

# KEY FEATURES OF THE EFA HALLMARK INVESTMENT PORTFOLIO INDIVIDUAL SAVINGS ACCOUNT (ISA)

## INTRODUCTION

This document describes the key features of the EFA Hallmark Investment Portfolio Stocks and Shares Individual Savings Account (EFA Hallmark Investment Portfolio ISA). It must be read in conjunction with the Simplified Prospectus of the EFA Hallmark Investment Portfolio.

## AIMS

The aim of the EFA Hallmark Investment Portfolio Stocks and Shares ISA is to provide tax-efficient returns on your investment in the EFA Hallmark Investment Portfolio Sub-Funds.

## DESCRIPTION OF YOUR INVESTMENT

### What is a Stocks and Shares ISA?

A Stocks and Shares ISA (Individual Savings Account) is a Government authorised scheme offering tax concessions to individual investors, where the investments held within the ISA are free from higher rate Income Tax and Capital Gains Tax.

The maximum investment permitted in a Stocks & Shares ISA is £10,200 for the 2010/11 tax year.

### What is the EFA Hallmark Investment Portfolio Stocks and Shares ISA invested in?

The EFA Hallmark Investment Portfolios Stocks and Shares ISA is invested in the EFA Hallmark Investment Portfolio Sub-Funds.

### Can I take out a Stocks and Shares ISA?

You can take out a Stocks and Shares ISA if you are 18 years of age or over and are resident and ordinarily resident in the United Kingdom for tax purposes or, if not so resident, either perform duties which, by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 (Crown Employees Serving Overseas), are treated as being performed in the United Kingdom, or you are married to, or in a civil partnership with, a person who performs such duties.

### Do I have to keep my ISA for a minimum period of time?

No, you can sell all or part of your Stocks and Shares ISA investment whenever you like. If you do want to cash in part or all of your ISA, simply write and let us know how much. Remember, it is the contributions into your Stocks and Shares ISA which count towards the annual limit. Once you have withdrawn cash from your Stocks and Shares ISA, any reinvestment will count towards your annual allowance for the tax year in which reinvestment takes place.

### What are the minimum investment levels?

You can invest in Class B Income Shares in the EFA Hallmark Investment Portfolio Sub-Funds, subject to the minimum amounts specified:

Product	Minimum
ISA	£5,000
Monthly Savings ISA	£100pm

At its absolute discretion, Elite Fund Administration ('EFA' or 'Elite') may vary the minimum investment levels.

### How do I invest?

Investment into the EFA Hallmark Investment Portfolio Stocks and Shares ISA is by post only.

### How are share prices calculated?

The price of shares is calculated daily following a valuation of the underlying net assets of the Funds. These valuations will normally be as at 12 noon on each business day.

Dealing is on a forward basis, which means that you normally buy or sell shares at the prices calculated at the valuation point immediately following receipt of your dealing instructions. In the case of an ISA, this will be at the valuation point immediately following receipt of your application and cheque.

In the case of an ISA transfer, dealing will be at the valuation point immediately following receipt of the ISA transfer proceeds.

### **Can I receive income from my investment?**

The EFA Hallmark Investment Portfolio shares held within an ISA are Income shares meaning that any income will be paid out to you.

### **How do I invest?**

Investment into the EFA Hallmark Investment Portfolio ISA can be made by sending us the appropriate completed application form and your cheque, payable to **‘WAY Fund Managers Limited’**, to the address shown at the back of this document.

Investment can also be made by transferring your existing ISA (Cash or Stocks and Shares), held with another ISA manager, to the EFA Hallmark Investment Portfolio ISA. You will need to obtain an “ISA Transfer Form” form from your Financial Adviser or Elite. Once completed this should be returned to your Financial Adviser who will forward it to Elite. Elite will then arrange for your existing ISA investments to be sold and the proceeds invested into the EFA Hallmark Investment Portfolio ISA in accordance with your instructions.

In accordance with ISA Regulations, all shares held within the EFA Hallmark Investment Portfolio ISA are held in the joint names of WAY Fund Managers Limited and the investor.

