Investments

Introducing the HSBC World Selection Portfolios

Key features of the M&S Investment ISA and Investment Plan

- The Financial Services Authority is the independent financial services regulator. It requires us, Marks & Spencer Financial Services plc, to give you this important information to help you decide whether the Marks & Spencer Investment ISA (referred to as the “M&S ISA” in this document) and/or Marks & Spencer Investment Plan (referred to as the “M&S Plan” in this document) is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.
- It is important that you understand this stock market investment, in particular the risks involved. If you have any questions or do not understand anything you have read, please contact us.
- Please also read the M&S Investment ISA and M&S Investment Plan terms and conditions.

ITS AIMS

M&S ISA/M&S Plan

- To enable you to invest, through the tax-efficient M&S ISA and outside an ISA through the M&S Plan, in the following three sub-funds (referred to as the “Fund/Funds” in this document) of the open ended investment company called HSBC OpenFunds:
  - World Selection – Cautious Portfolio
  - World Selection – Balanced Portfolio
  - World Selection – Dynamic Portfolio
- We may make other investment opportunities available via the M&S ISA and M&S Plan in the future.

Funds

- The **Cautious Portfolio** aims to provide capital growth through cautious investment in a broad range of asset classes across global markets. The Fund will primarily invest in other investment funds that in turn invest in fixed interest securities, equities, property, commodities and derivatives. Typically the Fund will have a bias towards asset classes that focus on fixed interest or absolute return strategies.
- The **Balanced Portfolio** aims to provide capital growth through balanced investment in a broad range of asset classes across global markets. The Fund will primarily invest in other investment funds that in turn invest in fixed interest securities, equities, property, commodities and derivatives.
- The **Dynamic Portfolio** aims to provide capital growth through dynamic investment in a broad range of asset classes across global markets. The Fund will primarily invest in other investment funds that in turn invest in fixed interest securities, equities, property, commodities and derivatives. Typically the Fund will have a bias towards asset classes that focus on equity investment strategies.

YOUR INVESTMENT

- You should view this as a medium to long-term investment, and should plan to keep it for at least five years.
- The minimum lump sum investment is £500 per Fund. Following this you can make top up investments from £25 per Fund.
- The minimum amount that can be invested on a monthly basis by Direct Debit is £25 per Fund.

RISKS

Is my investment guaranteed?

- Your investment is not guaranteed. The value of your investment, and any income from it, may fall as well as rise, and you may not get back the amount you invested.

What are the specific risks of the Funds?

The Funds will invest in a wide range of investments. This is achieved by the Funds investing primarily into other funds. Below is a summary of the risks posed by the different types of investment held by these underlying funds:

- Fixed interest securities (corporate, government or local government bonds) tend to be less unstable than company shares. Changes in interest rates may affect the value of the bonds held in the underlying funds. If interest rates go up, the value of bonds may fall. If interest rates go down, the value of bonds may rise.
- Higher risk bonds (called “sub-investment grade”) produce a higher level of income than lower risk bonds (called “investment grade”) but the risk of default on repayment is higher. This may affect the level of income you receive and/or the capital value of your investment.

- Both company shares and fixed interest securities are at risk if the company issuing them becomes insolvent. The Funds may not recover the whole investment relating to this company, and this will affect the return that the individual investors receive.
- Emerging markets may involve a greater risk when buying and selling investments, settlement arrangements and the safekeeping of the investments held. Emerging markets are generally, but not exclusively, those that are not within the United States, Canada, Switzerland and members of the European Economic Area, Japan, Australia and New Zealand.
- The value of your investment may be affected by changes in currency exchange rates.
- The share prices of smaller companies can change significantly, and these shares can be difficult to buy and sell.
- Derivative instruments (e.g. futures and options) may involve a high degree of risk. A small movement up or down in the price of the underlying investment may result in an even greater movement up or down in the price of the derivative instrument. There is also the risk of default by the issuer of the instrument, and the instrument may be difficult to buy and sell.
- The long-term nature of investment in property and land and the income generated tend to make this type of investment less unstable than shares of companies, although it can be difficult to buy and/or sell the property investments quickly. Commercial and residential property have different risk profiles and returns may not be the same in these markets. The value of property is generally a matter of opinion rather than fact.
- Funds with a small number of investments will not be as diversified as a fund investing in a larger number of investments. This means that each investment within the fund may have a more significant effect on its performance.
- Hedge funds often borrow money to increase returns and use other speculative investment practices that may increase the risk of losing money. Hedge fund investments can be difficult to buy and sell. They are not required to complete regular fund valuations, publish fund prices, provide timely information to investors, and may involve complex tax structures.
- Alternative investments (e.g. private equity investments and hedge funds) held may be difficult to sell in a timely manner at a reasonable price, obtain reliable information about their value, and there may be greater potential for significant price movements up and down.
- Private equity investments can be difficult to buy and sell and, unlike company shares listed on the stock market, information about the investment is not as visible. It can take a longer time for money to be invested as well as a longer time for investments to produce returns after initial losses.
- Commodities may be subject to greater volatility than investments in traditional investment types. They may be affected by disease, climate change and international economic and political developments, which may cause individual commodity prices to rise or fall sharply.
- Investment in funds not regulated by the Financial Services Authority involves a higher degree of risk.

