



Investment Management Agreement

Discretionary management
terms for charities

abrden.com

Contents



1. Definitions	4	Appendix 1	20
2. How we treat personal information	6	Custody	20
3. Regulation	6	Appendix 2	25
4. Client categorisation	7	Nature and risks of designated investments	25
5. Anti-money laundering and tax obligations	7	Appendix 3	32
6. Effective date	8	Order execution policy	32
7. Fees and charges (and how we may vary these)	8	Appendix 4	37
8. Adviser charges	8	Summary of conflicts of interest policies of abrln CL and Platform Securities	37
9. Communications	9	Appendix 5	38
10. Your charity's responsibilities	12	Complaints and compensation	38
11. Investment discretion	12		
12. Our role as your charity's agent	14		
13. Our right to delegate	14		
14. Custody	15		
15. Dealing and execution policy	15		
16. Custodian's right of retention and set-off	15		
17. Shareholder actions	16		
18. Borrowing	16		
19. Our right to retain or sell your charity's assets	16		
20. Taxation and legal advice	16		
21. Conflicts of interest and disclosures	16		
22. Changing or replacing the agreement	17		
23. Termination of the agreement	17		
24. Risks and limits of liability	18		
25. Unforeseen events	19		
26. Transferring your charity's rights and obligations	19		
27. Transferring our rights and obligations	19		
28. Indulgence	19		
29. Severability	19		
30. Governing law	19		

Investment Management Agreement

Discretionary management terms for charities

Important Information

Our agreement with your charity

These **discretionary management terms** set out how **we** will provide **our services** to **our charity** clients.

These **discretionary management terms** form part of the investment management **agreement**, which is made up of:

- (1) these **discretionary management terms**; and
- (2) the application form completed on behalf of **your charity** (which includes **our tariff of charges**, and **your charity's investment objectives** and **restrictions** schedule).

Important information regarding the performance of your charity's portfolio:

We will manage the **portfolio** on a discretionary basis, as agreed with the **charity** and as set out in the **agreement**. **We** do not warrant the performance or profitability of the **portfolio** or any part of it or that any **investment objectives** will be successfully achieved. If **you** have any queries regarding the performance of the **portfolio**, please speak to **your charity's** client portfolio manager.

Bold terms in the document are words which have a particular meaning (defined words) when **we** use them in these **discretionary management terms** and in the documentation **you** receive from **us** regarding **your charity's** account. The meaning of these terms can be found in the Definitions section which begins at page 2.

When **we** refer to "**you**" **we** mean the person(s) whom **our charity** client has instructed **us** to communicate with on **its** behalf, and **we** will treat any communications received from **you** as made by and on behalf of the **charity**. **Your charity** is **our** client and is fully responsible for the information and instructions that **you** provide to **us** on **its** behalf.

How we charge for our services

The fees and charges that **your charity** will have to pay when **it** instructs **us** to manage the **portfolio** are set out in the **tariff of charges** which is set out in the application form signed on behalf of **your charity** when the **portfolio** is opened. **We** may vary these fees and charges from time to time and if **we** do so, **we** will give **you** not less than thirty **business days'** notice as set out in section 7 (Fees and charges (and how **we** may vary these)). If **you** ask **us** to

provide a **service** that will incur an unexpected fee that **we** have not listed in **our tariff of charges**, **we** will give **you** at least fourteen **business days'** notice before **we** charge the fee. **We** will provide **you** with a further copy of the **tariff of charges** on request.

Our legal agreement with your charity

The **agreement** governs the relationship that **we**, abrdn Capital Limited, a company authorised and regulated by the **FCA** (part of the **abrdn** group) has with **your charity**. It forms the basis of **our** contractual relationship with the **charity**.

By returning the application form to **us** signed on **its** behalf, the **charity** is accepting the **agreement**. Please take time to read the **agreement** carefully as it will form a legally binding **agreement** between the **charity** and **us** once the **charity's** application has been received and accepted by **us**.

Once **we** have accepted the **charity's** application **we** will also be bound by the **agreement**. **We** may refuse to accept any application at **our** discretion.

You and the **charity** agree to comply with the **agreement** at all times.

1. Definitions

(a) Unless the context requires otherwise, the following terms shall bear the following meanings:

abrdn group means abrdn plc and each of its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time, details of which can be found at <http://www.abrdn.com/discretionary/legal-notice>;

agreement means the agreement, consisting of the **discretionary management terms for charities**, and the application form that is signed on behalf of a **charity** (which includes the **tariff of charges**, and the **investment objectives and restrictions**);

appendix means the relevant **appendix** or appendices to the **agreement** which shall form part of and be construed in accordance with the **agreement**;

applicable trusts legislation means the Trustee Act 2000 (for trustees of **charities** registered in England and Wales), the Trusts (Scotland) Act 1921 (for trustees of **charities** registered in Scotland) and the Trustee Act (Northern Ireland) 2001 (for trustees of **charities** registered in Northern Ireland);

asset(s) means the different types of investments that **we** manage for **your charity**, and any money, held in the **portfolio**, but does not include any **non-managed assets**;

authorised person(s) means the individual(s) from time to time who are authorised by **your charity** to give instructions to **us** on **its** behalf for the purposes of the **agreement** in accordance with **our** verification process;

business day means 9am–5pm Monday to Friday (London time) on any day on which banks are generally open for business in London and Edinburgh;

charity means a body which is either a "Scottish **charity**" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "**charity**" within the meaning of section 1 of the Charities Act 2011 or section 1 of the Charities Act (Northern Ireland) 2008, providing (in any case) that **its** objects are limited to charitable purposes, and "charitable purpose" means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005, section 2 of the Charities Act 2011 or section 2 of the Charities Act (Northern Ireland) 2008 (as applicable), which is also regarded as a charitable purpose in relation to the application of

the Taxes Acts, to whom **we** are providing **services** and whom **we** have identified in the **agreement** as **our** client, and the **charity's** successors in title where permitted by the **charity's** constitutional documents (and references to **it, its** and **itself** have the same meaning);

collective investment schemes means arrangements for assets to be held and managed on a pooled basis on behalf of any number of investors, for example a unit trust or an open-ended investment company;

conflicts of interest policy means **our** policy dealing with identification and management of conflicts of interest in accordance with the **FCA Rules**;

contingent liability investment means a **derivatives** transaction where a client may be liable to make further payments;

contract for differences means a contract relating to fluctuations in an index, price or other criterion;

contract note means a written confirmation of the purchase or sale of an investment;

custodian agreement has the meaning set out in **appendix 1**;

derivatives means investment contracts that derive their value from underlying assets (see **appendix 2** for further information);

discretionary management terms means these terms as published and amended by **us** from time to time;

effective date means the date on which the **agreement** takes effect as set out in section 6;

FCA means the Financial Conduct Authority, the organisation which regulates the financial **services** industry in the United Kingdom, or any successor organisation;

FCA Rules means the rules made by the **FCA** under the **FSMA**;

FSMA means the Financial **Services** and Markets Act 2000;

futures means rights under a contract for the sale of a commodity or any other property under which delivery is to be made at a future date at a price agreed upon when the contract is made;

in-house funds means **collective investment schemes** or investment trusts of which **we** or another **abrdn group** company is/are the manager;

investment objectives means **your charity's investment objectives** as agreed with **us** from time to time;

limit order means an order to buy or sell an investment at a specified price (the limit) or better and for a specified size. A **limit order** is valid for a maximum of ninety calendar days;

multilateral trading facility means, as defined in the **FCA Rules**, a multilateral system operated by an investment firm or a market operator which brings together multiple buying and selling interests in financial instruments in a way that results in a contract;

non-managed assets means those investments which are held within the **portfolio** but which are not actively managed by **us**;

option means an **option** to acquire or dispose of investments, currencies or commodities;

order execution policy means a policy relating to the execution of orders and decisions to deal on behalf of clients, as required by the **FCA Rules**;

Panel on Takeovers and Mergers means the watchdog which oversees the conduct of takeovers which involve companies listed on the London Stock Exchange;

party means **the charity** or **us** (as the context requires) (and references to **parties** shall mean **the charity** and **us**);

Platform Securities means **Platform Securities LLP**, a limited liability partnership incorporated in England and Wales (with registered number OC301316) and having its registered office at Level 39, 25 Canada Square, London, E14 5LQ and which is authorised and regulated by the **FCA** and entered on the Financial **Services Register** (number 214206);

portfolio means a **portfolio** of **assets** held within a general investment account entrusted to **our** discretionary management by **the charity** from time to time and also any **non-managed assets** (and reference to the **portfolio** includes any part of the **portfolio**);

PTM Levies means any levies imposed by the **Panel on Takeovers and Mergers**;

quarterly calculation has the meaning set out in section 7(f);

regulated market is defined in the **FCA Rules** and in summary, is a multilateral system which brings

together or facilitates the bringing together of multiple buying and selling interests in financial instruments admitted to or trading under its rules and/or systems and which is authorised and functions regularly in accordance with applicable regulations;

restrictions means the investment **restrictions** as agreed between the **charity** and **us** from time to time;

services means the discretionary investment **services** which **we** provide to **our** clients in accordance with the **agreement**;

tariff of charges means the tariff or tariffs of fees and charges as they apply to the **charity** and relating to the provision of the **services**; set out in the application form signed on behalf of the **charity**, and amended by **us** from time to time;

unforeseen event means an event that is outside **our** reasonable control and could not be predicted or if predicted its consequences are too drastic to plan for in a contract. In the **agreement** it means any:

- (a) act of God, fire, earthquake, storm or flood;
- (b) explosion, nuclear accident or collision;
- (c) sabotage, riot, civil disturbance, insurrection, epidemic, national emergency (whether in fact or law) or act of war (whether declared or not) or terrorism;
- (d) requirement or restriction of or failure to act by any government, semi-governmental or judicial entity;
- (e) unavoidable accident;
- (f) loss of supply of essential **services** including but not limited to electrical power, telecommunications and essential third **party services**;
- (g) any 'denial of service' or other targeted network attack; and
- (h) any other cause beyond **our** reasonable control, as a consequence of which **we** can no longer provide the **services** for a given period.

we means abrdn Capital Limited, a company incorporated in Scotland and having its registered office at 1 George Street, Edinburgh EH2 2LL (and references to **us**, **our** and **ourselves** have the same meaning). **We** are authorised and regulated by the **FCA** and are entered on the Financial **Services Register** (number 466684). **Our** main business is to provide discretionary investment management **services**. References to **we**, **us** and **our** include **our** successors and assignees; and

you means the person(s) with whom **our charity** client has instructed **us** to communicate on **its** behalf (and references to **your** and **yourselves** have the same meaning).

- (b) If there is any inconsistency between any provisions in any other documentation and any provisions of the **agreement**, the terms of the **agreement** will prevail unless **we** have agreed otherwise with the **charity** (for example by way of a side letter or supplementary agreement). In these circumstances the alternative terms that **we** have agreed will take precedence and apply.
- (c) If there is any inconsistency between any **appendix** to the **agreement** and the **discretionary management terms**, the latter will prevail.
- (d) Section headings are purely for ease of reference and do not form part of or affect the interpretation of the **agreement**.
- (e) Any reference to a "person" is a reference to any natural or legal person, partnership, joint venture, trust, unincorporated association or governmental agency or department or any two or more of the same.
- (f) Any reference to any statute, statutory provision or **FCA Rule** is (unless **we** specify otherwise) a reference to that statute, statutory provision or **FCA Rule** (and all instruments, orders or regulations made under that statute, statutory provision or **FCA Rule**) as in force as at the **effective date** and as subsequently amended, re-enacted or consolidated and applicable at the relevant time.

2. How we treat personal information

- (a) When **we** open **your charity's** account, **you** give **us** personal information, relating to persons authorised to act on **your charity's** behalf and in relation to anyone beneficially entitled to the **assets** and **non-managed assets** in **your charity's portfolio**. **We** will use this information and the information that **we** hold about **your charity's assets** and **non-managed assets** and the way **your charity** operates **its** account in order to provide **our services** and manage **our** business.
 - (b) Except as provided for under section 2(d) below, **we** will keep any personal information that **we** hold confidential.
 - (c) If **you** choose to provide **us** with sensitive information relating to, for example, medical conditions, religious beliefs or political opinions (which is classified as "sensitive data") **we** may use it to allow **us** to perform the **services**. **We** will require the individual's explicit consent for this, and **you** should not provide **us** sensitive data unless **you** have obtained the individual's explicit consent.
- (d) **You** agree that **we** may disclose the personal information (including any sensitive data) that **you** share with **us** to: **your** professional advisers, other members of the **abrdrn group** or, if necessary, to **our** or their sub-contractors or third **party** service providers (including **Platform Securities**) for the purposes of this section. **We** may also share **your** information with **our** regulators and HM Revenue & Customs, where necessary and lawful to do so.
 - (e) Under the Markets in Financial Instruments Directive **we** are required to record certain telephone conversations or electronic communications (including mails, faxes, emails or documentation of client orders made at meetings) when **we** receive and transmit orders; execute orders on behalf of **clients**; and deal on **our** own account. **We** may deliver copies or transcripts of such recordings to any court or competent regulatory authority and a copy of these communications must be made available on request for a period of five years (or seven years if requested by the competent regulatory authority) from when the communication was recorded.
 - (f) The majority of **your** information is processed in the UK or European Economic Area (EEA). However, some of **your** information may be processed by **us** or the third parties **we** work with in countries outside of the UK or the EEA, including countries such as the United States. Where **your** information is being processed outside of the UK or the EEA, **we** take additional steps to ensure that your information is protected to at least an equivalent level as would be applied by UK or EEA Data Protection Laws e.g. **we** will put in place legal agreements with third parties and **abrdrn** affiliates with ongoing oversight to ensure they meet these obligations.
 - (g) Formation on how **we** treat personal information and what **your** rights are, please read **our** Privacy Policy at www.abrdrn.com/discretionary/privacy page or write to the Data Protection Office, **abrdrn** plc., 1 George Street, Edinburgh, EH2 2LL. If **you** do not have access to the internet and would like more information on how **we** handle **your** data, please contact **your** Client **Portfolio** Manager.

3. Regulation

- (a) **We** are authorised and regulated by the **FCA** in the conduct of **our** business (Financial **Services** Register Number 466684).