### **What documentation do I receive once I have invested?**

We will send you an acknowledgment letter confirming your investment on the next business day after the valuation point at which you invest. You should keep these documents in a safe place. We do not issue share certificates.

All clients will receive statements every six months, in May and November, reflecting transactions on accounts up to and including 30th April and 31st October.

### **What is my tax position?**

Within the EFA Hallmark Investment Portfolio ISA you are not liable for any higher rate Income Tax or Capital Gains Tax. There is no requirement for you to show details of your ISA on your Tax Return. Your tax position will depend on your individual circumstances.

## **WHAT CHARGES WILL BE APPLIED TO MY INVESTMENT?**

### **Initial Charge**

There is a single price for buying and selling shares. The initial charge of 5% of the net amount invested is deducted before shares are purchased.

The figures make no allowance for any discount you may be offered. The underlying investments within the EFA Hallmark Investment Portfolio are assumed to grow at 7% a year. This growth rate is not guaranteed. It is purely used for the purposes of demonstrating the effect of charges and expenses on an investment of £10,000.

We also allow for the annual management charge and other expenses, such as trustee and auditors’ fees.

You could get back more or less than this. Past performance is not taken into account. Information about the past performance of the Fund is available from your Financial Adviser, or from Elite. Also, do not forget that inflation would reduce what you could buy in the future with the amounts shown.

### **Annual Charges**

- The annual management charge levied against Shares in the EFA Hallmark Investment Portfolio Sub-Funds is 1.5%pa. This covers the fees paid to Elite and to the Investment Adviser and any renewal commission paid to your financial adviser.
- Other charges, ranging from 0.82%pa to 0.96%pa depending on the Sub-Fund, levied directly against the Sub-Funds include transaction charges, depositary, audit, registration, Stamp Duty Reserve Tax and FSA fees and underlying fund charges.

## **HOW WILL CHARGES AND EXPENSES AFFECT MY INVESTMENT?**

The following tables show you the effect our charges have on your investment. Elite and every other ISA manager is required by the FSA to show the effect of their charges on a similar basis.

The figures are based on a theoretical investment. From this we have deducted the

relevant charges.

**Hallmark Haven Strategy Fund**

**Income Shares**

**Initial Charge 5%**

**Annual direct and indirect charges and expenses 2.32%**

<i>At the end of year</i>	<i>Investment to date</i>	<i>Effect of deductions to date</i>	<i>Income Paid out to date</i>	<i>What you might get back at 7% growth a year</i>
1	£10,000	£742	£204	£9,749
3		£1,349	£629	£10,217
5		£2,067	£1,074	£10,716
10		£4,471	£2,281	£12,036

The last line in the Table shows that over 10 years, the effect of total charges and expenses could amount to £4,471. Putting it another way, if the growth rate were to be 7%, which is in no way guaranteed, this would have the effect of reducing it to 4.2% a year.

**Hallmark Harmony Strategy Fund**

**Income Shares**

**Initial Charge 5%**

**Annual direct and indirect charges and expenses 2.46%**

<i>At the end of year</i>	<i>Investment to date</i>	<i>Effect of deductions to date</i>	<i>Income Paid out to date</i>	<i>What you might get back at 7% growth a year</i>
1	£10,000	£756	£210	£9,730
3		£1,392	£645	£10,156
5		£2,144	£1,098	£10,600
10		£4,650	£2,321	£11,797

The last line in the Table shows that over 10 years, the effect of total charges and expenses could amount to £4,650. Putting it another way, if the growth rate were to be 7%, which is in no way guaranteed, this would have the effect of reducing it to 4.1% a year.

**Hallmark Horizon Strategy Fund**

**Income Shares**

**Initial Charge 5%**

**Annual direct and indirect charges and expenses 2.36%**

<i>At the end of year</i>	<i>Investment to date</i>	<i>Effect of deductions to date</i>	<i>Income Paid out to date</i>	<i>What you might get back at 7% growth a year</i>
1	£10,000	£747	£67	£9,884
3		£1,375	£211	£10,646
5		£2,134	£365	£11,466
10		£4,757	£805	£13,805

The last line in the Table shows that over 10 years, the effect of total charges and expenses could amount to £4,757. Putting it another way, if the growth rate were to be 7%, which is in no way guaranteed, this would have the effect of reducing it to 4.0% a year.