What other risks should I be aware of?

- Past performance is no guarantee of future performance.
- As the Funds invest into other investment funds, the performance of your investment will depend on the underlying funds selected and the investments selected by the Fund Managers of the underlying funds.
- The Funds are sub-funds of an Open Ended Investment Company (OEIC). If the assets of these sub-funds are not sufficient to meet their liabilities, the Fund Manager may reallocate assets, liabilities, expenses, costs and charges between the sub-funds in a manner which would be fair to investors of all the sub-funds.
- If you apply to invest in the Funds following investment advice, you will have the right to cancel your application. If you exercise the right to cancel you will receive a refund of the initial charge (if applicable), but the amount returned may be less than the amount you invested if there has been a downward movement in the stock market from the date of investment to the date your instruction to cancel was received.
- Charges taken from the capital of the Funds could have the effect of limiting capital growth or eroding capital if there is insufficient growth. If charges are taken from the income of the Funds, and there is insufficient income to meet such charges, the deficit will be taken from the capital of the Funds.
- Inflation will reduce what you could buy in the future.
- The favourable tax treatment of ISAs may not be maintained in the future if UK tax law and HM Revenue & Customs practice change.
- The regulatory and taxation regime may change in the future.

CHARGES AND EXPENSES

What charges will I have to pay?

Initial charge

- The initial charge applied each time you invest is 1.0% of the amount invested into each of the Funds. The charge is not included in the single price for buying and selling shares. The initial charge is deducted from the amount received from you and the remaining amount is invested in the Funds. The initial charge applies to each lump sum investment you make and each monthly investment made by Direct Debit.
- Marks & Spencer Financial Services plc (the manager of the M&S ISA and M&S Plan), who will collect the initial charge on behalf of HSBC Global Asset Management (UK) Limited (the Fund Manager), will retain 100% of the initial charge.

Annual management charge

- The annual management charge for each of the Funds is 1.25% of the net asset value of each Fund. It is calculated on a daily basis and deducted from the income of each Fund monthly, reducing the amount of income reinvested, and will be reflected in the share price for each Fund.
- Marks & Spencer Financial Services plc will receive a maximum of 70% of the annual management charge from HSBC Global Asset Management (UK) Limited, paid monthly. This will not affect the charges paid by you.

Other charges and fund expenses

- These are estimated to be 0.63% for the Cautious Portfolio, 0.71% for the Balanced Portfolio, and 0.78% for the Dynamic Portfolio, of the Fund's net asset value. They are deducted from the income or capital of the Fund as appropriate, and will be reflected in the share price for each Fund. They include the annual management charges of the underlying funds, fees of the Depositary, Auditors, Financial Services Authority, fees for maintaining the register of investors, together with certain other fees and expenses (plus VAT if applicable) that are set out in the Full Prospectus for the Funds.

Withdrawals

- You can sell some or all of the shares you hold in the Funds at any time. There is no charge for withdrawing your investment.

What other charges may I have to pay?

