

Stocks & Shares ISA - Terms and Conditions

Teachers Assurance is our brand name and covers Sovereign as well. The unit trust funds we provide are called the Teachers Cautious Investment Fund, Teachers Balanced Investment Fund, Teachers Adventurous Investment Fund and the Sovereign Ethical Fund. The manager of these funds is Sovereign Unit Trust Managers Limited.

1) Definitions

- i. "Investor" means the individual who is named in the application form as the applicant.
- ii. "ISA" means the Investor's Individual Savings Account.
- iii. "Tax Year" means the Tax Year in which the Investor subscribes to an ISA, beginning on 6 April in any one year and ending on 5 April in the following year.
- iv. "ISA Manager" means Sovereign Unit Trust Managers Limited which is authorised and regulated by the Financial Services Authority.
- v. "Regulations" means The Individual Savings Account Regulations 1998 (Statutory Instrument 1998 Number 1870) as from time to time amended and in force.

2) Investment

- i. Investment in the ISA may be by cash subscription or by the cash proceeds resulting from a transfer of existing unit trust holdings.
- ii. The Investor must complete and return a direct debit instruction to the ISA Manager for contributions made by regular monthly payments.
- iii. The total of contributions to be invested in any Tax Year will not be more than the maximum permitted to be invested in stocks and shares by the Regulations for that Tax Year.
- iv. The Investor may invest in any of the authorised unit trust schemes operated by Sovereign Unit Trust Managers Limited as shown on the application form.
- v. All payments made by the Investor under the ISA will be invested by the ISA Manager in units of the selected unit trust schemes shown on the application form, or in such other unit trust schemes shown on the application form as the Investor may from time to time notify the ISA Manager in writing.
- vi. The ISA Manager reserves the right to reject an application and, in particular, may do so if it is not tendered using the latest application form or if the information is incomplete.

3) Investment into Units

Units will be purchased by the ISA Manager at the price ruling at the valuation immediately following receipt of the monies and a valid application at the ISA Manager's Customer Service Department. For regular monthly contributions, units will be purchased at the price ruling at the valuation point on the direct debit payment date or next working day.

4) Accounts and Statements

The ISA Manager will arrange for the Investor to receive the Final and Interim Report and Accounts of the unit trusts in which the ISA holds units. During March and September in each year the ISA Manager will send to the Investor a statement containing the following information as at the close of business on the preceding 28/29 February or 31 August as the case may be:-

- i. the number of units held in the ISA
- ii. the market value of those units
- iii. a list of all transactions carried out in the period including all contributions made by the Investor
- iv. receipt of any income and tax refunds where reinvested in additional units
- v. the number of units purchased, the relative price and total cost
- vi. the number of units sold, the relative price and the proceeds of sale
- vii. any cash payments made on the termination of the ISA.

5) The Investor's Rights

The ISA Manager will make arrangements for the Investor (i) to receive documentation relating to meetings of unit holders in the unit trust(s) the units of which are held within the ISA, and (ii) to attend and vote at such meetings.

6) Income Distribution

All income distributions net of tax arising from the investment will automatically be reinvested in further units unless, in the case of the Cautious Investment Fund or the Balanced Investment Fund, the Investor has elected to receive these as cash payments. These further units will be purchased at the price at the valuation point on the distribution reinvestment date.

7) Reclaimed Tax

The ISA Manager shall have the authority on behalf of the Investor to apply to HM Revenue and Customs to reclaim tax on distributions or other income of the ISA and to make all other (if any) claims for the repayment of, or credit against, tax in respect of the ISA. Unless being paid direct to the Investor through the Income Option, reclaimed tax will be reinvested in further units at the price ruling at the valuation immediately following receipt by the ISA Manager of the amount reclaimed from HM Revenue and Customs.

8) Notice of ISA Charges

The Investor will pay those charges associated with the unit trust(s) held in the ISA. There will be no other charges on the Investor's initial investment or for the ongoing management of the ISA,. The ISA Manager will not impose any charge without notice to the Investor and, in any event, will not apply any charges for the Tax Year in which the notice is given.