**Can I transfer my EFA Hallmark Investment Portfolio ISA to another manager?**

Investors can transfer their EFA Hallmark Investment Portfolio ISA to another manager, subject to the ISA Regulations.

**What happens if I die while my investment is in force?**

In the event of Elite being notified of your death, the investment will continue until written instructions for the disposal are received from the Executors. ISA tax concessions cease from the date of death.

**ISA investors should also read the EFA Stocks and Shares ISA Terms and Conditions on the following page.**

Information in this document is correct as at July 2010. Elite will update this information on a regular basis, typically annually, or more frequently if a significant change occurs within that period. This document and any resulting contract notes etc. relating to the investment will be issued in the English language only.

Elite Fund Administration,  
Cedar House, 3 Cedar Park, Cobham Road,  
Wimborne, Dorset, BH21 7SB  
Telephone: 01202 855856  
Facsimile: 01202 855850

# EFA STOCKS AND SHARES ISA – TERMS AND CONDITIONS

## GLOSSARY OF DEFINITIONS

**Accumulation Shares** are shares under which all of the available income attributable is reinvested into the Fund.

**Buying Price** means the price at which shares are purchased by an Investor.

**Depository** means State Street Trustees Limited, which is authorised and regulated by the Financial Services Authority.

**FSA** means the Financial Services Authority.

**Income Shares** are shares under which all of the available income attributable is distributed to planholders.

**Investor** means any individual 18 years of age or over and resident and ordinarily resident in the United Kingdom for tax purposes or, if not so resident, either performs duties which, by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 (Crown Employees Serving Overseas), are treated as being performed in the United Kingdom, or is married to, or in a civil partnership with, a person who performs such duties.

**ISA Manager, Manager** means WAY Fund Managers Limited, which is authorised and regulated by the Financial Services Authority.

**ISA Regulations, the Regulations** means the Individual Savings Account Regulations 1998, as amended from time to time.

**ISA Transfer** means the transfer of a valid ISA from one or more managers to one or more other managers.

**Individual Savings Account**

**(ISA)** means a Government authorised scheme offering tax concessions to investors.

**Selling Price** means the price at which shares are sold by an Investor.

**Shares** means income shares in the EFA Hallmark Investment Portfolio which qualify for ISA investment.

**Tax Year** means the UK fiscal year, running from 6th April to 5th April.

**We, our, us** means Elite/EFA as the ISA manager offering the product to which these Terms and Conditions relate.

## Investments

Investments are subject to the ISA Regulations in force.

Please note that, following your ISA investment, if your cheque fails to clear, or your Direct Debit contribution is returned to us unpaid, we may cancel that investment and any transactions made up to that date. By entering into this investment, you agree to indemnify us against any losses, costs and expenses incurred directly, or indirectly, as a result of investment and subsequent cancellation.

## Allocation of Shares

The ISA Manager maintains, for each subscriber, an account, which shows the Fund(s) and the number of shares therein, held for that subscriber. The account will be credited with additional shares in respect of any investments made, plus any distribution of income, at the Buying Price ruling on the first business day following the investment from the

subscriber.

## Interest on Client Money

No interest payment will be made on client money held by WAY Fund Managers Limited prior to investment in your chosen fund(s). Client money will be held in an account with HSBC plc.

## Terminating/Closing the ISA

We reserve the right to terminate your account, after giving notice to you in writing, where allowed for in the Regulations. This would be in relation to circumstances mentioned elsewhere in these Terms and Conditions, or should we decide that it would be impractical to continue with it, or should you be in breach of these Terms and Conditions. We will tell you in writing of any failure on our part to comply with the Regulations which either has made, or will make, your account void.

## Notification of an ISA being Void

If at any time you notify us, or we become aware of any failure to satisfy the requirement of the Regulations, we will be required to notify you in writing that your Plan has, or will, become void.

## Registration

The shares allocated to each ISA account will be registered in the joint names of “WAY Fund Managers Limited” and the beneficial investor and are held by the ISA Manager. Your account

remains in your beneficial ownership and may not be used as security for any loan and neither do we record any other person's interest in the account.