Dilution Adjustment

- The Funds operate on a single pricing basis. This means each Fund has one price for buying and selling shares based on a mid-market valuation of the investments held in the Fund.
- The share price does not include the costs of buying and selling investments for the Funds as a result of investors buying and selling shares. These costs will normally be charged directly to the Fund.
- However, when the value of the deals received on any day to buy or sell shares represent a significant proportion of the overall value of each of the Funds, these charges could lower the value of an existing investor's holding. This effect is called "dilution".
- The Fund Manager may apply a Dilution Adjustment, which aims to reduce the impact of dilution by adjusting the Funds share price to make a contribution towards the costs of buying and selling investments for the Funds. If the Funds receive large inflows, the share price will be adjusted upwards. If the Funds experience large outflows the share price will be adjusted downwards. The Funds share price will only be adjusted if the net inflows or outflows exceed a predetermined threshold set out in the Full Prospectus.
- The Fund Manager will not benefit from making a Dilution Adjustment as it serves to protect the continuing investors in the Funds from the effects of dilution.
- Full details of the Fund Manager's Dilution Adjustment policy is set out in the Full Prospectus for the Funds which is available free of charge. See page 11 for our contact details.

EFFECT OF CHARGES TABLES

- The figures in the tables are not guaranteed, but demonstrate the effect of the Fund's charges and expenses on an investment. The tables help you compare the charges for this Fund with other funds.
- Please note, the last row shows the amount of deductions in total by the 10th year, not the amount paid in the 10th year alone.
- The figures given in the 'Effect of deductions to date' column do not include dealing costs associated with the buying and selling of shares.

M&S Plan: HSBC World Selection – Cautious Portfolio

Lump sum investment of £1,000 assuming a growth rate of 5.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 5.0% (£)
1	1,000	29	1,020
3		73	1,080
5		125	1,150
10		290	1,330

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £290 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 5.0% a year down to 3.0% a year for accumulation shares.

Regular investment of £50 per month assuming a growth rate of 5.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 5.0% (£)
1	600	12	603
3	1,800	74	1,860
5	3,000	182	3,220
10	6,000	728	7,020

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £728 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 5.0% a year down to 3.1% a year for accumulation shares.

M&S ISA: HSBC World Selection – Cautious Portfolio

Lump sum investment of £1,000 assuming a growth rate of 5.75% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 5.75% (£)
1	1,000	29	1,020
3		75	1,100
5		129	1,190
10		311	1,430

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £311 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 5.75% a year down to 3.7% a year for accumulation shares.

Regular investment of £50 per month assuming a growth rate of 5.75% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 5.75% (£)
1	600	12	606
3	1,800	75	1,880
5	3,000	186	3,280
10	6,000	767	7,290

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £767 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 5.75% a year down to 3.8% a year for accumulation shares.

M&S Plan: HSBC World Selection – Balanced Portfolio

Lump sum investment of £1,000 assuming a growth rate of 6.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 6.0% (£)
1	1,000	31	1,020
3		82	1,100
5		142	1,190
10		346	1,440

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £346 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 6.0% a year down to 3.7% a year for accumulation shares.

Regular investment of £50 per month assuming a growth rate of 6.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 6.0% (£)
1	600	13	606
3	1,800	81	1,880
5	3,000	204	3,280
10	6,000	854	7,300

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £854 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 6.0% a year down to 3.9% a year for accumulation shares.

M&S ISA: HSBC World Selection – Balanced Portfolio

Lump sum investment of £1,000 assuming a growth rate of 7.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 7.0% (£)
1	1,000	32	1,030
3		84	1,140
5		149	1,250
10		380	1,580

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £380 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 7.0% a year down to 4.7% a year for accumulation shares.

Regular investment of £50 per month assuming a growth rate of 7.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 7.0% (£)
1	600	13	609
3	1,800	83	1,910
5	3,000	211	3,360
10	6,000	914	7,680

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £914 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 7.0% a year down to 4.8% a year for accumulation shares.

M&S Plan: HSBC World Selection – Dynamic Portfolio

Lump sum investment of £1,000 assuming a growth rate of 6.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 6.0% (£)
1	1,000	32	1,020
3		85	1,100
5		148	1,180
10		361	1,420

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £361 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 6.0% a year down to 3.6% a year for accumulation shares.

Regular investment of £50 per month assuming a growth rate of 6.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 6.0% (£)
1	600	13	605
3	1,800	84	1,880
5	3,000	213	3,270
10	6,000	893	7,260

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £893 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 6.0% a year down to 3.8% a year for accumulation shares.

M&S ISA: HSBC World Selection – Dynamic Portfolio

Lump sum investment of £1,000 assuming a growth rate of 7.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 7.0% (£)
1	1,000	33	1,030
3		88	1,130
5		155	1,240
10		396	1,570

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £396 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 7.0% a year down to 4.6% a year for accumulation shares.