9) Void Contracts

The ISA Manager will notify the Investor in writing if by reason of any failure to satisfy the provisions of the Regulations, the ISA has or will become void for the purposes of the Regulations.

10) Termination and Withdrawal

Upon giving written notice to the ISA Manager, the Investor may make a withdrawal from or terminate the ISA and the ISA Manager will make such transfers and payments as the Investor directs.

On the death of the Investor the ISA will lose its ISA status. This means the tax benefits of the ISA will cease. The Investment will continue as a Unit Trust holding until we receive the required evidence of death and instructions from the personal representative of the deceased.

On termination or withdrawal units will be realised by the ISA Manager at the price ruling at the valuation immediately following instruction by the Investor.

When giving instructions for a withdrawal the Investor may stipulate a time within which such withdrawal should take place. The period the Investor specifies must be no less than four days.

The ISA Manager will be entitled to terminate the ISA at any time if the value of units in the ISA is less than £500 unless it is subject to a continuous saving scheme.

11) Transfer to another Individual Savings Account

The Investor will have the right at any time, by notice in writing to the ISA Manager, to transfer the ISA to another Individual Savings Account Manager. The ISA Manager charges a transfer administration fee of £30 which may be increased only upon three months' written notice to the Investor.

When giving instructions for a transfer the Investor may stipulate a time within which such withdrawal should take place. The period the Investor specifies must be no less than four days.

12) Beneficial Ownership

All units and cash held within the ISA will be, and must remain, beneficially owned by the Investor and not used as security for a loan.

13) Custody

All units held within the ISA will be held in the joint names of the ISA Manager or its nominee and the Investor. All documents containing evidence of title to the investment will be held by the ISA Manager or as directed by the ISA Manager. No unit certificates will be issued.

14) The Investor's Eligibility

The Investor shall immediately notify the ISA Manager at any time the Investor ceases to qualify as an Investor under the Regulations. No further ISA contributions will be accepted if the Investor ceases to be entitled under the Regulations to invest in an Individual Savings Account.

15) The ISA Manager's Liability

No warranty is given by the ISA Manager as to the performance or profitability of the ISA.

The Investor must be aware that the price of units in a unit trust and the income arising from them can go down as well as up.

16) The Investor's Cancellation Rights

The Investor in an ISA has the right to cancel the Stocks & Shares ISA within 30 days from receipt of the cancellation notice. This right is conferred by the Financial Services and Markets Act 2000. In the event of such cancellation, an Investor making regular monthly contributions will receive back in full any monthly contribution already paid. An Investor making a lump sum payment will receive back, at the date of the ISA Manager's receipt of the Cancellation Form, the amount invested less the amount (if any) by which the value of the ISA has fallen. This means that if the value of the underlying investments has fallen the Investor will get back less than they invested.

17) The ISA Manager's Rights

The ISA Manager shall be entitled in its absolute discretion to terminate the ISA if it considers it impracticable to continue the ISA having regard to the Regulations, or if the Investor is in breach of any provisions listed here in these Terms and Conditions. The ISA Manager shall not be liable for any loss, liability claim or damages suffered by the Investor as a result of the exercise by the ISA Manager of such discretion.

The ISA Manager has the right to amend any of the Terms and Conditions contained herein upon giving written notice to the Investor provided that such variation or amendment does not result in the ISA ceasing to qualify under the Regulations.

18) Assignment

The ISA cannot be assigned, ie transferred to another person.

Please Note

- i. The ISA will automatically continue each year for regular monthly savings unless the Investor cancels the direct debit instructions and informs the ISA Manager accordingly.
- ii. All notices and instructions to be given by the Investor to the ISA Manager should be in writing and sent to Teachers Assurance, Tringham House, Deansleigh Road, Bournemouth BH7 7DT.
- iii. Any contract between the ISA Manager and the Investor shall be construed according to the law of England and the Investor and ISA Manager submit to the exclusive jurisdiction of the English Courts.
- iv. The Terms and Conditions should be read in conjunction with the Simplified Prospectus of which they form part. The information contained in the brochure and these Terms and Conditions is based upon our understanding of current law and HM Revenue and Customs practice which may be subject to change.