- (b) The **FCA** is an independent body that regulates the financial **services** industry in the UK. The **FCA's** address is 25 The North Colonnade, Canary Wharf, London E14 5HS and its website is found at www.the-fca.org.uk.
- (c) **We** will notify **you** immediately if **we** cease to be so regulated. Nothing in the **agreement** shall exclude any liability of **ours** to **your charity** arising under the **FSMA**, or the **FCA Rules**.

4. Client categorisation

- (a) Subject to section 4(b), **we** will categorise **your charity** and treat it as a retail client. The **charity** will benefit from those regulatory protections afforded to that category of client under the **FCA Rules**.
- (b) Although **we** may treat **your charity** as a retail client, if it is deemed to be a professional client for the purposes of the **FCA Rules**, it may not be eligible to use the Financial **Services** Compensation Scheme or the Financial Ombudsman Service unless it meets their separate eligibility criteria.

5. Anti-money laundering and tax obligations

- (a) To comply with anti-money laundering and tax regulations, **we** must verify the identity of **our** clients, of anyone who has control over **our charity** clients and of anyone who has a beneficial interest in the **portfolios** that **we** will manage when an account is opened. This will include the officers, and beneficiaries where required by any applicable law or regulation, of **our charity** clients.
- (b) **We** use a range of checks (for example, online checks with external bodies, such as credit reference agencies, or obtaining documents from **you**) to confirm the name and registered office of **your charity** or identity of **you** or other related persons (as required) or evidence of **your charity's** status as a company, trust or other form of legal entity (as applicable). **We** may from time to time change **our** processes or use other methods, on a case-by-case basis to improve **our** system, to prevent financial crime or where standard information is not available. Where an online check is carried out, the agency will verify **your charity's** identity, or the identity of any related persons as described in 5(a) above, against public records and it will also check whether **your charity, you** or any related persons as described in 5(a) above, have a credit history (but it will not disclose any information about the subject's actual borrowings). The agency will add a note to show that an identity check was made to the subject's

credit file, but this information will not be available to any third parties.

- (c) **We** maintain policies and procedures which **we** follow in order to verify **our** clients based on client type and geographical location. These policies and procedures are compliant with UK and other anti-money laundering regulations. If **we** are unable to verify **your charity's** identity (or the identity of **you** or any other related person) as required under these policies and procedures, **we** may terminate the **agreement** in accordance with section 23(b)(ii) or (iii) (as appropriate).
- (d) **We** will also verify the identity of all **authorised persons** including any attorneys appointed by **your charity** under a power of attorney before **we** accept **your charity's** instructions to communicate with them.
- (e) **We** may also make enquiries when **we** receive an application or at any time whilst **we** manage a **portfolio** in order to satisfy **ourselves** as to the source of any money invested.
- (f) **We** may need to ask for information from time to time in order to re-verify **you** or **your charity's** identity, or the identity of any related persons (as required), in the event of a change in **your charity's** circumstances or a change in applicable law or regulation.
- (g) In relation to **your charity's** regulatory obligations, **we** may, in appropriate cases, make returns and reports about the **charity's** circumstances to various relevant authorities and may need to make certain enquiries and obtain certain information from **you** for that purpose. **You** confirm that all information **you** supply on behalf of **your charity** will be accurate and that **we** may pass on such information as **we** consider necessary to comply with any legal or regulatory obligations to which **we** are subject.
- (h) **We** have certain responsibilities under various anti-money laundering legislation and rules, know your customer requirements and tax regulations, inter-governmental agreements and treaties in and outside the UK to verify the identity of customers and in appropriate cases to make returns and reports about **your charity's** circumstances to various relevant authorities and may need to make certain enquiries and obtain certain information from **you** for that purpose. **You** confirm that all information **you** supply will be accurate and that **we** may pass on such information, as **we** consider necessary to comply with any legal or regulatory obligations to which **we** are subject.

6. Effective date

- (a) The **agreement** will come into force on the date **we** receive a copy of the application form signed on behalf of **your charity**, or on such other date as may be agreed between **us** and **your charity**, and shall continue until terminated by either **party** in accordance with the provisions of section 23.
- (b) By signing the **agreement your charity** appoints **us** as discretionary investment manager of the **assets** and delegates to **us** all of **its** powers and discretions in relation to the management of the **charity's assets** subject to the terms and conditions of the **agreement**.

7. Fees and charges (and how we may vary these)

- (a) **Our** fees and charges are detailed in the **tariff of charges** which is set out in the application form that **you** sign on behalf of **your charity**. **We** will provide **you** with a further copy of the **tariff of charges** on request.
- (b) **We** may review and/or change fees in the future. **We** will notify **you** in writing of any new fees or charges to be applied or any changes to existing fees or charges not less than thirty **business days** before such a change takes place.
- (c) If, on or before 30 December 2012, **your charity** authorised **us** in writing to pay **its** adviser a fee for advice received on or before 30 December 2012, **we** will continue to deduct this fee from the **portfolio** until **your charity** or **your** adviser instructs **us** to stop paying that fee or if **we** are required by applicable regulations to stop paying that fee. If a fee is already being paid as a percentage of **your charity's** investments' value, that percentage cannot be increased. If a fee is already being paid as a set monetary amount, that amount cannot be increased. **We** will stop paying such fees if **your charity** asks **us** to pay an ongoing adviser charge as explained in the adviser charges section of the **tariff of charges**, or if this is necessary to comply with the requirements of the **FCA** or the **FCA Rules**. Any fees or charges will be paid out of **assets** and if applicable, **non-managed assets** held on **your charity's** behalf by **Platform Securities**.
- (d) The **charity** will reimburse **us** for any applicable taxes or stock exchange duties (such as, for example, VAT, stamp duties and **PTM levies**) in respect of the **assets** and **non-managed assets**, and **we** will be entitled to take this from **your charity's portfolio**.
- (e) **We** may also agree with **your charity** from time to time that **it** shall be responsible for payment of the following:

- (i) any other tax liabilities or government charges;
- (ii) brokerage and dealing costs, administration fees, commission, transfer fees, registration fees; and
- (iii) any other costs and expenses that **we**, **Platform Securities**, **our** agents or any nominee or any **abrdn group** company properly incurs in the discharge of **our** obligations under the **agreement** or the administration of **your charity's portfolio**.

- (f) **We** will calculate the fees that **your charity** must pay quarterly in arrears based on the actual value of the **assets** in the **portfolio** as at 31 March, 30 June, 30 September and 31 December each year (the "**quarterly calculation**").
- (g) Fees for the first quarter will be calculated proportionately from the date on which **we** receive **assets** from **your charity**.
- (h) Fees and other charges which are payable by **your charity** under the **agreement** will be deducted from **your charity's assets** and any **non-managed assets** held by **Platform Securities** following the **quarterly calculation**. If **your charity** does not have enough money in **its portfolio**, **we** will instruct **Platform Securities** to sell any securities held by it on **your charity's** behalf to meet these fees and charges.
- (i) In certain circumstances **we** may agree with **you** that **we** will send **your charity** an invoice for fees and other charges due, instead of deducting these from the **portfolio** as described in section 7(h). **Your charity** must pay any invoice that **we** send to **you** within thirty calendar days of the date of the invoice.
- (j) **We** will notify **you** in writing of any new fees or charges that **we** intend to apply or any changes that **we** intend to make to existing fees or charges not less than thirty **business days** before such a change takes place.
- (k) If **we** need to charge an unexpected or one-off fee that is not set out in **our tariff of charges**, **we** will notify **you** of this not less than fourteen **business days** before **we** charge the fee.

8. Adviser charges

- (a) If **your charity** invests in a **portfolio** through an adviser **it** can pay for the **services** of **its** adviser in two ways. Firstly, **your charity** can agree to pay a fee directly to **its** adviser or secondly, **your charity** can ask **us** to facilitate payment of adviser charges as set out in this section and the adviser charges section of the **tariff of charges**.

- (b) An adviser charge must be agreed between **your charity** and **its** adviser. **We** are not responsible for setting the amount of the adviser charge and this is a private matter between **your charity** and **its** adviser. **We** do not get involved in any dispute between **your charity** and **its** adviser. So if there is a dispute as to what **your charity** has actually agreed to pay **its** adviser, **your charity** and **its** adviser must resolve that dispute between themselves.
- (c) **Your charity** agrees that **we** may deduct an adviser charge from the **portfolio** in accordance with instructions **we** receive from the **charity**. Where **your charity's** adviser forwards its instructions to **us**, **we** will always write to **you** directly to confirm that **we** have taken this instruction.
- (d) As soon as **we** move money from **your charity's portfolio** in accordance with **its** instruction to pay charges to the **charity's** adviser, this is no longer **your charity's** money and becomes due and payable by **us** to the adviser.
- (e) **We** do not have to agree to facilitate the payment of adviser charges and **we** may refuse to do so, for any reason.
- (f) If **we** agree to facilitate the payment of adviser charges, **we** will send **you** a confirmation letter showing the adviser charges **your charity's** adviser has instructed **us** to deduct from the **portfolio**. It is very important that **you** notify **us** if **your charity's** contact address has changed before **we** are asked to pay an adviser charge.
- (g) It is also important that **you** check that **your charity's** confirmation letter is correct and if not, that **you** inform **us** immediately.
- (h) If the adviser charges shown in the confirmation letter are not what **your charity** has agreed with **its** adviser **you** should contact the adviser as soon as possible. **You** should note that the confirmation letter may not show all remuneration **your charity** is paying **its** adviser (for example, any fees **your charity** has previously agreed with **its** adviser). In addition, if **your charity** has agreed to pay **its** adviser multiple adviser charges, **you** may receive more than one confirmation letter (for example, if the adviser charges are payable on different dates as money becomes available).
- (i) **You** should contact **your charity's** adviser if **you** have any questions about how **your charity** is paying for their **services**.
- (j) If the adviser charges shown in the confirmation letter are not what **your charity** has agreed with **its** adviser and **you** would like **us** to help **you**, **you** must contact **us** (see section 9(i). How to contact us) within thirty calendar days of the date of the

confirmation letter.

- (k) If **your charity** asks **us** not to pay an adviser charge, **we** will notify **its** adviser of this instruction. **Your charity** may still be liable to pay an adviser charge to **its** adviser if **we** have stopped paying an adviser charge in accordance with **your charity's** instructions.
- (l) It is the sole responsibility of **your charity's** adviser to account for any VAT due (in line with current HMRC requirements) in relation to any adviser charges.

9. Communications

(a) General

- (i) When **you** instruct **us** and communicate with **us**, **you** do so on behalf of **our charity** client and **we** will be entitled to treat any communication that **we** make to **you** as made to **your charity**.
- (ii) **We** will communicate with **you** in a number of ways, either by telephone or video call (which are treated in the same way as face-to-face meetings or telephone calls), post, email, fax or (where appropriate) by another form of secure messaging, as **we** agree with **you** in the circumstances. In some circumstances, **you** must give **us your charity's** signed instructions before **we** can process instructions that **we** receive from **you**.
- (iii) If **we** accept **your** verbal instructions in a meeting, telephone or video call **we** will confirm these to **you** in writing (including via fax, email or secure message) either before or after acting upon the instruction, depending on the scenario.
- (iv) If **you** instruct **us** by email, post, fax or secure message, **we** may contact **you** by telephone in order to verify that **your** instructions are genuine and/or to ask for further information.
- (v) The security of **your charity's portfolio** is very important to **us**. Therefore, when **you** communicate with **us**, or when **we** contact **you** to confirm **your** instructions or discuss **your charity's** account, **we** may ask **you** certain security questions to confirm **your** identity before **we** discuss with **you** the instructions or **your charity's** account.
- (vi) **You** must tell **us** without delay of any change in **your** contact details or the contact details of **your charity** (if different). If **you** do not do so **we** will not be liable to **you** or **your charity** for any losses that **you** or **your charity** suffer because **you** have not received **our** communications.

(b) **Instructions**

- (i) **Your charity** has agreed that **we** will manage **your charity's** account on a discretionary basis. Consequently **we** will not accept investment instructions from **your charity** except as set out in section 11(k)–(m), but may accept general instructions to vary the way in which **we** operate **its portfolio** or any information that **you** have given **us** or to pay in or remove specified amounts of money or other **assets** or **non-managed assets** from **your charity's** account.
- (ii) Unless **we** receive clear instructions from **you** on behalf of **your charity**, **we** will not accept any liability for losses arising from mistakes or misunderstandings of **your** instructions. **We** may rely and act on any instruction or communication which purports to have been given (and which is reasonably accepted by **us** as having been given) by **you** without further enquiry and, in particular, **we** will be entitled to assume that **you** have the authority of **your charity** to give **us** any instructions that **we** receive from **you**.
- (iii) Where instructions from **you** are ambiguous or unclear or where **we** otherwise consider it necessary, **we** will try to contact **you** to clarify or verify those instructions.
- (iv) **We** will refuse **your** instructions if **we** believe that **your** instructions are unclear, may not be possible to carry out (including but not limited to the situation for example where an instruction to withdraw money is received after the custodian's payment cut off time or a liquidation request is received when markets are closed), or might involve any **party** in a breach of any law, rule or regulation. **We** will not be liable to **your charity** for any delay or for any losses **your charity** incurs in these circumstances.
- (v) If **we** refuse an instruction **we** will notify **you** of the reasons for doing so.

(c) **Withdrawing from your charity's portfolio**

- (i) If **your charity** wishes to withdraw or transfer **assets** or **non-managed assets** from the **portfolio we** will only do so where:
 - (A) it is possible to transfer or sell **your charity's portfolio** investments in accordance with **your charity's** instructions; and
 - (B) all outstanding liabilities on **your charity's** account have been settled and the custodian has received the cleared proceeds of any pending sale of **your charity's** investments.

- (ii) **We** will only pay withdrawals directly to **your charity**. In certain circumstances **we** may, at **our** sole discretion, agree to pay out to a third **party** should **your charity** request this.
- (iii) Further information on withdrawals from the **portfolio** is set out in section 11 (k) – (m).