Regular investment of £50 per month assuming a growth rate of 7.0% per year.

		Accumulation shares	Accumulation shares
At the end of the year	Investment to date (£)	Effect of deductions to date (£)	What you might get back at 7.0% (£)
1	600	13	609
3	1,800	86	1,910
5	3,000	220	3,350
10	6,000	956	7,640

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £956 for accumulation shares. Putting it another way, these charges and expenses would have the same effect as bringing investment growth from 7.0% a year down to 4.7% a year for accumulation shares.

QUESTIONS AND ANSWERS

What are the M&S ISA and M&S Plan?

- They are accounts in which you can hold an investment in the Funds.
- The M&S ISA allows you to invest in the Funds via a stocks and shares ISA.
- The M&S Plan allows you to invest in the Funds outside an ISA.

Who is the ISA and plan manager?

The manager of the M&S ISA and M&S Plan is Marks & Spencer Financial Services plc, a member of the HSBC group of companies.

Who is the Fund Manager of the funds?

- The Fund Manager is HSBC Global Asset Management (UK) Limited.

What is an individual savings account?

- An individual savings account (ISA) is a tax-efficient account for savings and investments. You will not pay any UK Income Tax or Capital Gains Tax on any income or capital gains within your ISA.

Who can invest in an ISA?

- Individuals aged 16 and over can subscribe to a cash ISA. Individuals aged 18 and over can subscribe to a stocks and shares ISA. To subscribe, investors must be resident and ordinarily resident in the UK, or be a crown employee serving overseas (for example a member of the armed services), or be married to, or in a civil partnership with, a crown employee serving overseas.
- ISAs can only be held in the name of one individual. Joint accounts are not permitted.

What are the types of ISA?

- There are two types of ISA available: cash ISA and stocks and shares ISA.

  Cash ISA
  - You can subscribe to one cash ISA each tax year.
  - Of the overall £11,280 ISA allowance for this tax year, up to £5,640 can be subscribed to a cash ISA.

  Stocks and shares ISA
  - You can subscribe to one stocks and shares ISA each tax year.
  - The maximum you can subscribe in this tax year is £11,280, less any amount you have subscribed to a cash ISA.
  - The value of investments can fall as well as rise and you may not get back the amount you originally invested.

What types of ISA does Marks & Spencer offer?

- Marks & Spencer offer a range of cash ISA and stocks and shares ISA options. This document covers investment in the Funds via a stocks and shares ISA provided by Marks & Spencer Financial Services plc.
- Marks and Spencer Unit Trust Management Limited, a company in the same group as us, also offer a stocks and shares ISA investing in range of unit trust funds.
- You cannot subscribe to a stocks and shares ISA with Marks and Spencer Unit Trust Management Limited in the same tax year as subscribing to this stocks and shares ISA with Marks & Spencer Financial Services plc. You can only subscribe to one stocks and shares ISA each tax year.
- For details of the other Marks & Spencer ISA options, please telephone or write to us.

How do I transfer an ISA held with another ISA manager to the M&S ISA?

- You may wish to transfer a cash ISA or stocks and shares ISA you hold with another ISA manager to us. For the transfer of a stocks and shares ISA any investments held in your current ISA will be sold and the proceeds sent to us and invested in the Funds you have chosen.
- You need to complete our Investment ISA transfer form. We will then make all the necessary arrangements with your existing ISA manager to effect the transfer.
- Please note your existing ISA manager may levy an exit charge on transfer.
- If you are transferring a stocks and shares ISA to us, the proceeds from selling your existing investments will usually be out of the stock market for up to 30 working days. During this time the stock market may move up or down, resulting in the potential for loss of income and growth.
- The amount transferred will not count towards the ISA subscription limits.
- If you transfer current tax year's cash ISA subscriptions to a stocks and shares ISA please note that for the purposes of establishing which and how much of your current tax year's ISA subscription limits have been used, such subscriptions transferred are reclassified as stocks and shares ISA subscriptions.

How do I transfer my M&S ISA to another ISA manager?

- You should contact the company you have selected to manage your ISA and they will contact us directly to organise the transfer.

Who can invest in the M&S Plan?

- Unlike the M&S ISA, the M&S Plan can be held jointly in the name of two personal investors, or it can be held in the name of one individual.
- You must be 18 years of age or over.
- You must be resident and ordinarily resident in the UK.

How do I invest?