### **Statements and Manager's Reports**

A statement of account will be issued on a six-monthly basis, for the periods ending 30th April and 31st October. Such statements will be issued by the end of the month following. You will also receive copies of Interim and Annual Report and Accounts when they are issued. Shareholder notices and/or information will be sent to you whenever issued to other shareholders and you will have the chance to attend, and vote at, any shareholder meetings called.

### **Income**

Income shares are available under the EFA Hallmark Investment Portfolios held within the EFA Stocks and Shares ISA.

### **The "One-ISA-a-tax-year" Rule**

In each tax year, ISA investors may subscribe to:

- one Cash ISA; and
- one stocks and shares ISA

ISA investors cannot subscribe to two (or more) cash ISAs, or two (or more) stocks and shares ISAs in the same tax year.

### **Transferring an ISA**

An ISA can be transferred between managers at any time. To transfer to the WAY ISA, an investor should contact their Financial Adviser, or Elite, for the

appropriate information. To transfer their Elite ISA to another manager, an investor should contact their Financial Adviser, or the transferee ISA manager for details.

- Subscriptions to a Stocks and Shares ISA can be transferred to another Stocks and Shares ISA;
- Subscriptions to a Cash ISA can be transferred to another Cash ISA or to a Stocks and Shares ISA;
- Subscriptions to a Stocks and Shares ISA cannot be transferred to a Cash ISA

Subject to the fact that a partial transfer of the current tax years subscriptions will not be permitted.

### **Disclosure of Information**

Elite will disclose any information about your investments to your Financial Adviser, unless you advise Elite in writing to the contrary. We will also disclose information, if required to do so under any applicable law or regulation, or if required by our Regulator or HM Revenue & Customs.

### **Delegation and Assignment**

As these Terms and Conditions are personal to you, you may not transfer or assign them to another party.

Elite may appoint another manager to replace us as your Manager under this agreement and shall transfer all duties and obligations to that person (under normal circumstances prior notice will be given if reasonably practicable). Elite may also employ others to advise on or perform any of our

obligations under these Terms and Conditions, subject to our satisfaction that such a party is competent to perform these functions and responsibilities.

### **Change of Personal Details of the Investor**

An investor is under obligation to inform Elite immediately of any change in their permanent address. If an ISA investor believes that, for any reason they do not qualify, or they cease to qualify for ISA investment, e.g. on residential grounds as defined in the above 'Glossary of Definitions' under the sub-heading 'Investor', they must also notify Elite.

### **Data Protection Act**

The details you have provided will be held on computer by Elite Fund Administration, but will not be used for any purpose except to fulfil its obligations to shareholders.

### **Prospectus**

This contains detailed information about EFA Hallmark Investment Portfolio and is available free of charge from us.

### **Interim and annual Reports**

Copies of the most recent Annual Reports, and any subsequent Interim Reports, for any of the Elite range of funds are available free of charge from us.

### **Liability**

Elite or any associate shall not be liable in respect of any acts or omissions of any person, firm or company through whom transactions are effected for your account. We, or any associate, will not

be liable for any loss incurred by you except to the extent that any such loss is directly caused by our negligence, willful default or fraud or that of our employees. We will not be responsible for any loss or damage suffered as a result of circumstances beyond our reasonable control.

No warranty is given to you as to the performance or profitability of shares held within your ISA. We will not accept any liability for any default, fraud, or negligence by any approved bank, which may hold cash in your

account.

#### **Governing Law**

This agreement is governed by and construed in accordance with English Law.

#### **Amendment of Terms and Conditions**

The information in this document is correct to the best of our knowledge at the time of printing. Please note however that minimum investment levels, charges and other terms and conditions contained herein are subject to change. Where written notice is required this will be given to investors, in

advance of any change.

#### **Complaints**

We are authorised and regulated by the Financial Services Authority. If you wish to complain about any aspect of the service you receive from us in respect of your account, please contact us at Elite Fund Administration. You also have the right to complain directly to the Financial Ombudsman and, if required, we will provide you with details of how to do this.

*Information in this document is correct as at July 2010*