(d) **Third parties who can operate your charity's portfolio**

- (i) **Authorised persons**
 - (A) **Your charity** may instruct **us** from time to time to accept instructions from **authorised persons**. **We** require prior written authorisation, confirming the name and address of the person **your charity** is authorising to provide instructions. **We** will act upon any instruction given to **us** on behalf of **your charity** by the **authorised person** in accordance with **your charity's** prior written authorisation until **your charity** tells **us** that the person is no longer authorised to act on **its** behalf. **We** will not be liable for loss, claims, damages or expenses that might arise as a result of **us** acting in accordance with the **authorised person's** instructions.
 - (B) **Your charity** may instruct **us** from time to time to disclose information relating to this **agreement** to **authorised persons**. Before **we** will do so, **your charity** must confirm to **us** the name, address and other relevant contact details of the **authorised person** **your charity** wishes **us** to provide the information to, and the type of information **it** authorises **us** to provide. **We** will continue to send the information to the **authorised person** until **your charity** tells **us** that the person should no longer receive the relevant information. **We** will not be liable for loss, claims, damages or expenses that might arise as a result of **us** acting in accordance with **your charity's** instructions in disclosing the relevant information to an **authorised person**.
- (ii) **Power of attorney**

In some circumstances, **your charity** may ask **us** to accept a power of attorney. On accounts where a power of attorney is required by **your charity**, **we** will ask **you** to provide a certified copy of the power of attorney document. Once **we** have received and accepted this, **we** will only be able to accept written instructions from the attorneys if such instructions are signed by all of the

attorneys. The type of instructions that **we** are able to accept under a power of attorney will depend on the type of power of attorney that **your charity** has granted, and **we** will act accordingly.

(e) **Language**

Unless stated or agreed otherwise, any documents **we** provide to **you** will be in English. Where **we** have to communicate to **you** **we** shall do so in English and **you** will also communicate with **us** in English.

(f) **Meetings**

We will arrange to meet with **you** at such intervals as **we** agree with **you** to discuss matters relating to the management of **your charity's assets**.

(g) **Valuations, confirmations and reports**

(i) **We** may include the valuation of **your charity's non-managed assets** in any valuations **we** provide to **your charity** to enable **your charity** to see **its portfolio** in totality. The **non-managed assets** may be held by **Platform Securities** under the **custodian agreement** in which case they will be shown on **your charity's** periodic statements.

(ii) **We** will send **you** a periodic statement every 3 months or at such other intervals as required by the **FCA Rules**. In some circumstances **we** may be required to notify **your charity** where the value of the **portfolio** or the **portfolio's** holdings in certain funds falls by 10% or more (which **we** will do on the same **business day** as the fall occurs).

(iii) **We** shall not send **contract notes** to **you** on a transaction by transaction basis unless **we** agree with **you** otherwise.

(iv) Where **we** have agreed a predetermined threshold with **your charity** **we** will report any losses exceeding that threshold to **you** in accordance with the **FCA Rules**.

(h) **Notices**

(i) Where a **party** is required to serve notice on the other **party** under the **agreement** the notice must be in writing and can be served, at the discretion of the person serving the notice, either (i) by first or second class post (as appropriate) to the last notified address of the recipient or (ii) by email to the last notified address of the recipient.

(ii) If a notice is served by first or second class post, both **parties** agree that it will be considered to be delivered two **business days** after being posted by first class, or three

business days after being posted by second class, and proof that the envelope was properly addressed, stamped and posted will be sufficient proof of service.

(iii) If a notice is served by email or where appropriate, secure message, both **parties** agree that it will be considered to be delivered on the day it was sent provided no non-delivery message is received by the sender.

(iv) Please note that there is no guarantee that any email or electronic message sent will be received, or that the contents of any such message will remain private or unaltered during transmission. **We** will have no liability to **your charity** arising from breach of confidentiality or otherwise if any person sees any communication which is deemed to have been/has been delivered to **your** email address. If **we** act upon instructions given to **us** by email or any other electronic means **we** shall not accept any liability for any loss **your charity** incurs if it appears that the communication was sent by **you**. Where **you** email **us**, **we** may reply by email or by telephone unless **you** instruct otherwise. **We** shall not be liable for any loss **your charity** incurs as a result of **your** failure to receive for whatever reason any communication sent by email by **us** to the last email address that **you** have provided **us** with.

(v) While **we** virus scan all emails **we** will not be responsible for any damage caused by a virus or alteration by a third **party** after it is sent. **We** recommend that **you** employ reasonable virus detection and protection measures when accessing emails from **us**.

(vi) **We** may monitor the use and content of emails which are sent from and received by **us** for the purposes of ensuring compliance with **our** own email policy and identifying and taking action against unlawful or improper use of **our** systems, including but not limited to, spoofing, the transmission of computer viruses and a denial of service attack.

(i) **How to contact us**

(i) If **you** have any questions or would like to make any changes to **your charity's portfolio**, **you** should initially speak to **your charity's** client **portfolio** manager. **You** can also contact **our** Head Office. **Our** telephone number is 0345 279 8880. Please have **your charity's portfolio** details ready when calling.

- (ii) Calls may be monitored and/or recorded to protect both **your charity** and **us** and to help with **our** training. Call charges will vary.
- (iii) **Our** main contact address is abrdrn, Discretionary Investment Management, 1 George Street, Edinburgh, EH2 2LL. Email is not a secure method of transferring personal information, but if **you** are happy to send **your** details this way, please email **your charity's** client **portfolio** manager at the email address which they have provided to **you**. **We** may also agree to use another form of secure messaging, where appropriate. **Our** website can be found at **www.abrdrn.com**. There is no guarantee that any email sent will be received or will not have been tampered with or intercepted during transmission. **You** may prefer to contact **us** by telephone or in writing.

10. Your charity's responsibilities

- (a) Before appointing **us**, **your charity** must ensure that **its portfolio** is free from all security rights and charges, and that no security rights or charges will arise from **your charity's** acts or omissions in respect of **its portfolio** managed by **us**.
- (b) **Your charity** agrees that all **assets** and **non-managed assets** in **its portfolio** will at all times remain beneficially owned by the **charity**.
- (c) **Your charity** agrees not to deal, except through **us**, with any of the **assets** or **non-managed assets** in **its portfolio**, without **our** prior written **agreement**.
- (d) **You** must ensure that any information **your charity** has provided to **us** in relation to **its** legal structure and charitable status is complete and correct, and **you** agree to provide any further information properly required by any court or regulatory authority that has the power to ask **you** or **your charity** to do so. **You** acknowledge that where a Legal Entity Identifier (LEI) or National Identifier (NI) are required in respect of the **portfolio** but are not made available to **us**, **we** will be unable to make certain trades in relation to **the portfolio**.
- (e) **You** must notify **us** promptly if there is any material change in any information **you** have provided to **us**, and must provide such other relevant information as **we** may from time to time reasonably request in order to fulfil **our** regulatory and contractual obligations. If **you** do not provide any information that **we** ask for, it may adversely affect the quality of the **services** that **we** provide.
- (f) **You** must notify **us** promptly of any changes to **your charity's** constitutional documents or statement of investment principles which affects in any way

your charity's or **our** powers, obligations and/or duties under this **agreement**.

- (g) When **you** inform **us** of a change to **your charity's** statement of investment principles, **your** intimation of the change will be deemed to be a request by **your charity** to amend this **agreement** and shall be treated accordingly.
- (h) **Your charity** must ensure that none of the obligations contained in this **agreement** violate **its** constitutional documents or any law, rule, regulation, order or judgement binding on or affecting **your charity**. **Your charity** agrees that **we** have no responsibility for any breach of such requirements whenever occurring, including, without limitation, any fault in the investment of the **assets** before the **effective date**.
- (i) **Your charity** agrees to ratify any action that **we** lawfully take in the proper performance of **our** duties under the **agreement**.
- (j) Unless arising from **our** negligence, wilful default or fraud or that of **our** employees or **our** delegates under section 13, or their employees, **your charity** promises to reimburse **us**, against all costs, losses, claims and expenses that **we** reasonably incur:
 - (i) as a result of any **party** claiming to be entitled to **assets** or **non-managed assets** which form part of the **portfolio** at, or any time after, the time when **we** first assume management of the **portfolio** assets or arrange custody for **your charity's non-managed assets**; and/or
 - (ii) because **your charity** has breached the **agreement**; and/or
 - (iii) arising out of any action that **we** properly take in accordance with the **agreement**; and/or
 - (iv) because **your charity** has failed to fully perform **its** obligations and/or meet **its** liabilities howsoever arising to **Platform Securities** and/or its sub-custodians under the **custodian agreement**.

11. Investment discretion

- (a) **We** will manage **your charity's assets** in accordance with the **investment objectives** and any **restrictions**. In doing so **we** will have complete discretion to buy, sell, retain, exchange, or otherwise deal in investments and other **assets**, make deposits, subscribe to issues and offers for sale and execute transactions in regulated and unregulated **collective investment schemes** (including in each case, for the avoidance of doubt, **in-house funds**), effect transactions on any markets (including **unregulated markets**

- and **multilateral trading facilities**), negotiate and execute counterparty and account opening documentation, take all routine or day to day decisions and otherwise act as **we** judge appropriate in relation to the management of **your charity's assets**.
- (b) **We** shall not refer to **you** before making any investment decisions unless **we** agree otherwise with **your charity** in advance. **We** shall carry out **our** duties under the **agreement** in accordance with **our** obligations under the **FCA Rules** regarding suitability and best execution.
- (c) Before **we** can manage **your charity's assets**, **we** must understand **your charity's** attitude to risk and the suitability for **your charity** of the investments that **we** may make for it. The way that **we** will do this depends on the way in which **your charity** invests with **us**.
- (i) If **your charity** has an appointed adviser, they will usually take responsibility for investment suitability. If they do so, they will assess **your charity's** attitude to risk and investment suitability before investing with **us**, and **we** are entitled to rely on their assessment without further enquiry.
- (ii) Where **your charity's** adviser does not accept responsibility for assessing investment suitability, or where **your charity** does not have an appointed adviser, **we** will take on this responsibility.
- (iii) Where **we** take responsibility for assessing investment suitability, that assessment will be performed in accordance with the information **you** have provided regarding **your charity's investment objectives** and any mandate that **we** have agreed with **your charity**. This includes, but may not be limited to, any information **you** give **us** about **your charity's** knowledge and experience in relation to investments, **your charity's** preference regarding risk taking, **your charity's** risk profile, the purpose of **your charity's** investment and **its** financial situation.
- (d) **We** manage **your charity's assets** on a discretionary basis (described in section 11(a)) in accordance with **its** attitude to risk. **Our** discretion and the **services we** provide relate only to the **assets** which **your charity** has decided **it** wants **us** to manage. **We** do not provide a full financial planning service and will not carry out suitability checks with regard to **your charity's** wider financial circumstances. **We** do not provide tax planning or tax specific advice.
- (e) **You** should carefully read **appendix 2** to these **discretionary management terms** which sets out a general description of the nature of, and risks relating to, the investments that **we** may buy, sell, retain, exchange or otherwise deal in on **your charity's** behalf when managing **its assets**.
- (f) The **investment objectives** and **restrictions** will not be considered to be breached as a result of any events or circumstances outside **our** reasonable control including, but not limited to, changes in the price or value of **assets** in **your charity's portfolio** brought about solely through movements in the market. **We** will keep such **investment objectives** and **restrictions** under review and may from time to time suggest such amendments as in **our** opinion might be made to them.
- (g) Unless otherwise agreed with **you**, **we** may effect transactions in **derivatives** including **contingent liability** investment transactions and may settle or close out such transactions without further reference to **you**.
- (h) **We** may effect such transactions on such terms as **we** consider appropriate and for any purposes including for both hedging and speculative purposes. **We** may negotiate and execute counterparty, collateral and account opening documentation and give representations, warranties and undertakings for and on **your charity's** behalf. **Derivatives** may be documented under the terms of industry standard documentation (such as, for example, ISDA documents (including Master Agreements, Confirmations and Credit Support Annexes)) or such other documents as **we** consider appropriate. Exchange-traded **derivatives** may be cleared by a broker or brokers selected by **us** and on terms agreed by **us**, including any give-up agreements, or on such other terms as **we** consider appropriate. **We** may give representations and warranties to counterparties and others on **your charity's** behalf and may assume, until notified to the contrary by **you**, that **your charity** is willing and able to give all the representations and warranties which might typically be expected in the relevant market.
- (i) **We** shall at **your** request provide **you** with further information as to the substance of any representation and/or warranty which are commonly included and which might typically be expected in the relevant market.
- (j) **We** may deduct from **your charity's portfolio** any sums required to pay or supplement any deposit in support of any such transaction. **Your charity** will not be required to pay any deposit beyond the

amount of money available in **its portfolio**.

- (k) Whilst **we** may wish to discuss **your charity's portfolio** and possible investments with **you** from time to time, **we** will not take any specific buy or sell instructions from **you** (other than selling down for cash purposes or specific and clear tax-related reasons) since this conflicts with **our** role in providing a discretionary management service. **We** may refuse to act upon any specific action **your charity** asks **us** to take if the result of any such action will cause **us** to be in breach of any law or regulation.
- (l) Where **you** have asked **us** to take specific action in relation to **your charity's assets** we may need to assess whether such action is appropriate for **your charity**. This may mean that **we** will have to ask for certain information from **you**, including information relating to **your charity's** experience and knowledge of trading in certain types of investments. If, on the basis of this information **we** consider that dealing in these types of investments is not appropriate for **your charity**, **we** will warn **you** of this. If **your charity** still wishes **us** to proceed **we** will do so only at **our** absolute discretion and only once **we** have received written confirmation of **your charity's** instructions.
- (m) If **we** do proceed with **your charity's** execution only instructions, **you** should be aware that:
 - (i) the transaction may not be appropriate for **your charity**;
 - (ii) **your charity** may be exposing **itself** to risks that fall outside **its** knowledge and experience and/or which **it** may not have the knowledge and experience properly to assess and/or control to try to mitigate their consequences for **your charity**; and
 - (iii) **we** will have no responsibility for the action so requested, including the outcome.
- (n) Where **we** agree to carry out these execution only sell **services** for **your charity**, **it** acknowledges and agrees that this can impact **our** ability to deliver best execution for **it** since the instructions are driven by the **charity** and not **us**. Where we carry out such execution only instructions, **we** will confirm in writing by the following **business day**.

12. Our role as your charity's agent

- (a) **We** have, on behalf of **your charity** and as **its** agent, entered into the **custodian agreement** with **Platform Securities**. Under the **custodian agreement**, **Platform Securities** will provide safe custody of the **assets** that **we** manage for **your charity**. From time

to time **we** may provide information about **your charity** to **Platform Securities**.