- You can invest by telephone, by completing a written application form, or online at www.marksandspencer.com/investments. See page 11 for our contact details.
- You can pay for your investment by debit card (Maestro, Debit MasterCard and Visa Debit cards accepted). In addition payment can be made by cheque with a written application by post.
- Each working day at 12 noon, a new share price will be calculated for each Fund. This is called the Valuation Point.
- Instructions to buy shares either by telephone, by written application or online, will receive the buying price calculated at the Valuation Point on the next working day following receipt.
- Monthly Direct Debit investments will usually be claimed on the 4th day of each month, or the next working day if the 4th is not a working day, and shares will be bought at the buying price at the Valuation Point on the next working day. It may be necessary to bring forward the Direct Debit payment for the M&S ISA in April to ensure it is received before the tax year ends.

Can I switch from the M&S Plan to the M&S ISA?

- Yes you can switch money from the M&S Plan to the M&S ISA, provided you are eligible to subscribe to an ISA and we have accepted an ISA application.
- The money switched will be subject to the ISA subscription limits.
- We will sell the shares held in your M&S Plan at the 12 noon Valuation Point on the first working day after we receive your instructions. We will buy shares for your M&S ISA at the 12 noon Valuation Point on the first working day after the day we sold your shares in the M&S Plan. This means you will be out of the market for 24 hours during which time the market may move up or down, resulting in a potential loss of growth and income.
- Please telephone us for further details on how to complete a switch from the M&S Plan to the M&S ISA. See page 11 for our contact details.
- You will not pay any initial charge when switching into the M&S ISA from the M&S Plan.

Can I switch between the Funds?

- You can switch between the Cautious, Balanced and Dynamic Funds within your M&S ISA or M&S Plan.
- We will sell the shares held in your existing Fund at the 12 noon Valuation Point on the first working day after the day we receive your instructions. We will buy shares for your new Fund at the 12 noon Valuation Point on the first working day after the day we sold your shares in the existing Funds. This means you will be out of the market for 24 hours during which time the market may move up or down, resulting in a potential loss of growth and income.
- You will not pay an initial charge when switching Funds.
- You can instruct us to switch between the Funds by telephoning or writing to us. See page 11 for our contact details.

Can I change my mind and cancel my investment?

- You only have the right to cancel an M&S ISA and/or M&S Plan if you have received investment advice from a financial adviser and the rest of this section applies to you only if you have received such advice.
- You will have 14 days from the date we open your M&S ISA or M&S Plan to cancel your investment if you have made an application by post or online. If you have made an application by telephone the 14 day cancellation period commences on the day you receive the Terms and Conditions and Key Features document following the telephone call making the application.
- If you cancel, the amount returned may be less than the amount you invested, if there has been a downward movement in the value of your investment from the date of investment to the date your instruction to cancel was received.
- You can cancel your investment by writing to us and posting your instructions to us within the 14 day period. See page 11 for our contact details.
- Further details of your cancellation rights can be found in the Terms and Conditions.

What happens to the income from the Fund?

- You will be allocated retail accumulation shares.
- Any dividends received from investments held in the Fund will be reinvested into the Fund for you.
- The reinvestment of dividends into the Funds will not buy additional shares, but will be reflected in the price of retail accumulation shares.

What documentation will I receive?

- You will receive a contract note when you buy or sell shares (except for shares bought on a monthly basis by Direct Debit). This will give details of your transaction including the number of shares bought or sold and the price per share.
- You will be sent a six-monthly statement in May and November each year detailing the value of your investment and all transactions during the six month period.
- Share certificates will not be issued.

How are the Funds taxed?

- Capital gains made within the Funds are currently not liable to tax.
- Income received by the Funds, without tax deducted, are liable to Corporation Tax at a rate of 20% after allowing for Fund expenses.
- When you withdraw money, the Fund Manager will have to buy your investments back from us. Stamp Duty Reserve Tax of up to 0.5% of the value of the investments bought back is payable. This is usually deducted from the capital of the Fund.

What tax will I pay?

