(c) broking commission of up to 0.5% on purchases and sales of shares in the market

(d) a charge of £2.50 (plus VAT) for duplicate periodic statement;

(e) a charge of £2.50 (plus VAT) for duplicate consolidated tax statement

In the case of investors who have not received the documentation following a particular mailing and who request a duplicate copy within thirty (30) days of the mailing, the above charges will not be levied.

The transaction charges may be varied from time to time. In the event that it becomes necessary to amend the transaction charges, Investors will be given notification by the Plan Manager of the revised charges.

Investor's whose cheques are dishonoured or whose direct debit payments are refused by their bank will be charged £25 to cover additional costs incurred by the Plan Manager in this event.

All remaining costs will be financed by the Plan Manager who will also bear the staff and office costs incurred in administering the Plan.

### **11. Taxation**

No further tax arises in respect of dividends for basic or lower rate taxpayers. However, reinvestment of income does not relieve higher rate taxpayers of their own tax liability in respect of that income which must be included in their tax returns. Each Investor will receive from the Plan Manager a Consolidated Tax Statement showing details of each payment paid into the Plan or dividend paid in respect of Fund shares held through the Plan and the appropriate tax credit or deduction.

The cost of shares acquired, as shown on the Statements of Accounts issued by the Plan Manager, forms the base cost or, where an acquisition is an addition to an existing holding, the increase in the base cost for Capital Gains Tax purposes. Investors in any doubt about their tax position should consult a professional adviser. The foregoing is based on the Plan Manager's understanding of current law and practice and is subject to any change in them.

### **12. Risk and Responsibility**

The Plan Manager cannot give advice on whether Investment Companies or participation in the Plan are suitable for potential Investors, and cannot be held liable for any loss that may be suffered by participants in the Plan except as a result of wilful default, fraud or negligence of the Plan Manager. In particular, they cannot 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 Fund and its directors will not be liable for any loss that may be suffered by any Investor or for any misconduct or irregularity on the part of the Plan Manager in carrying out their responsibilities under the Plan.

As with all Stock Exchange investments, the past is not necessarily a guide to the future and the market price of the shares of the Fund fluctuates according to supply and demand, market conditions, general sentiment and other factors. Their price and the income from them may go down as well as up and Investors may not get back the full amount invested. Investors should consult a professional adviser if they require assistance or advice.

### **13. Termination and Alteration to the Plan**

The Plan Manager may terminate the Plan by giving at least two months' notice in writing to all Investors. At the end of the period of notice, no further action will be taken by the Plan Manager on the authority of Investors' Direct Debit instructions, the Plan Manager will arrange for all accounts to be closed, share certificates to be issued and sent to Investors for all shares held on their behalf and all cash balances returned to Investors.

The Plan Manager reserves the right to amend, modify or suspend the Plan at any time. An investor shall receive prior notice in writing of any material amendment, material modification or suspension of the Plan. The Plan Manager shall in its sole opinion determine what is material. The Plan Manager may also amend the Plan in order to comply with any change in statutory or other regulatory requirements or, if the Board of the Fund agrees, appoint another company to act as Manager in its place. A material modification will not apply to an Investor if he/she has notified the Plan Manager in writing within fourteen days thereafter that he/she dissents from the material modification. In the case of an Investor who dissents from a material modification, The Plan Manager will return all the uninvested cash balances of any such Investor and arrange for his/her shares held under the Plan to be transferred to him/her. When a material modification of the Plan is to be made, no investment will be made during such fourteen-day period which affects the Investor's participation in the Plan.

### **14. Miscellaneous**

Participation in the Plan is not open to persons who are nationals of, or resident in, countries where such participation would require compliance by the Plan with local laws or where prohibited by exchange controls or other regulations. It is the responsibility of any persons wishing to make applications for shares in the Plan to inform themselves of, and to observe, all applicable terms and regulations of any relevant jurisdictions. Prospective Investors should make themselves aware of the legal requirements with respect to such application and of any applicable taxes in the countries of their respective citizenship, residence or domicile.

The Plan is not registered in the United States of America under the Investment Company Act of 1940. The shares of the Fund have not been registered in the United States of America under the Securities Act of 1933. The Shares made available under the Plan may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals or residents thereof. Applicants for Shares in the Plan may be required to declare that they are not U.S. persons and are not applying for shares on behalf of a U.S. person.

The Plan Manager reserves the right to reject any application to participate in the Plan without giving any reason, including, an application in respect of a person who is already an Investor under one or more of the Plan's methods of acquisition of shares.

All payments to an Investor to be made in terms of these Terms & Conditions will be made by cheque. All such payments and any certificates, 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. However, cheques drawn on a Building Society account must show the Investor's name.

You should be aware that under U.K. legislation to prevent money laundering we need to ask you to provide proof of your identity and proof of address before we can accept your investment or send you cash from your plan. The Plan Manager will not be liable for any price movements which occur whilst verification is being undertaken. Investors can obtain further copies of all Forms mentioned from the Plan Manager.

None of the terms of this agreement shall be enforceable by virtue of Section 1 of the Contracts (Rights of Third Parties) Act 1999 by anyone other than those signing the application form.

Issued by Jarvis Investment Management plc, of Tudor House, 78 Mount Ephraim Tunbridge Wells, Kent TN4 8BG

Telephone. 0870 224 1111

Authorised and regulated by the Financial Services Authority.

The purpose of this brochure and any other literature concerning the Plan is to give information about the Plan. This brochure does not constitute an offer to purchase or subscribe for any shares in the Fund. It is issued by the Plan Manager alone and not as an agent for the Fund. It should also not be construed as investment advice. The Plan Manager and the Fund cannot give advice on whether to participate in the Plan. Potential Investors should consult their independent professional advisers if they need assistance or advice concerning the Plan. Investors have sole responsibility for any shares acquired under the Plan which will be acquired entirely at the Investor's own risk as execution-only clients of the Plan Manager.

The Plan is provided on a direct offer, no advice basis and has no tax advantages.

The price of shares in the Fund and the income from them may go down as well as up, and Investors may not get back the full amount invested. Foreign currency fluctuations may also affect the value of investments. Tax levels or reliefs are those currently applicable and may change in the future. The value of tax reliefs will depend on the personal circumstances of the individual Investor.

Enquires about the administration of the Plan to Jarvis Investment Management plc, of Tudor House, 78 Mount Ephraim Tunbridge Wells, Kent TN4 8BG. Telephone. 0870 224 1111

Calls may be monitored or recorded.

### **15. Rights of Third Parties**

This Agreement is enforceable by the original parties to it and by their successors in title and permitted assignees. Any rights to any person to enforce the terms of this Agreement pursuant to the Contracts (Right of Third Parties) Act 1999 are excluded. The parties hereto may resume, vary or add to the terms hereof without the consent of any third party.