- (b) If **your charity** is a trust, by entering into the **agreement** and for the **applicable trusts legislation**, **it** accepts the appointment of **Platform Securities** or any other custodian that **we** may appoint under section 12(c) as provider of the custody **services** and **it** acknowledges that the **custodian agreement** takes effect as a separate **agreement** and creates direct contractual rights and obligations amongst the **charity**, **us** and **Platform Securities**. **We** will provide **you** with a copy of the **custodian agreement** on request.
- (c) **We** may, at any time and at **our** sole discretion, on behalf of **your charity** and as **its** agent, terminate the **custodian agreement** and appoint an alternative custodian for the **portfolio**. **We** do not need **your charity's** consent to do this, but will only do so if **we** receive undertakings from any proposed custodian that **your charity** will be no less favourably treated than before the transfer was effected.

13. Our right to delegate

- (a) **We** have delegated many of **our** administration and dealing functions to **Platform Securities**. **We** may also from time to time:
 - (i) delegate any of **our** functions, including without limitation any of **our** critical or important operational functions or investment **services**, under the **agreement** to third parties (including **abrdn** group companies) and may provide information about **your charity** and the **portfolio** to any such person to whom such activities have been delegated. **Our** liability to **your charity** for all delegated matters shall not be affected by **us** delegating any of **our** functions; and
 - (ii) use other agents (including **abrdn group** companies) to perform any administrative, dealing, broking or ancillary **services** required to enable **us** to perform **our services** under the **agreement**. **We** will act in good faith and with reasonable skill and care in the selection, use and monitoring of agents.
- (b) **We** will give **you** prior written notice of any such delegation of a function which involves the exercise of **our** discretionary investment management powers and will not, without **your charity's** written consent, delegate the whole or substantially the whole of such powers.

- (c) If **your charity** is a trust, **we** will from time to time provide all such reasonable information in relation to the **services** provided by **Platform Securities** as custodian to enable **it** to comply with **its** obligations under the **applicable trusts legislation**.

14. Custody

A summary of the provisions of the **custodian agreement** is set out in **appendix 1**. **You** should read **appendix 1** carefully and contact **us** if **your charity** has any questions (please see section 9(i). How to contact **us**).

15. Dealing and execution policy

- (a) Details of **our order execution policy** are set out in **appendix 3**. **You** should read **appendix 3** carefully and contact **us** if **your charity** has any questions (please see section 9(i). How to contact **us**).
- (b) In effecting transactions for **your charity's portfolio**, subject to paragraph (c) below, **we** will at all times comply with **our order execution policy** and in particular will act in **your charity's** best interests and comply with any applicable obligations regarding best execution under the **FCA Rules**.
- (c) Where **we** accept specific instructions from **your charity** in relation to execution of any order this may prevent **us** from following **our order execution policy** in relation to such orders. In particular **we** may not be able to achieve best execution.
- (d) **We** and **our** respective agents (including **Platform Securities**) may (subject to any **restrictions** and **our order execution policy**) deal on such markets or exchanges and with such counterparties as **we** think fit. All transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and **we** and **our** respective agents may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.
- (e) **Your charity** confirms **its** prior express consent to orders being executed outside of a **regulated market** or **multilateral trading facility**.
- (f) **We** may place **limit orders** when managing **your charity's assets**, and if **we** do so, **your charity** agrees that **we** shall not be obliged to publish that **limit order** if it cannot be immediately executed under prevailing market conditions.
- (g) If any counterparty fails to deliver any necessary documents or to complete any transaction, **we** will inform **you** in writing and take all reasonable steps on **your charity's** behalf to rectify such failure or

obtain compensation in lieu thereof. **Your charity** must reimburse **us** for all resulting reasonable costs and expenses properly incurred by **us** in the discharge of **our** obligations.

- (h) Transactions for **your charity** may (as the case may be) be aggregated:
 - (i) with those of other clients;
 - (ii) with those of **abrdn group** companies;
 - (iii) with other customers of **us** and/or **Platform Securities** and of its employees and associates; and/or
 - (iv) (where **we** and/or **Platform Securities** use other agents for the execution of such transactions) with customers and or affiliates of such respective agents, with such agents' own accounts and of their employees and associates.
- (i) To the extent possible, **we** will ensure that any such transactions will be allocated on a timely, fair and reasonable basis in accordance with the requirements of the **FCA Rules**. The effect of aggregation may work to **your charity's** advantage or disadvantage.

16. Custodian's right of retention and set-off

- (a) In accordance with market practice, **Platform Securities** (in its role as custodian), its agents and any other brokers appointed may from time to time:
 - (i) be entitled to exercise a right to retain possession of any **assets** and, if applicable **non-managed assets**, in **your charity's portfolio** as a continuing security for the payment and performance of **your charity's** obligations and **our** obligations as agent on **its** behalf; and/or
 - (ii) exercise a right of set-off, which means that they may use any liabilities that **your charity** owes to **Platform Securities**, its agents or other brokers to reduce or repay any liabilities that any such **party** owes to **your charity**.
- (b) **Platform Securities**, its agents and other brokers will also be entitled to advance monies in order to effect certain transactions or meet certain obligations. Where this happens, **your charity** acknowledges that **Platform Securities** may exercise its right to retain possession of **your charity's assets** and/or **non-managed assets** and/or its right of set-off or other similar interest in such of **its assets** and/or **non-managed assets** as are necessary to secure the advance and that all rights, title and interest in and to any investment acquired on behalf of **your charity** with such

advance will be retained by **Platform Securities** until such time as such advance has been repaid.

17. Shareholder actions

- (a) In managing **your charity's assets we** will, unless otherwise stated, have due regard to the **investment objectives** and any **restrictions** in procuring the exercise of any voting rights attaching to the **assets of its portfolio**. **We** will ultimately have complete discretion in the exercise of any voting rights attaching to the **assets** of the **portfolio**.
- (b) **Our** approach to the UK Stewardship Code is detailed on **our** website at www.abrdn.com/discretionary/uk/private-client/meeting-your-needs/uk-stewardship-code
- (c) Unless otherwise agreed in writing with **your charity**, **we** will, in procuring the exercise of voting rights, have due regard to **our** policy on voting. A copy of **our** policy is available on request.
- (d) Where voting on behalf of **your charity** would give rise to a material conflict of interest, **we** will abstain from exercising **our** discretion (and in some cases **we** will instead contact **you** to obtain **your charity's** voting instructions in order to ensure that a sufficient volume of votes is received for the purposes of constituting a valid general meeting). **We** will at all times act in accordance with **our conflicts of interest policy** which is summarised at **appendix 4**.

18. Borrowing

We may not, without **your charity's** express written consent, commit the **charity** to supplement the **assets** comprising the **portfolio** by borrowing on **its** behalf or by committing **your charity** to a contract which may require **it** to supplement such **portfolio**.

19. Our right to retain or sell your charity's assets

- (a) If **your charity** does not pay any fees, charges, costs, losses or claims incurred by **us** and due to **us** under the **agreement**, **it** will be in breach of the **agreement** and **we** may instruct **Platform Securities** to retain some or all of the **assets** (and if applicable, **non-managed assets**) that it holds, for **us** and on **our** behalf as security against payment of the debt owed by **your charity**. **We** may apply these **assets** and/or **non-managed assets** to the repayment of the debt due to the extent that it remains unpaid.
- (b) **We** may instruct **Platform Securities** to sell any securities held by it or to close out any derivative positions under the terms of the **agreement** in order to meet any liability for which securities are

held as collateral or to meet any liability incurred by **your charity** or by **us** on behalf of **your charity** in relation to the **agreement**.

- (c) **We** may exercise these rights where in **our** reasonable opinion **we** believe that **your charity** will not settle the amount due if, for example, **we** are unable to contact **you** after making reasonable efforts to do so, or if **your charity** refuses to make a payment after a further demand for payment has been made.

20. Taxation and legal advice

- (a) **Your charity** and any professional tax adviser appointed by **it** shall be responsible for the management of **your charity's** affairs for tax purposes. **We** do not take account of the tax treatment of investments when investing the **assets**. **We** will invest in a variety of investment vehicles which have differing tax treatments.
- (b) **We** will supply **you** with sufficient information to enable **your charity** to complete any self-assessment return.
- (c) **We** will not provide **your charity** with legal or tax advice and recommend that **it** obtains **its** own independent advice.
- (d) If **your charity** incurs any tax liability and **we** pay this on behalf of the **charity**, **we** will recover these costs from **your charity**.
- (e) **Your charity** will be liable for all taxes that are personal to **it** in respect of the **portfolio** and transactions. **Your charity's** tax liability depends on **its** particular circumstances and may be subject to change in the future.

21. Conflicts of interest and disclosures

- (a) **Our conflicts of interest policy** sets out the types of actual or potential conflicts of interest which affect **our** business and provides details of how these are managed. A summary of **our conflicts of interest policy** is set out in **appendix 4**.
- (b) **We** will act as **your charity's** agent. **Your charity** will therefore be bound by **our** actions under the **agreement**. To the extent that any fiduciary or equitable duties arise as a result, such duties shall not prevent or hinder **us**, or any **abrdn group** company in effecting transactions with or for **your charity**.
- (c) Where **we** believe a conflict of interest may arise that is not set out in **our conflicts of interest policy**, **we** will notify **you** prior to dealing.

22. Changing or replacing the agreement

- (a) **We** can make reasonable and appropriate changes to the **agreement** (or issue a replacement **agreement** in its place) at any time while **we** are operating **your charity's portfolio**:
- (i) if the legal or regulatory requirements applying to the **portfolio** change; or
 - (ii) if decisions of the Financial Ombudsman Service need to be reflected in the **agreement**; or
 - (iii) if new industry guidance and codes of practice which are there to raise standards of consumer protection need to be reflected in the **agreement**; or
 - (iv) if it becomes impossible or impractical, in **our** reasonable opinion, to carry out any of these terms as a result of a change in the law or regulation or other circumstances beyond **our** control; or
 - (v) if the tax treatment of any of the **assets**, or **non-managed assets** held in **your portfolio** is changed or is due to change or **we** have to pay a government levy; or
 - (vi) to allow **us** to respond proportionately to changes in the Bank of England base rate, or to changes in other specified market rates or indices or tax rates; or
 - (vii) to proportionately reflect the increase of **our** incurred costs associated with providing the **services**; or
 - (viii) to reflect improvements to the **services** that technical, service or propositional enhancements have allowed **us** to make; or
 - (ix) if **we** are subject to a change of ownership.
- (b) **We** may change our fees and charges as set out in section 7.
- (c) Money held by **Platform Securities** (see **appendix 1**) may earn interest. Where interest is to be paid to **your charity**, the GBP interest rate payable will be disclosed on **our** website at www.abrdn.com/discretionary/uk/private-client/meeting-your-needs. Any interest rates payable for non-GBP monies are available from **your charity's** client **portfolio** manager on request. **Platform Securities** may retain any earned interest above that paid to **your charity**. In times of low inflation or even deflation in the economy, interest rates applied to cash deposits may be negative, which may result in a charge being applied by **Platform Securities** to **your** uninvested monies as more fully explained in **appendix 1**.

- (d) Except in relation to changes to the interest rate for money held in the **portfolio** (which is determined by **Platform Securities**), **we** will give **you** at least thirty **business days'** notice before the change becomes effective and provide **you** with a note of what the changes are by post or by email, unless the amendments made are immaterial, in which case **we** will not notify **you**.
- (e) Changes to the **agreement** that are outside **our** control (e.g. a change in legislation) will take effect immediately. All other changes will take effect thirty **business days** from the date that **we** give notice to **you** of the change.

23. Termination of the agreement

- (a) **When your charity may terminate the agreement**
- Your charity** may terminate the **agreement** at any time by written notice to **us**. (See section 9(i). How to contact **us**). **You** must then instruct **us** promptly either to sell the investments in **your charity's portfolio** or transfer them to another provider.
- (b) **When we may terminate the agreement**
- (i) **We** may terminate the **agreement** on 3 months' prior written notice to **you** served at any time.
 - (ii) **We** may terminate the **agreement** and close **your charity's portfolio** if:
 - (A) **your charity** fails to comply with the **agreement** and fails to remedy this within thirty **business days** of being asked by us to do so; or
 - (B) **your charity** fails to make any payments due to **us** after **we** notified **you** of the amount **your charity** owes **us** and have given **your charity** a further thirty **business days** to make the required payments.
 - (iii) **We** may terminate the **agreement** by immediate written notice to **you** if **we** reasonably believe that **our** on-going relationship with **your charity** could cause reputational risk to **us** or **our** other clients, where the anti-money laundering requirements detailed in section 5 have not been met, or where the **FCA** (or any other regulator) requires us to do so.
- (c) **Consequences of termination (including our right to retain or sell your charity's portfolio)**
- (i) Unless **your charity** has instructed **us** to transfer **its portfolio** (under section 23(a)), **we** will sell the **portfolio** as soon as is reasonably practical after receipt of **your charity's** signed instruction to terminate the **agreement**. **Your charity** will

be liable for any additional dealing charges incurred when selling **its portfolio** investments or any costs associated with transferring the investments to another provider.

- (ii) If **we** have instructions, ad-hoc or regular, to purchase investments for the **portfolio** when **we** receive an instruction to terminate the **agreement we** may need to complete and price any pending purchase transaction before instructing the sale of the **portfolio** investments.
- (iii) If **we** terminate the **agreement** under section 23(b)(i) **we** will contact **you** to ask where the **portfolio** investments should be transferred to or whether **we** should sell them. If **we** terminate the **agreement** in these circumstances, **your charity** will be liable for all accrued management fees and charges up to the date of termination, but not for any trading fees incurred to transfer or sell the **portfolio** investments after **we** give **you** notice of termination.
- (iv) There are certain share classes which are only available to **your charity** by virtue of **our** relationship with **it**, and on termination **we** may move **your charity's assets** from these share classes into different share classes, sub-funds or funds at **our** discretion.
- (v) If **we** terminate the **agreement** under section 23(b)(ii) or (iii) **we** will sell all the **portfolio** investments and will pay the proceeds to **your charity**, less any dealing charges incurred in making the sales and any other sums that **your charity** owes **us** under the **agreement**, to an account nominated by **your charity**, unless **we** are instructed otherwise or **we** are prevented by law from doing so.
- (vi) Except as provided for in section 23(b)(iii) the **portfolio** will only be closed and the **agreement** will only be terminated once all **assets** and **non-managed assets** have been sold or transferred and **your charity** has paid all debts and charges payable in relation to **its** account.
- (vii) Before **we** pay the proceeds of sale to **your charity** or transfer **your charity's portfolio**, **we** will deduct:
 - (A) all reasonable losses or expenses that **we** suffer in connection with properly opening, running or closing the **portfolio** that are outstanding at the time **we** close **your charity's portfolio**, (whenever such losses or expenses were occurred); and
 - (B) all fees and charges payable up to the

point that the **agreement** terminates.