M&S Plan (outside an ISA):

- Dividends distributed will have a tax credit of 10% attached to the payment. Non-taxpayers cannot reclaim the 10% tax credit. Basic rate taxpayers will have no further tax liability. Higher rate taxpayers will have to pay an extra 22.5% tax, giving a total liability of 32.5% tax. The highest rate taxpayers will have to pay a further 32.5 % tax, giving a total liability of 42.5%.
- If you make a gain when selling your investment you could be liable to Capital Gains Tax. Individuals can make up to £10,600 worth of gains in the 2012/2013 tax year before they would be liable to Capital Gains Tax.
- The rates and basis of taxation may change in the future.
- You should remember that the tax law applicable depends on your own personal situation and residency status.
- If you are unclear as to your tax position, you should seek professional advice or contact your tax office for further information.

Tax advantages of the M&S ISA:

- Stocks and shares ISAs are free of any personal liability to UK Income Tax or Capital Gains Tax, although the 10% tax credit on dividends distributed from the Funds cannot be reclaimed.
- The value of the stocks and shares ISA tax benefits depends on your own personal circumstances.
- The tax benefits of a stocks and shares ISA are subject to government legislation and may change in the future.

How do I sell shares?

- You can sell shares by telephone or by writing to us. See page 11 for our contact details.
- You can instruct us to sell all or some of your shares at any time, and send you the proceeds of sale.
- Instructions to sell units in the shares will be carried out at the share price at the 12 noon Valuation Point on the next working day following receipt of your instructions to sell.
- We may ask you to confirm instructions given over the telephone in writing.
- Written instructions to sell shares, including written confirmations of telephone instructions, held in joint names in the M&S Plan must be signed by both plan holders.
- Payment can be by cheque made payable to you, or direct to your verified bank or building society account.
- Following your instructions we will carry out any transactions that remain to be completed at the time instructions to sell are given.

Where are the share prices for the Funds published?

- The share prices for the Funds are published daily online at www.marksandspencer.com/investments or you can obtain the Fund prices by telephoning us.

What further information is available regarding the Funds?

- You can request the following Fund documents free of charge:
  - Full Prospectus
  - Simplified Prospectus
  - Annual and half-yearly Full Report and Accounts
  - Six-monthly Short Report for the Fund
- These documents are available online at www.marksandspencer.com/investments. Alternatively, please call or write to us to obtain copies. See below for our contact details.

How do I make a complaint?

- You can request a copy of our complaints leaflet "How can we help you?".
- If you have a complaint you can telephone, email or write to us.
- If we are unable to resolve your complaint to your satisfaction you can contact the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Telephone numbers: 0800 023 4567 (free if calling from a fixed line e.g. landline), 0300 123 9123 (free for mobile phone users who pay a monthly charge for calls starting 01 or 02).
  Email: complaint.info@financial-ombudsman.org.uk Internet: www.financial-ombudsman.org.uk

How can I contact you?

- If you have any questions our staff are here to help you.
- The address for applications to invest and correspondence is:

  Savings & Investments department
  M&S Money
  Kings Meadow
  Chester
  CH99 9UT
- Telephone: 0808 006 6666 or +44 1244 688632 if calling from abroad. Lines are open for these numbers from 8am-8pm Monday to Friday, 9am-5pm on Saturdays and 10am-4pm bank holidays (closed on Sundays, Christmas Day, Boxing Day and New Year's Day). Please be aware that opening hours may be restricted over the Christmas period, please contact us for details. Calls may be recorded.
- Fax: 01244 686116
- Email: Internet.investments@mandsmoney.com

FURTHER INFORMATION

- Each year we will report to HM Revenue & Customs all subscriptions made to the M&S ISA so that they can check that customers have not exceeded the ISA limits.
- If we cannot meet our financial obligations to you, you may be entitled to compensation under the Financial Services Compensation Scheme. The maximum level of compensation you can receive from the scheme is £50,000. Details of the scheme can be obtained from Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London, E1 EBN.
  Telephone numbers: 020 7741 4100 or 0800 678 1100
  Email: enquiries@fscs.org.uk Internet: www.fscs.org.uk
- Marks & Spencer Financial Services plc's principal business activity is to provide a range of banking and financial services products.
- We believe that customers want to make up their own minds about our products so we do not offer advice, but can provide factual information about any of our products. If you have any doubt as to whether this product is suitable for you, please contact an independent financial adviser. If you have received advice from an independent financial adviser prior to making an investment in the M&S ISA or M&S Plan, we will not pay commission to your adviser.
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  They can be contacted in writing or by telephone. Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS. FSA Consumer Helpline: 0845 606 1234.

This Key Features is effective from 06/04/2012

Please call 0808 006 6666 if you would like to receive this information in large print, Braille or audio format.

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