Fees payable during the quarter that the **portfolio** is sold or transferred to another provider will be charged proportionately and deducted from **your charity's portfolio** and prior to the account being closed.

- (viii) If the **assets** and any **non-managed assets** in the **portfolio** are not sufficient to cover the sums payable under the **agreement**, **your charity** must still pay **us** any balance that remains outstanding. In these circumstances **we** may close **your charity's** account and take all reasonable steps to recover from **your charity** any sums that remain due.
- (ix) **We** will have no further liability to **your charity** once the **portfolio** has been transferred to **your charity** (or elsewhere upon **your charity's** instruction, for example to another investment manager).
- (x) Termination of the **agreement** will not affect any legal rights or obligations that have already arisen.

24. Risks and limits of liability

- (a) Subject to any of **our** duties or liabilities under the **FSMA** and the other provisions of the **agreement**, **we** will only be liable to **our charity** client for any loss **it** may suffer as a direct result of any **services** which **we** provide, to the extent that such loss or damage arises as a direct result of fraud, negligence or wilful default by **us**.
- (b) Under the **custodian agreement**, **your charity's** legal contract is directly with **Platform Securities** and any right of recourse that **your charity** has is against **Platform Securities**, not **us**. Subject to section 24(a), **we** will not be liable to **your charity** for any loss that **it** suffers in relation to the **custodian agreement**.
- (c) **We** will not be liable to **your charity** for any loss that **it** suffers if **Platform Securities** becomes insolvent.
- (d) When **non-managed assets** are held by a custodian other than **Platform Securities** or its delegates, any right of recourse that **your charity** has is against that custodian, not **us**. Subject to section 24(a), **we** will not be liable to **your charity** for any loss that **it** suffers in relation to any **agreement it** may have with such custodian.
- (e) **We** will not be liable for any losses incurred by **your charity** due to any advice or instructions given to **your charity** by **its** financial adviser or where **your charity** has instructed **us** to act in a particular way.
- (f) Whilst **we** will use reasonable efforts to ensure that all information provided by **us** is accurate, current

and complies with UK law as at the date of issue, **we** cannot guarantee that this will be the case where **we** are reliant on a third **party** to provide accurate information.

- (g) **We** do accept liability or responsibility for completeness or accuracy of the information when it has been prepared by **us**, but **we** do not accept liability or responsibility for the completeness or accuracy of information that has been prepared by third parties and **we** simply make it available to **your charity** for its convenience.
- (h) **We** will not be liable to **you** as an individual for any personal losses that **you** may sustain in communicating with **us** as a representative of **your charity**. In communicating with **you** under the **agreement** will treat **you** only as the agent of **your charity**.
- (i) No warranty is or shall be given by **us** as to the performance or profitability of the **portfolio** or any part of it or that any **investment objectives** will be successfully achieved.
- (j) In accordance with the **custodian agreement your charity** shall be responsible to **Platform Securities** for all claims and liabilities incurred or assessed against **Platform Securities** or its agents where such claims and/or liabilities arise directly from **your charity's** fraud, negligence or wilful default or breach by **your charity** of any of the terms of the **custodian agreement**. In addition, **Platform Securities** may be entitled to exercise the rights described in section 16 (Custodian's right of retention and set-off).
- (k) Nothing in the **agreement** will exclude or limit **our** liability:
 - (i) for death or personal injury caused by negligence;
 - (ii) for fraud;
 - (iii) for misrepresentation as to a fundamental matter; or
 - (iv) for any liability which cannot be excluded or limited by applicable law.
- (l) If **your charity** is a trust **its** liability shall, in the absence of fraud, be limited to the assets of the trust from time to time.

25. Unforeseen events

The performance of **our** obligations under the **agreement** may be interrupted and shall be excused by the occurrence of an **unforeseen event** affecting **us** or any of **our** key sub contractors.

26. Transferring your charity's rights and obligations

Your charity may not assign or otherwise transfer any of **its** rights or obligations under the **agreement** to anyone else unless **we** have given **your charity our** prior written consent.

27. Transferring our rights and obligations

We may at any time, without **your charity's** prior consent, assign all or any part of the benefit of, or rights and benefits under, the **agreement** to any member from time to time of the **abrdn group**. Any other assignment or transfer of **our** rights and/or obligations will require **your charity's** prior written consent.

28. Indulgence

If **we**, at **our** discretion, choose not to rely on or enforce any of **our** rights under the **agreement** at any time, this will not prevent **us** relying on and enforcing those rights at any time in the future.

29. Severability

If any provision (or part of a provision) of the **agreement** is or becomes invalid, unenforceable or contrary to any applicable law, it will be given no effect and treated as if it were not included in the **agreement**, but the remaining provisions will remain valid and enforceable.

30. Governing law

- (a) If **your charity** is registered in the UK, the **agreement** will be governed by and construed in accordance with the applicable UK law determined by the location of **your charity's** registered address. Any dispute between the **parties** will be heard by the courts of the UK jurisdiction where **your charity** is registered.
- (b) If **your charity** is registered outside the UK, the **agreement** will be governed by and construed in accordance with English law and the courts of England will have non-exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with the **agreement**.

Appendix 1

Custody

We have entered into a custodian agreement with Platform Securities as principal and as agent for certain of our customers, including your charity, in terms of which Platform Securities will provide, or will appoint sub-custodians to provide custodial services (the custodian agreement).

This means that the assets and non-managed assets comprising your charity's portfolio will be held on its behalf (where relevant) by Platform Securities (or its sub-custodians) as Platform Securities deems appropriate from time to time. We will not hold any money belonging to your charity nor will we safe-keep any of the assets or non-managed assets.

Platform Securities is authorised and regulated by the FCA. We have satisfied ourselves that the arrangements ensure adequate protection for the assets and non-managed assets.

1. Investments

Investments may be registered in the name of Platform Securities' nominee or its sub-custodians or their nominees. Your charity (or its underlying beneficiaries where applicable) will at all times remain beneficially entitled to the investments held for your charity by Platform Securities.

Platform Securities will buy and sell investments on an aggregated basis, as set out in section 15 of the discretionary management terms.

Platform Securities may pool investments with investments of one or more other clients of Platform Securities but Platform Securities will at all times segregate your charity's investments from those belonging to Platform Securities. Although we and Platform Securities will keep records of your charity's investments where there is a shortfall caused by the default of a third party bank, settlement agent or custodian, your charity may share proportionately in the shortfall.

If Platform Securities or its sub-custodians or their respective nominees fail and there is a shortfall, your charity's claim will be for a share of the investments held together.

Platform Securities shall act upon our instructions in relation to the assets and non-managed assets entrusted to Platform Securities from time to time. By your charity's acceptance of the agreement it grants any mandates necessary to give effect to this.

2. Client Money

Your charity's money will be held by Platform Securities as "client money", in instant access, notice or term deposit accounts in accordance with the FCA Rules. This requires Platform Securities to hold your charity's money in a client bank account or accounts, established with statutory trust status. Its money will therefore be segregated from Platform Securities' own money at an "approved bank" (as defined by the FCA Rules). The approved bank(s) may hold such money with other clients' money in a pooled account or pooled accounts. This means that client money is held as part of a common pool of money, so your charity does not have a claim against a specific sum in a specific account; its claim is against the client money pool in general.

Consequently, if an approved bank fails, and there is a shortfall, your charity will share in that shortfall.

Client money may be placed in accounts with short notice periods of, or on deposit for fixed terms of, up to 95 days. Platform Securities may place client money in notice or term deposit accounts in order to better spread the risk of default by the institutions they are held with, obtain better rates of interest or avoid charges for depositing client money which may otherwise be passed on to your charity. Placing client money in notice or term deposit accounts does not in itself affect your ability to deal with or withdraw funds from the portfolio. However such amounts may not be immediately available for distribution to your charity in the event of default by Platform Securities or by one of the banks with whom money is held.

3. Interest

A variable rate of interest may be applied to uninvested client money, that is, money which is not immediately required to settle a transaction. A portion of this interest may be paid to your charity. Platform Securities may retain any remainder. The GBP interest rate used to calculate that portion is disclosed on www.abrdn.com (and non-GBP interest rates are available from your client portfolio manager on request). This interest will be calculated daily and applied to your charity's portfolio monthly at which point it becomes client money. Any interest paid will be shown on your charity's periodic statements.

In times of low inflation or even deflation in the economy, interest rates applied to cash deposits may be negative, which may result in a charge

being applied by **Platform Securities** to **your charity's** uninvested monies. The GBP interest rate is disclosed on www.abrdn.com (and non-GBP interest rates are available from **your client portfolio** manager on request). This interest will be calculated daily and deducted from **your charity's portfolio** monthly. Any interest charged will be shown on **your charity's** periodic statements.

4. Scope of liability

The full extent of **our** liability to **your charity** for any loss that **it** suffers in relation to the **agreement** is set out in section 24 (Risks and limits of liability) of the **discretionary management terms**.

Under the **custodian agreement**, **your charity's** legal contract is directly with **Platform Securities** and any right of recourse that **your charity** has is against **Platform Securities**, not **us**. Except as set out in section 24 (Risks and limits of liability) **we** will not be liable to **your charity** for any loss that **it** suffers in relation to the **custodian agreement** or **Platform Securities** or its agents.

The following information sets out the extent of **Platform Securities'** liability to **your charity** under the **custodian agreement**.

- (a) **Platform Securities** is not responsible for the authenticity or validity of title to the investments.
- (b) **Platform Securities** will not be liable to **your charity** for any loss suffered by **it** because of anything that an approved bank, sub-custodian, settlement agent or other third **party** does, or fails to do, or because that **party** becomes insolvent, whether they are backed by a government guarantee or compensation scheme or not, and should a government guarantee or compensation scheme fail and that government is unable to meet its obligations under the scheme, **Platform Securities** will still not be responsible for any loss suffered by **your charity**.
Platform Securities will only be liable to **your charity** for any loss or damage **it** may suffer as a direct consequence of:
 - (i) a breach of the **custodian agreement** by **Platform Securities**;
 - (ii) any failure by **Platform Securities** to exercise the due care of a professional custodian or to provide its **services** diligently with a level of skill, care and technical ability normally exercised by a competent and professional custodian; and/or
 - (iii) to the extent that such loss or damage arises as a direct result of fraud, negligence or wilful default by **Platform Securities**.

- (c) **Platform Securities** will not be liable to **your charity** for any losses incurred by **it** in connection with:
 - (i) the failure of (i) any issuer of investments; (ii) any counterparty with respect to the **assets** and investments; or (iii) **us** or any other agent acting on **your charity's** behalf;
 - (ii) the completeness or accuracy of information received by third parties and will not be responsible for inaccuracies in such information, provided that **Platform Securities** has relied upon information provided to them in good faith. **Platform Securities** are under no obligation to verify, reconcile or validate such information as part of its **services** under the **custodian agreement**;
 - (iii) the negligence, default fraud or other failure by any clearing house or securities depository; and/or
 - (iv) **Platform Securities** relying and acting on what it believes in good faith to be properly given instructions or notices or other documents given or signed by the appropriate parties in accordance with the terms of the **custodian agreement**.
- (d) In accordance with the **custodian agreement** **your charity** shall be responsible to **Platform Securities** for all claims and liabilities incurred or assessed against **Platform Securities** or its agents where such claims and/or liabilities arise directly from **your charity's** fraud, negligence or wilful default or breach by **it** of any of the terms of the **custodian agreement**. In addition, **Platform Securities** may be entitled to exercise the rights described in section 16 (Custodian's right of retention and set-off).
- (e) Nothing in the **custodian agreement** excludes or limits **Platform Securities'** liability for death or personal injury caused by negligence; fraud; misrepresentation as to a fundamental matter; or any liability which cannot be excluded or limited by applicable law.
- (f) **Platform Securities** are liable to **your charity** for any direct loss caused by or resulting from:
 - (i) the acts or omissions of any of **Platform Securities'** affiliated sub-custodians but only to the extent that **Platform Securities** would be liable under the **custodian agreement** if the acts and omissions were in fact the acts or omissions of **Platform Securities**; and
 - (ii) the insolvency of any **Platform Securities'** affiliated sub-custodians.

5. The Financial Services Compensation Scheme

Platform Securities participates in the Financial Services Compensation Scheme ("**FSCS**"). The **FSCS** was set up mainly to assist private individuals although some smaller businesses and smaller charities are also covered. Subject to certain exceptions, the **FSCS** would provide limited compensation in the event of **Platform Securities** being unable to meet its liabilities to a client. This scheme currently covers eligible investors to a maximum of £50,000 in respect of investments. In relation to client money, where an approved bank fails, **your charity** may also be protected. The current limit is £75,000 for each deposit taker.

These limits may change from time to time. Please note that compensation limits usually apply to **your charity's** total holdings with any one organisation in relation to each category of claim and therefore each limit includes all the investments or all the cash that **your charity** holds across all of **its** accounts with one organisation.

Please note that the **FSCS** does not protect against market volatility. In addition, compensation arrangements in overseas jurisdictions may differ to those in the United Kingdom.

A copy of the **FSCS** brochure is available on the Standard Life website at <https://www.standardlife.co.uk/c1/investor-protection.page>.

Further information can be obtained from the **FSCS**.

6. Overseas transactions and custody arrangements

In order to carry out its role as custodian, **Platform Securities** may from time to time;

- (a) arrange for investments to be held by a sub-custodian outside the United Kingdom;
- (b) instruct a transaction for **your charity** that involves **its** money being passed to a third party in connection with that transaction, including (but not exclusively) an exchange, clearing house, intermediate broker, settlement agent or over the counter ("**OTC**") counterparty located in a jurisdiction outside the United Kingdom; and/or
- (c) permit **your charity's** money (in whatever currency) to be held in an approved credit institution or bank outside the United Kingdom or the European Economic Area.

If **your charity's** investments or money are passed to a third party, including (but not exclusively) an intermediate broker, settlement agent or **OTC** counterparty, or credit institution or bank outside of the United Kingdom, the practices, and settlement, legal and regulatory regimes applying to these third

parties may be different to that of the United Kingdom. If such an entity defaults, the investments or money may be treated differently to the way it would be treated if it were held in the United Kingdom and the compensation schemes available in the United Kingdom may not apply. This may increase **your charity's** risk.

As a result of the pooled nominee structure, any fractional entitlements from a corporate event will be issued to **Platform Securities** on the cumulative total pool in share form. It is **Platform Securities'** practice to sell fractional shares at the prevailing market rate and distribute amongst the relevant clients in proportion to their holdings, on a pro rata basis. In the event that the fractional shares received are uneconomical to sell and cash to be distributed is £5 GBP or less we will round up relevant client holdings proportionally. Any remaining small balance will become the property of **Platform Securities**.

7. Unclaimed investments and client money

In certain circumstances, **Platform Securities** may hold **assets** and **non-managed assets** for **your charity**, which have been allocated to **your charity** but have not been claimed by **it**.

Platform Securities will consider assets unclaimed if there have been no transactions on the **portfolio** (other than payment of dividends, interest and charges) for a period of:

- (a) twelve years (where **your charity** holds investments in the **portfolio**); or
- (b) six years (if **your charity** only has money in **its portfolio**);

We will use reasonable efforts to trace **your charity**. If **we** are unable to contact the **charity Platform Securities** will cease to treat the **assets** and **non-managed assets** as safe custody assets and the money as client money. **Platform Securities** may then sell the **assets** and **non-managed assets** it holds for **your charity** and transfer the sale proceeds or any money that it holds (after deduction of any charges due for **your charity's portfolio**) to a registered **charity** of its choice.

If the amount of the client money balance is £25 or more **Platform Securities** will keep records indefinitely relating to the transactions and their attempts to contact **your charity** and unconditionally undertake to pay **your charity** or **its** successor or assignee an amount equal to the client money balance so transferred in the event that **your charity** or **its** legal representatives contact **us** and claim the client money balance.

Platform Securities will make good any valid claim against balances that were released from being treated as safe custody assets or client money, upon the provision by **your charity** of information to evidence the validity of **its** claim.

8. Client classification

For the purposes of the **FCA Rules**, **Platform Securities** will adopt the same classification in relation to **your charity** as determined by **us** and rely on information provided to them by **us** as to that classification.

9. Reporting

Platform Securities will provide **your charity** with a Custody statement detailing the **assets** and **non-managed assets** that **Platform Securities** hold on **your charity's** behalf every three months.

Please also note the following important points which form part of the custodian agreement.

Terms and expressions used in the **custodian agreement** have the same meaning in this **appendix**. We will provide **you** with a copy of the **custodian agreement** on request.

1. **Your charity** authorises **us** to enter into the **custodian agreement** on **its** behalf and to enter into and execute all other documents and to do all acts and things on **its** behalf as fully and effectually as **your charity** could do (whether expressly mentioned in this **appendix** or not) and which **we** shall deem necessary or desirable for the purposes of giving effect to the transactions contemplated by the **agreement** and the **custodian agreement**.
2. **Your charity** acknowledges that the **custodian agreement** takes effect as a separate **agreement** and creates direct contractual rights and obligations between **Platform Securities**, **us** and **your charity**. References in the **custodian agreement** to "customer" include **your charity** and accordingly **your charity** is bound by obligations expressed to be on the part of a customer including those obligations which **we** discharge on **your charity's** behalf.
3. **Your charity** hereby ratifies and confirms (and agrees to ratify and confirm) whatsoever **we** shall do or purport to do in furtherance of or in relation to the authorisations contained in this **appendix**.
4. **Platform Securities** may from time to time advance monies to facilitate settlement and/or in order to meet settlement obligations. Where monies are advanced, **your charity** acknowledges that **it** shall have no right, title or interest in or to any

investments purchased with such advance or proceeds of such investments other than a right to receive such investments or proceeds on repayment of the advance and any associated costs.

5. **Your charity** confirms that **it** grants to **Platform Securities** a continuing general right to retain possession of all investments until the satisfaction of **your charity's** liabilities to **Platform Securities** arising under the **custodian agreement** in respect of (where relevant) any advances, charges, fees and all other expenses and liabilities incurred by **Platform Securities** in the performance of **its services** under the **custodian agreement**. **Your charity** also acknowledges that **Platform Securities** can at any time, and without prior notice, assign any liabilities due to a sub-custodian together with any right to retain possession as security exercisable by that sub-custodian.
6. **Your charity** also acknowledges and agrees that **Platform Securities** and any other sub-custodian shall at all times have the right to withhold investments (to the extent only of any outstanding liabilities to it) until **your charity** has paid the outstanding liabilities due. Where payment is not received in full, **Platform Securities** and any other sub-custodian has the right to be able to sell such part of the investments as is necessary to satisfy all outstanding liabilities due.
7. To the extent permitted by applicable law and in addition to any other remedies available to **Platform Securities** under applicable law, **Platform Securities** may, without prior notice to **us** or **your charity**, set off any payment obligation owed to it by **your charity** in connection with all liabilities arising under the **custodian agreement** against any payment obligation owed by **Platform Securities** to **your charity** under the **custodian agreement** regardless of the place of payment or currency of either obligation (and for such purpose may make any currency conversion necessary). For the avoidance of doubt, **Platform Securities** shall not set off a payment obligation owed to it by one customer against an obligation owed by it to any other customer.
8. **Your charity** shall be responsible to **Platform Securities** and its partners, employees, officers and directors for all claims and liabilities and reasonable costs properly incurred or assessed against them in connection with the performance of the **custodian agreement** and any instruction given by **us** on **its** behalf unless such claim arises out of (i) the fraud, negligence, wilful default of **Platform Securities** or any sub-custodian which

is in the same group as **Platform Securities** or (ii) any material breach by **Platform Securities** of the **custodian agreement**. If **we** agree any claim is payable, **we** shall authorise **Platform Securities** to either withdraw the relevant amount from cash held on **your charity's** behalf or (where insufficient cash is held) to sell investments held on **your** behalf to meet the relevant claim.

9. The **custodian agreement** will terminate on termination of the **agreement** with **us**.

Appendix 2

Nature and risks of designated investments

Summarised below is a general description of the nature of and some of the risks associated with specific types of investment which may be entered into on **your charity's** behalf as part of the discretionary investment management **services** being carried out by **us**. This statement is provided to **your charity** in compliance with the **FCA Rules**. This statement cannot disclose all the risks and other significant aspects of designated investments. **Your charity** should be aware of the nature of these investments and the extent of **its** exposure to risk. **Your charity** should be aware that **it** might sustain loss of the money **it** has invested. Past performance is not necessarily a guide to the future and the value of investments, as well as any income derived from them, which can fall as well as rise. Some of these investments may be unsuitable for certain investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments **your charity** should be aware of the following points.

Specific Investments

1. Shares

A share is a certificate representing a shareholder's rights in a company. Shares may be issued in bearer or registered form. One share represents a fraction of a company's share capital. Dividend payments and an increase or decrease in the value of the security are both possible. The shareholder has financial and ownership rights which are determined by law and the issuing company's articles of association.

Dealing in shares may involve the following specific risks:

- (a) Company risk: a share purchaser does not lend funds to the company, but makes a capital contribution and, as such, becomes a co-owner of the company. He or she thus participates in its development as well as in chances for profits and losses, which makes it difficult to forecast the precise yield on such an investment. An extreme case would be if the company became insolvent, thereby wiping out the total sums invested.
- (b) Price risk: share prices may undergo unforeseeable price fluctuations causing risks of loss. Price increases and decreases in the short-medium and long term alternate without it being possible to determine the duration of those cycles. General market risk must be distinguished from the specific risk attached to the company itself. Both risks, jointly or in aggregate, influence the evolution of share prices.

- (c) Dividend risk: the dividend per share mainly depends on the issuing company's earnings and on its dividend policy. In case of low profits or even losses, dividend payment may be reduced or not made at all.
- (d) Smaller and Unquoted Companies: investment in the securities of smaller and unquoted companies can involve greater risk than is customarily associated with investment in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Proper information for determining their value or the risks to which they are exposed may not be available.

2. Fixed Interest Securities

A fixed interest bond or gilt is a financial instrument which carries an agreed rate of interest, normally payable for a set period. Issuers of such investments can be governments, local authorities, supranational institutions and companies. Bonds normally have set redemption dates on which the nominal value is repaid. Bonds and gilts can be bought and sold daily. Bonds can be bought on issue and held until redemption, or they can be traded prior to maturity. Thus the purchase and sale prices can vary in unpredictable ways. They carry price risk, driven by the evolution of interest rate markets, the terms of the bond and factors relating specifically to the issuing institution (such as a profit warning by a company that has issued a bond). All bonds also carry credit risk. This is the risk that an issuer may default on payments. Developed market government bonds typically have an implied credit risk that is low, relative to other risk assets, due to tax raising powers, and lack of default historically. Emerging market government bonds, corporate bonds and funding instruments issued by special purpose vehicles typically carry a greater credit risk than those issued by developed market governments. This can affect prices even if default does not occur, merely that the chance of default has changed. Companies can have a very broad range of credit risk, for example some may issue investment grade bonds which carry less implied credit risk than that ascribed to a government. Conversely, a company may have very high implied credit risk. The level of implied credit risk is subject to many factors which are not fully described in this document.

3. Collective Investment Schemes (Funds)

A fund is an investment vehicle into which investors can make an investment by purchasing a unit, share or interest in the fund. There are many different types of fund available including investment trusts, unit trusts, open-ended investment companies with variable capital (OEICs or ICVCs), Societe d'Investissement a Capital Variable (SICAV), Societes d'Investissement en Capital a Risque (SICARs), limited liability partnerships, exchange-traded funds (ETFs), real estate investment trusts (REITs), venture capital trusts (VCTs), property funds, hedge funds and private equity funds. They may be onshore or off-shore, qualifying money market funds (QMMFs), regulated or unregulated. Depending on the legal structure of the fund, shares or units in the fund may be listed on a stock exchange and the fund may be either open ended (being, generally, a fund that confers on investors a right to redeem their interests in the fund with the value of the fund being determined by the value of underlying assets) or closed ended. Some fund structures are more exposed to risk than others due to, amongst other things, the markets they invest in, the nature of their assets and the extent of their leverage.

In each case the fund may be managed by a third party which invests the fund's cash and assets. The shares or units represent the investor's interest in the fund and the value of the shares or units purchased is often determined by the value of the underlying investments made by the fund (although where the shares or units in the fund are listed or traded on a market, they may trade or be sold at a discount or premium to net **asset** value).

Some funds charge an annual management fee. Usually this will be taken from the income generated. If insufficient income is generated by the fund to cover the management fee, the balance will be deducted from the fund's capital and to that extent will constrain capital growth. In some cases this may be deducted directly from the capital of the fund which will reduce capital growth.

As mentioned earlier in this section, **we** may invest in QMMFs from time to time. If **your charity** does not wish the **portfolio** to invest in QMMFs, **it** must notify **us** of this and **we** will discuss appropriate alternatives with **you**.

Dealing in any type of fund may involve the following risks:

- (a) Transferability and withdrawal: shares or units in funds may not be readily redeemable or transferable or there may not be a market for such shares or units. In such cases, an investor may have to hold his interest until such time as the fund

is wound up or a secondary market develops for those shares or units – this may involve the investor holding his interest for a substantial period of time. If the fund is an open ended fund, **restrictions** may apply to the redemption of the shares or units that may result in an investor being unable to liquidate his investment in the fund at the time of his choosing. There may also be fees payable on redemption of shares or units. The shares or units in some funds may be listed on a stock market. As a result, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net **asset** value of the shares or units.

Investment in a fund will at all times be subject to the terms of the fund's governing documents, including terms relating to underlying investments which may include, for example, restricted conditions surrounding the liquidity of investments and the rights of directors to suspend redemptions in certain circumstances.

- (b) Regulation: some funds may not be regulated in the jurisdiction of their establishment, or elsewhere, meaning that certain investor protections or **restrictions** on activity applicable, in a given jurisdiction, to a regulated fund may not apply to such funds.
- (c) Leverage: some funds may borrow money under credit facilities in order to satisfy redemption requests, pay certain organisational expenses and finance the acquisition of investments. As such, leverage exposes the fund to capital risk and interest costs that may reduce the value of an investor's investment in the fund.
- (d) Rights of participation: investors in funds, generally, have very limited rights of participation in respect of their shares or units and the power to make all decisions, with the consent of investors, is usually delegated to the investment manager of the fund.
- (e) Strategy: some funds specialise in particular **asset** classes, geographical areas or market sectors, meaning risk may be concentrated in the relevant **asset** classes or geographical areas or market. Some funds choose strategies which the market would regard as high risk. The investment strategy of a fund may be such that the fund faces strong competition for the purchase of assets from other investors, thereby reducing the investment opportunities available to the fund.
- (f) Valuations: it may be difficult to determine the net **asset** value of a fund which has invested in illiquid underlying assets, and therefore it may be difficult to value the underlying shares or units of the fund.

(g) Underlying assets: the underlying assets of a fund can be diverse and cover both long and short positions and a full range of assets, which may be held via derivative contracts. A fund may be exposed to market risks and risks associated with particular trading activities – for example, off-exchange trading, short selling, leveraged trading, frequent **portfolio** turnover and speculative position limits – which may result in losses for the fund or periods of fund underperformance. The risks associated with a direct investment by an investor in the underlying **asset** are also relevant in determining the risks associated with an investment by the fund in the underlying asset.

(h) Management of the fund: the operation and performance of a fund will be dependent upon the performance of the fund's investment manager. Generally a fund will rely upon the investment manager to make investment decisions consistent with the fund's **investment objectives** and the investment manager, in turn, will be dependent upon its key personnel carrying out their roles with due care and skill. The investment manager and its affiliates (if any) may be in a position to provide **services** to other clients which conflict directly or indirectly with the activities of the fund and could prejudice investment opportunities available to, and investment returns achievable by, the fund. If the **agreement** between the fund and the investment manager is terminated, the fund may not be able to find a suitable replacement for the investment manager, potentially leading to losses for the fund and periods of fund underperformance.

4. Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time scale then the investment becomes worthless. It would not be prudent to buy a warrant unless **your charity** is prepared to sustain a total loss of the money **it** has invested plus any commission or other transaction charges. Some other

instruments are also called warrants but are actually **options** (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

5. Off-exchange warrant transactions

Off-exchange warrant transactions are investments in which the deal is not regulated by the rules of an exchange. Transactions in off-exchange warrants may therefore involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate **your charity's** position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

6. Structured Products

Structured products are investment vehicles with a finite life where **derivatives** are used to create a particular investment strategy. For example, in some instances, they are designed for investors who wish to combine market growth with a guarantee that they will get their original investment back or will pay out a fixed coupon if certain conditions are met. Structured products have different risk profiles depending upon a number of factors, for example, the investment strategy, the structure used, credit risk of underlying financial instruments, counterparty risk of the issuer and liquidity risk. Not all structured products are tradeable investments with some structured products requiring the investor to hold the product to maturity.

7. Structured Capital at Risk Products (SCARPs)

SCARPs are products, other than **derivatives**, which provide an agreed level of income or growth over a specified investment period. It is important to note that the capital initially invested by **your charity** is not protected or guaranteed and may not be returned to **it** at the end of the product term.

SCARPs have the following features:

- (a) **your charity's** original investment is exposed to a range of outcomes;
- (b) the return of the original investment at the end of the investment period is linked by a pre-set formula to the performance of an index, a combination of indices, a 'basket' of selected stocks (typically from an index or indices), or other factor or combination of factors; and

- (c) if the performance in (b) is within specified limits, repayment of initial capital invested occurs but if not, **your charity** could lose some or all of their original investment.

Buying or dealing in SCARPs may involve the following specific risks:

- (a) the return of the original investment at the end of the investment period is not guaranteed and **your charity** may lose some or all of the money initially invested;
- (b) the amount of initial capital invested may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount repaid out to **your charity**;
- (c) if a SCARP is sold prior to maturity, **your charity** may lose capital and may not receive the maximum benefit;
- (d) the initial capital invested may be placed into high risk investments, such as non-investment grade bonds;
- (e) the rate of income or growth may depend on specified conditions being met (for example, the rate of growth might depend on the performance of the Nikkei 225 index as follows: for every 100p invested, 100p is returned at the end of the life of the SCARP (6 years) if the Nikkei 225 index falls by less than 50%. If the index falls by more than 50%, the 100p is reduced by the percentage fall in the index. If the index rises, the 100p increases by 5 times the percentage rise in the index to a maximum of 200p at the end of the life of the SCARP); and
- (f) **your charity** may not get back all the money that is invested in the SCARP.

8. Commodities

The primary commodities that are traded are oil, gold and agricultural products. Since no one really wants to transport all those heavy materials, what is actually traded are **futures** contracts or **options**. These are agreements to buy or sell at an agreed upon price on a specific date and are considered to be high risk.

9. Debentures

Debentures are loans that are usually secured and have either fixed or floating charges with them. Debenture holders have the right to receive their interest payments before any dividend is payable to shareholders and, most importantly, even if a company makes a loss, it still has to pay its interest charges. If the business fails, the debenture holders will be preferential creditors and will be entitled to the

repayment of some or all of their money before the shareholders receive anything. The level of risk for debentures will vary based on factors specific to the issuing institution and macro-economic factors.

Other General Risks of Investing

10. Foreign markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

11. Emerging markets

Emerging markets are less developed countries which may have less stable economic and/or political conditions than larger mature western economies. Emerging market investing is generally characterised by higher levels of risk than investing in fully developed markets. Accounting, corporate governance and financial reporting standards that prevail in certain countries are often not equivalent to those in countries with more developed markets. Tax and legal regimes may be subject to uncertainty and to significant and unpredictable changes and repatriation of investments and profits may be restricted by exchange controls. There may also be less well-developed regulation of markets, issuers and intermediaries. Markets may lack liquidity of those in developed countries, leading to difficulty in valuing assets. Instability in such markets has previously led to and may continue to lead to investor losses. Settlement of transactions carried out on such markets may be lengthier and less secure than in developed markets. In some international markets and particularly in developing and emerging markets the marketability of quoted shares may be limited due to foreign investment **restrictions**, wide dealing spreads, exchange controls, foreign ownership **restrictions**, the restricted opening of stock exchanges and a narrow range of investors. Trading volume is lower than on more developed stock markets, and equities are less liquid. Volatility of prices can also be greater than in more developed stock markets. The infrastructure for clearing, settlement and registration on the primary and secondary markets of many emerging markets may be undeveloped. Many developing and emerging markets, and the companies quoted on their stock exchanges, are exposed to the risks of political, social and religious instability, expropriation of assets or nationalisation, rapid rates of inflation, high interest rates, currency depreciation and fluctuations and changes in taxation.

12. Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

13. Stabilisation

From time to time **we** may carry out transactions in securities on **your charity's** behalf where the price may have been influenced by measures taken to stabilise it. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The **FCA** allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

Types of Transaction

14. Short selling

Short selling is a strategy in which a speculator sells a commodity or security that he or she does not own in order to profit from a falling market. The speculator will borrow the commodity or security from a third **party** and then immediately sell on to the buyer. At a later date, the speculator must make good on the loan by buying back the commodity or security from the market to close the position. If the value of the commodity or security has fallen during this period the speculator's profit will be the difference between his original sale price and the buyback price (minus interest charges and fees). However, if the market moves against the speculator there is the potential for limitless losses.

15. Arbitrage

Arbitrage is the simultaneous purchase of a security on one stock exchange and the sale of the same security on another exchange to take advantage of a price discrepancy.

16. Foreign Exchange

Foreign exchange is the exchange of one country's currency for another. All foreign exchange is determined by a rate of exchange, or a ratio valuing one currency against another. On the foreign exchange market, foreign currency is bought and sold for immediate (spot) or forward delivery.

17. Securitised derivatives

Securitised **derivatives** may give **your charity** a time limited right (i.e. where **it** must give some form of notice to exercise that right) or an absolute right (where no such notice of exercise is needed) to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Alternatively, they may give **your charity** rights under a **contract for differences** which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument".

These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.

These instruments have a limited life, and may (unless there is some form of guaranteed return to the amount **your charity is** investing in the product) expire worthless if the underlying instrument does not perform as expected.

It is prudent only to enter into this investment if **your charity** is prepared to sustain a total loss (where the terms of the securities derivative provide that return is totally dependent on the performance of the underlying instrument(s) to which the product is linked), a substantial loss (where terms of the securitised derivative provide for some form of return irrespective of the performance of the underlying instrument(s) to which the product is linked but where that return is low) or loss (where terms of the securitised derivative provide for some form of return irrespective of the performance of the underlying instrument(s) to which the product is linked but where that return is high but less than 100% of the amount **your charity** paid for the product) of the money **it** has invested plus any commission or other transaction charges.

18. Futures

Transactions in **futures** involve the obligation (not an **option**) to make, or to take, delivery of the underlying **asset** of the contract at a future date, or in some cases to settle the position with cash. **Futures** can only be closed (disposed of) by cancelling out its effect. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in **futures** trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of **your charity's** investment, and this can work against **it** as well as for **it**. **Futures** transactions have a contingent liability, and **your charity** should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 22.

19. Options

An **option** is the right (but not the obligation) to buy (call) or sell (put) an investment at a predetermined price at a particular date in the future. The **option** price represents the costs of the right to purchase or sell an underlying security. An **option** does not carry rights to dividends and is a synthetic investment which can be traded at any time.

There are many different types of **options** with different characteristics subject to the following conditions:

Buying options: Buying **options** involves less risk than selling **options** because, if the price of the underlying **asset** moves against **your charity**, **it** can simply allow the **option** to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if **your charity** buys a call **option** on a **futures** contract and **it** later exercises the **option**, **it** will acquire the future. This will expose **your charity** to the risks described under '**futures**' (paragraph 18) and '**contingent liability investment transactions**' (paragraph 22).

Writing options: If **your charity** writes an **option**, the risk involved is considerably greater than buying **options**. **Your charity** may be liable for margin to maintain **its** position and a loss may be sustained well in excess of the premium received. By writing an **option**, **your charity** accepts a legal obligation to purchase or sell the underlying **asset** if the **option** is exercised against **it**, however far the market price has moved away from the exercise price. If **your charity** already owns the underlying **asset** which **it** has contracted to sell (when the **options** will be known as 'covered call **options**') the risk is reduced. If **your charity** do not own the underlying **asset** ('uncovered call **options**') the risk

can be unlimited. Only experienced persons should contemplate writing uncovered **options**, and then only after securing full details of the applicable conditions and potential risk exposure.

20. Contracts for differences

Futures and **options** contracts can also be referred to as **contracts for differences**. These can be **options** and **futures** on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other **futures** and **options**, these contracts can only be settled in cash. Investing in a **contract for differences** carries the same risks as investing in a **future** or an **option** and **you** should be aware of these as set out in paragraphs 18 and 19 above respectively. Transactions in **contracts for differences** may also have a contingent liability and **your charity** should be aware of the implications of this as set out 23 below.

21. Off-exchange transactions in derivatives

While some off-exchange markets are highly liquid, transactions in off-exchange or 'non-transferable' **derivatives** may involve greater risk than investing in on-exchange **derivatives** because there is no exchange market on which to close out an open position. Risk will be dependent on the nature of the counterparty with whom the transaction is being entered into. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

22. Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require **your charity** to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If **your charity** trades in **futures**, **contracts for differences** or sells **options**, **it** may sustain a total loss of the margin **it** deposits with **your charity's** firm to establish or maintain a position. If the market moves against **your charity**, **it** may be called upon to pay substantial additional margin at short notice to maintain the position. If **your charity** fails to do so within the time required, **its** position may be liquidated at a loss and **it** will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when

your charity entered the contract. Save as specifically provided by the **FCA**, **we** may only carry out margined or **contingent liability investment** transactions with or for **your charity** if they are traded on or under the rules of a recognised or designated investment exchange. **Contingent liability investment** transactions which are not so traded may expose **your charity** to substantially greater risks.

23. Limited liability transactions

Before entering into a limited liability transaction, **your charity** should obtain from **us** or the firm with whom **it** is dealing a formal written statement confirming that the extent of **your charity's** loss liability on each transaction will be limited to an amount agreed by the **charity** before **you** enter into the transaction.

The amount **your charity** can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, **it** may sustain the loss in a relatively short time. **Your charity's** loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

Appendix 3

Order execution policy

Introduction

This document sets out the Order Execution Policy ("Policy") and approach to providing best execution as required by the Markets in Financial Instruments Directive II 2014/65/EC (MiFID II), on behalf of the clients of abrDN Capital Limited (abrDN CL). When this document refers to 'the firm', "we" or "our" it is including the following legal entities:

- abrDN Capital Limited

MiFID II requires abrDN CL to take all sufficient steps to obtain the best possible outcome for its clients ("Clients"). The overarching obligation to obtain the best possible result for clients is referred to, in this document, as our obligation of "Best Execution".

abrDN CL invests in financial instruments including securities for its Clients. The operation of the execution of deals (but not the responsibility) has been outsourced. abrDN CL transmits and places all orders for its Private Client business with Platform Securities LLP, and all orders for its Fund clients with abrDN plc. abrDN CL transmits and places all orders with various platform firms which host our Managed Portfolio Service (MPS). All of these firms are referred to as Our Suppliers.

This document outlines abrDN CL's Policy on order execution. Our Suppliers' comply with abrDN CL's Policy where they undertake activities in executing trades on our behalf. All orders follow the order execution policies of each of Our Suppliers and each of their policies is designed to achieve Best Execution.

All deals are placed with the intention of achieving the best outcome for each client, in accordance with the Financial Conduct Authority's ("FCA") Order Execution Factors, and no client will be preferred ahead of others in terms of what price could be achieved. Deals in the same security for different clients may be amalgamated together before being released to Our Suppliers.

Policy Owner and Approvals

Material changes to the Policy are approved by the abrDN Investment Oversight Committee ("abrDN CL IOC") and are reported to the abrDN Executive Committee ("abrDN CL EXCOM"). Any material change that affects our ability to obtain best possible outcomes for the execution of Client orders will be communicated to Clients and would give rise to a review of the Policy.

The Policy is reviewed and approved by the abrDN CL IOC at least annually. Exceptions to this Policy are also approved by the abrDN CL IOC.

Definitions

Financial Instruments	Defined under MiFID II.
Professional Clients	Defined under MiFID II.
Retail Clients	Defined under MiFID II.
Trading Venue	'Trading venue' means a Regulated Market, a Multilateral Trading Facility (MTF) or an Organised Trading Facility (OTF).
Regulated Market	A multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract. Regulated markets are usually referred to as "exchanges".

Scope

The Policy applies where abrDN CL manage investments in **Financial Instruments** on behalf of Clients classified by abrDN CL as **Retail** or **Professional Clients**.

The Policy applies to all order execution on behalf of Clients of abrDN CL through an approved execution venue used by Our Suppliers.

Oversight and Control

It is the responsibility of all Portfolio Managers and dealers involved in raising and executing orders to understand the firm's obligations as they relate to Best Execution under the relevant legislation.

The Portfolio Managers, Investment Team, Client Investment Governance Operations team and Risk & Compliance all have a role to play in overseeing the Policy.

The abrDN CL IOC is the body with primary responsibility for oversight of Best Execution. The abrDN CL IOC is supported in this role through oversight of Third Party Supplier Service Level Agreement arrangements by Operations and oversight of client investment activity reviewed by the abrDN CL Investment Control Risk & Exposures Committee.

Order Execution

When arranging execution of orders on behalf of our Clients' behalf, Our Suppliers will take all sufficient steps to execute orders on terms most favourable to its Clients, taking into account the execution factors and criteria defined below.

Order Execution Factors

Our Suppliers will execute orders having assessed execution factors such as price, costs, speed, likelihood of execution and settlement, size, credit worthiness of the institution where the trade is placed, performance of the execution venue or counterparty, nature of the order or any other consideration relevant to the execution of the order.

In determining the relative importance of these factors, Our Suppliers will either take into account criteria such as the nature of the client mandate, the nature of the order, the characteristics of the financial instruments to which the order relates and the execution venues to which the order may be directed or execute the order directly in the case of Platform Securities LLP.

The relative importance of the execution factors will therefore vary considerably between different orders and financial instruments. Established processes ensure the importance of the factors considered is appropriate for the different circumstances. Our Suppliers will also consider an executing counterparty's proven ability to execute a desired trade competently while managing risk appropriately, and adhering to regulatory requirements when selecting a trading counterparty. This will apply to all types of financial instruments.

When executing, or arranging execution on behalf of a retail Client, our provision of Best Execution will be determined primarily in terms of "Total Consideration".

Total Consideration is the price of the relevant financial instrument, plus the costs related to execution. These costs will include all expenses incurred which are directly related to the execution of the order (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order).

Under the rules, Total Consideration is the defining execution factor for retail Clients. For retail Client orders, the Execution Factors (as defined above) including liquidity will also be considered, but will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the Total Consideration to the Client.

Client consent to this Policy and execution of orders outside a regulated market or MTF will be obtained prior to execution.

Monitoring and Review

We monitor our order execution arrangements to ensure we are obtaining the best possible result for Clients. We receive regular Best Execution updates from Our Suppliers, having satisfied ourselves through our governance framework that the underlying information reviewed and analysed is sufficient to support the best execution conclusions made in each statement.

We expect Our Suppliers to be evidencing their Best Execution arrangements and to provide details of what this entails within their own published order execution policies. As a minimum, we would expect this to cover quantitative analysis, selection and review processes for brokers, details of any specialist modelling or pricing tools used and both quantitative and qualitative assessments of quality of execution. We would also expect Our Suppliers to continually monitor their counterparties' financial positions and performance to ensure that they continue to achieve the best results for Clients.

abrdn CL will conduct periodic reviews of Our Suppliers to oversee its obligations to seek Best Execution. This may involve the following as appropriate

- reviews of execution effectiveness and quality based on information obtained from suppliers (including their execution venue reviews);
- trade exception reports with information including trade details, reason, justifications etc;

Conflicts of Interest

In line with the abrdn CL Conflicts of Interest Policy, abrdn CL has no best execution conflicts to disclose. Should a conflict arise which risks damage the interests of any client or group of clients, then abrdn CL would disclose the conflict and would take all necessary action to ensure clients' interests are protected.

Specific Instructions

Subject to our agreement in each individual case, where a client gives us a specific instruction as to the execution of an order, the relevant part of that order will be executed in line with those instructions. In acting on specific client instructions our ability to take the steps we have designed to ensure we obtain the best possible result may be impaired.

Order Execution and Handling

Typical information relating to execution venues and processes along with specific handling of the various asset classes by Our Suppliers is detailed within Appendix 1 of this document, which can be made available on request, as well as being covered within their own order execution policies.

Execution Venues and Process

For the purpose of this Policy, abrdn CL has defined 'execution venues' as:

- Regulated Markets, e.g. the London Stock Exchange
- Multi-Lateral Trading Facility ("MTF"), e.g. electronic trading platform such as Liquidnet, Tradeweb or FXALL
- Organised Trading Facility ("OTF") as they become available
- Agency Brokers
- SWAP Execution Facility ("SEF"), e.g. Tradeweb SEF, Bloomberg SEF, FXALL SEF
- Systematic Internaliser, e.g. an investment bank
- Market maker, e.g. an investment bank, broker or other liquidity provider
- Outside Europe, such venues may be defined/approved differently e.g. In the US, Liquidnet is defined and approved as an Alternative Trading System ("ATS")

In cases where there are potentially multiple execution venues, regardless of Financial Instrument, several factors will be weighed before selecting the venue to which the order will be routed. However, some of Our Suppliers may not consider all of the venues mentioned above. Dealers or Our Suppliers may reference pre-trade analytics, which may incorporate price discovery systems, discussions with execution venues, and their assessment of prevailing market conditions before choosing the most-appropriate execution venue. Our Suppliers will also monitor for Best Execution post trading in line with the respective Service Level Agreements ("SLA"s).

The scope to utilise these execution venues will vary between different Financial Instruments. In some instances, the execution venue to which Our Suppliers have routed an order may ultimately execute the order outside of a regulated market or MTF, i.e. off-exchange. Our Supplier may choose to put counterparties in competition, or execute on an exclusive basis, dependent on the market microstructure considerations, order characteristics and expectations on trading strategy feedback into prevailing market conditions.

Client consent to this Policy and execution of orders outside a regulated market or MTF will be obtained prior to execution.

Our Suppliers' selection of execution venues or brokers to execute Client orders is based on a number of criteria, including their:

- Market familiarity;
- Access to liquidity and/or willingness to commit risk;
- Financial stability and certainty of settlement;

- Reliability and Integrity of maintaining confidentiality;
- Soundness of technological infrastructure and operational capabilities; and
- Ability to evidence best execution in line with their order execution policy.

When applying the Best Execution criteria to selecting an execution venue or broker, the difference in execution fees between two execution venues or brokers will always be entirely explained by the difference in the actual fees that are charged by the execution venues or brokers in question. Thus Clients are never incentivised towards a particular execution venue or broker for reasons outside the Best Execution framework.

Definitions

Multi-lateral Trading Facility

A multilateral system, operated by an investment firm or a market operator, and which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract. ("MTF"s).

Organised Trading Facility

A multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract.

Systematic Internaliser

An investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an MTF or an OTF; The firm will usually execute orders from its clients against its own book or against orders from other clients. MiFID will treat Systematic Internalisers as mini-exchanges; hence, for example, they will be subject to pre-trade and post-trade transparency requirements.

Swap Execution Facility

A Commodity Futures Trading Commission (CFTC) regulated facility, trading system or platform in which multiple participants have the ability to execute or trade swaps by accepting bids and offers made by multiple participants in the facility.

Equity and Equity-Like Products

Our Suppliers may route the order through any of the execution venues listed in their order execution policies. Depending on market conditions, typical execution factors for consideration will include price, size, cost, likelihood of execution or speed.

Our Suppliers will arrange access to all regulated dealing venues they assess as appropriate for an asset manager. Given the number of available venues, the selection of trading venue(s) for parts of a working order will typically be made electronically when using algorithmic trading.

Our Suppliers may use new MTFs (to replace electronic crossing networks) and direct market or exchange access tools when appropriate in order to minimise impact by maintaining anonymity and access "hidden" liquidity.

When appropriate and where regulatory permissions exist, certain suppliers will trade baskets of stocks as a program trade, again with broker and investment bank intermediaries on both a principal and agency basis. Program trades can allow immediacy across a large number of stocks in principal trades or a reduced commission rate in agency trades.

Fixed Income

For some of Our Suppliers, the execution of fixed income orders may be routed through systematic internalisers, but may also utilise agency brokers and MTFs where appropriate. Depending on the liquidity of the fixed income instrument and the level of trading interest, some suppliers will route these through the Retail Service Providers network for onward execution. For less liquid instruments, some suppliers will use specifically approved counterparties to execute the trades via telephone (voice trading) Depending on market conditions, typical execution factors for consideration will include price, size, cost, likelihood of execution or distribution of trading interest.

Money Markets & Foreign Exchange (MMFX)

Where relevant for Our Suppliers, all Money Market trades should be executed with approved counterparties or brokers. Only approved counterparties/brokers should be set up on the relevant dealing platform.

Derivatives (Exchange Traded & Over the Counter)

Orders may be routed through regulated markets, MTFs, Systematic Internalisers and other liquidity providers. These will not be relevant for our Private Clients traded through Platform Securities or the platform firms. Approved market counterparties will be used and the primary execution factors considered include creditworthiness of the counterparty, likelihood of execution, liquidity, price, costs of execution, distribution of trading volumes and collateral.

Collectives

Orders will be routed through the standard trading platforms and execution venues approved by Our Suppliers, with due consideration given to best execution for our Private Clients. Deals will be placed prior to the relevant cut-off time and are dealt at the next available opportunity at the prevailing price for that valuation point.

Order Handling

abrdn CL operates procedures to ensure the prompt, fair and expeditious execution and allocation of Client orders relative to other Client orders.

abrdn CL will perform the necessary oversight of Our Suppliers to ensure that all trade executions are allocated fairly to all participating accounts in accordance with the original intended allocation(s) recorded at the time of execution. Partially filled orders will generally be allocated to participating accounts using the same execution price and on a pro-rata basis.

It is abrdn CL's objective to aggregate orders where possible, in order to provide the best possible execution in a manner that treats all customers fairly. Deals in the same security for different clients may thus be aggregated together before being released to Our Suppliers. We would only do this where it is unlikely that the aggregation of orders would work overall to the disadvantage of any client whose order is to be aggregated, although this cannot be guaranteed. Under circumstances where it is known that order aggregation would result in a negative impact to one of the participating orders, it will not be undertaken.

abrdn CL does not trade for its own account.

Appendix 4

Summary of conflicts of interest policies of abrdn CL and Platform Securities

abrdn CL

A conflict of interest is defined as any situation where the interests of the firm, including its managers and employees, conflict with those of a client, or where there is a conflict between one client of the firm and another. The duties of individual employees when conflicts of interest arise are set out within each individual's contract of employment.

In accordance with the **FCA Rules**, we have established a **conflicts of interest policy** which identifies actual and potential conflict of interest situations, taking into account whether **we** or a person connected with **us** is likely to make a financial gain, or avoid a financial loss at the expense of the client, whether **we** or a person connected with **us** has an interest in transactions or **services** provided to clients, whether there are any incentives, financial or otherwise, to favour one client or group of clients over another, whether **we** or a person connected with **us** carry out the same business as the client, whether **we** have received any inducements from a person other than a client in relation to **services** provided to the client, other than standard commissions or fees.

We will take all reasonable steps to ensure that transactions are effected on terms which are not materially less favourable to **your charity** than if a conflict or potential conflict had not existed.

Whilst complying with **our conflicts of interest policy** and all other laws and regulations, **we** are not required to account to **your charity** for any indirect profit **we** may make from a transaction contemplated by this **appendix**.

Any conflicts which cannot be effectively managed, and which pose a material risk of damage to the interests of clients, will be disclosed to clients before undertaking business with them. Such disclosure will include the nature and the type of conflict and will also include sufficient detail to allow **your charity** to make an informed decision on whether or not to do business with **us**. Where **we** consider that **our** arrangements are not sufficient to ensure that the risk of damage to **your charity** and to **our** other clients will be prevented, **we** will decline to act.

As permitted by the FCA rules, we may from time to time give or receive minor non-monetary benefits ("MNBs"), for example, de minimis hospitality such as food or drink as part of a seminar.

The full list of permitted MNBs that we may give or receive is on our website.

[You may request further details of our conflicts of interest policy from your client portfolio manager at any time.](#)

Platform Securities

We instruct the platform to carry out or execute orders within the managed portfolios. The platform will do so according to its Order Execution Policy. We have a general oversight responsibility over our suppliers, according to our own Order Execution Policy, which is available on our website.

Platform Securities provides a wide range of **services** to both retail clients and companies engaged in a variety of activities on behalf of individuals and institutional clients, including the management of client assets, transacting of deals and the custody of assets. As such **Platform Securities** may at times have interests which conflict with those of its clients. Conflicts may arise between its interests, its associates and employees and its clients and also between clients.

Platform Securities have in place a **Conflicts of Interest Policy** and procedures specifically designed to identify and manage such conflicts. These include organisational and administrative arrangements that are intended to restrict the flow of information and access to client data so as to protect the interests of clients and to ensure that the activities of employees are visible to senior management and are monitored. Further information on the **Platform Securities Conflicts of Interest Policy** is available on request from your client **portfolio** manager.

Appendix 5

Complaints and compensation

Complaints

- (a) **We** have an established complaints procedure which conforms to the **FCA Rules** for the proper handling of complaints. If **you** wish to see a copy of **our** Internal Complaints Handling Procedure please contact us (our contact details are at section 9(i). How to contact us).
- (b) If **your charity has** any complaints regarding **our services**, **you** should contact **us** (please see section 9(i). How to contact us). Alternatively **your charity** can contact **our** customer relations team via email at CustomerRelations@abrdn.com.
We will discuss the issue with **you** and attempt to resolve it.
- (c) If **we** cannot resolve **your charity's** complaint in this manner **we** will pass it to a dedicated complaint handler for further investigation.
- (d) **We** record details of **your charity's** complaint centrally and make sure the complaint is thoroughly investigated by someone who has been trained in complaints handling.
- (e) If **we** are unable to resolve a complaint within three **business days** of the day **we** received it, **we** will issue **you** with a written acknowledgment together with a copy of **our** Internal Complaints Handling Procedure and provide **you** with regular updates as to **our** progress with **our** investigation into **your charity's** complaint.
- (f) Within 8 weeks of receiving **your charity's** complaint **we** will send **you** one of the following two responses:
 - (i) a final written response in which either: **we** offer **your charity** a remedy, whether or not **we** accept **your charity's** complaint; or **we** reject **your charity's** complaint and give **you our** reasons for doing so. This letter will include a copy of the Financial Ombudsman Service's standard explanatory leaflet and inform **you** that if you remain dissatisfied with **our** response, **your charity** may be able to refer **its** complaint to the Financial Ombudsman within 6 months; or
 - (ii) an interim written response which will explain why **we** are not in a position to make a final response, and indicate when **we** expect to be able to provide **you** with one. This letter will also inform **you** that **you** may be able to refer **your charity's** complaint to the Financial Ombudsman Service and will include a copy of the Financial Ombudsman Service's standard explanatory leaflet.

- (g) The Financial Ombudsman Service is an independent service with powers under the **FSMA** to resolve disputes between customers and business providing financial **services**. This service is free to consumer. Certain eligibility criteria apply. Further information about the Financial Ombudsman Service may be found at www.financial-ombudsman.org.uk.
- (h) Complaining to the Financial Ombudsman Service will not affect **your charity's** rights. In general, **your charity** (if eligible to use the Service) has 6 months from the date of **our** final response to refer **its** complaint to the Financial Ombudsman Service.

Financial Services Compensation Scheme

- (a) The Financial Services Compensation Scheme (**FSCS**) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. For further information:
 - (i) Call them on **0800 678 1100**;
 - (ii) See the FSCS brochure on the Standard Life website at <https://www.standardlife.co.uk/c1/investor-protection.page>; or
 - (iii) Visit **www.fscs.org.uk**Please note call charges may vary.

The amount of compensation available from the **FSCS** depends on the type of business and the circumstances of the claim.

To find out more about our services please speak to your local Aberdeen Standard Capital representative.

For more information visit [abrdn.com](https://www.abrdn.com)

abrdn Capital Limited, registered in Scotland (SC317950) at 1 George Street, Edinburgh EH2 2LL.
abrdn Capital Limited is authorised and regulated by the Financial Conduct Authority.

abrdn.com