

RBS Index Tracker Funds

Investing just got easier

Product Guide

Make it happen

Introducing RBS Index Tracker Funds

Thank you for choosing to invest in the RBS Index Tracker Funds. This brochure is designed to tell you everything you need to know about the Funds, please keep it in a safe place for future reference.

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An easy, low-cost way to invest in stocks and shares

Historically, the stock market has shown it will outperform most other types of investment, provided you're prepared to invest for the medium to long term*. Our low-cost Index Tracker Funds allow you to take advantage of the full growth potential of stocks and shares without the hassle of having to decide upon and manage your own investment strategy.

Because your investment is tracking an index, if share prices go up, your investment is designed to follow suit. What's more, because you have a good variety of shares in companies across the index, you're not only spreading your risk more widely than investing directly in single company shares but you're also more likely to benefit from any overall stock market growth.

There are two RBS Index Tracker Funds to choose from:

- **FTSE 100™ Tracker**
 - Investing in what you know – this invests in the 100 largest companies listed on the London Stock Exchange
- **FTSE4Good Tracker**
 - Good for the soul, good for the wallet – The FTSE4Good Index has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards.

*Please remember that past performance is not an indication of future performance and the value of your investment can fall as well as rise.

Why choose to invest with us?

- ✓ A choice of two funds, both with the potential to perform well over the medium to long term
- ✓ No initial charge
- ✓ Low annual management fee of 1%
- ✓ A tax-efficient investment when held within an ISA or for ISA transfers
- ✓ Easy to apply – simply complete the application details enclosed

A good home for your Stocks and Shares ISA

Both the FTSE 100™ Tracker Fund and the FTSE4Good Tracker Fund are available as a Stocks and Shares ISA – making your investment tax-efficient.

- ✓ Invest up to £7,200 a year tax-efficiently in your chosen Index Tracker Fund
- ✓ Start your ISA with a minimum of £500 or invest regularly from £30 a month
- ✓ Top up with lump sums of £200 or more
- ✓ You can also transfer ISAs from other providers into our Index Tracker Funds – minimum transfer value £500

Invest Direct

You can also invest larger values directly into the fund, if you have already used this year's ISA allowance.

- ✓ No maximum investment value
- ✓ Start your investment with a minimum of £1,000 or £30 per month
- ✓ Top up with lump sums of £1,000 or more

Your questions answered...

Who are Index Tracker Funds for?

- FTSE 100™ Tracker – New or experienced investors who wish to take advantage of the growth potential of the FTSE 100™ Index
- FTSE 4Good Tracker – New or experienced investors who wish to invest in companies that meet globally recognised corporate responsibility standards
- Investors looking to spread their risk by tracking a variety of stocks rather than individual shares
- Anyone looking for a tax-efficient ISA wrapper for their investments
- Investors who are prepared to invest for a minimum of 5 years
- Investors who are aged 18 or over (you can invest on behalf of a child if you wish)

Where is my money invested?

FTSE 100™ Tracker – Your investment will be used to buy shares in companies included in the FTSE 100™ Index. These are the largest 100 companies listed on the London Stock Exchange and include household names such as BP, Marks & Spencer and Tesco.

FTSE4Good Tracker – Your investment will be used to buy shares in leading companies included in the FTSE4Good Index. Companies such as Cadbury Plc and Marks & Spencer have to meet globally recognised corporate responsibility standards on issues that include the environment and human rights.

How much can I invest?

- Minimum direct investment in the funds – £1,000
- Minimum ISA investment – £500
- Minimum ISA transfer value – £500
- Minimum £30 per month regular investment into an ISA or direct

What are the charges?

Charges	FTSE 100™ Tracker Fund	FTSE4Good Tracker
Initial charge	0%	0%
Annual Management Charge	1%	1%

Can I make withdrawals?

You can withdraw funds from your investment at any time but must keep at least £50 per fund invested in order to keep your investment open.

You can do this by writing to us at RBS Collective Investment Funds Ltd, PO Box 6795, Brentwood, Essex CM15 8WA. Once we have received and verified your request we will send you a cheque.

Next Steps...

1. Before you apply

It's important to us that you make the right investment decision to meet your needs. To help you decide if an Index Tracker Fund is right for you, please ensure you have read and understood the Key Features on the following pages and for ISA investment, the Terms and Conditions.

2. Applying is simple

We have sent you all the forms you need. Simply read them through, check the details and sign and date the relevant form(s). Then return them in the pre-paid envelope provided.

3. Keeping Track

Once you have opened your investment with us you will receive a welcome pack. We will then send you a statement in January and July each year showing transactions throughout the period and a recent valuation of your investment. Our fund prices are also quoted daily in the Unit Trust and OEICs listing pages of the Financial Times and The Daily Telegraph.

4. Any questions?

If there are any more questions you would like to ask or you need help to complete your application, please call us and we'll do all we can to help. Please note we will endeavour to provide you with any information that you require to be able to make an informed decision.

Call 0800 051 1867

Minicom: 0800 404 6160

Our lines are open 8am–8pm Mon–Thurs, 8am–6pm Fri and 9am–5pm Saturdays. Calls may be recorded

Understanding the nuts and bolts

These Key Features also incorporate Simplified Prospectus requirements. The Simplified Prospectus has been created as a result of European legislation to help people make an informed choice between funds offered by different companies. It does this by allowing comparison of the Total Expense Ratio (TER), the past performance of individual funds and the Portfolio Turnover Rate (PTR). The Simplified Prospectus does not replace the full prospectus which contains full terms and conditions. These are available on request free of charge. The information in these Key Features is correct as of December 2008.

Simplified Prospectus

This Simplified Prospectus provides the main details of your investment. The Financial Services Authority is the independent financial services regulator. It requires us, the Royal Bank of Scotland, to give you this important information to help you to decide whether our investment 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. The RBS Index Tracker Funds ICVC is incorporated in England and Wales under registered number SI000015 and was created and authorised by the Financial Services Authority (FSA) on 1 November 2001. This document is effective from 15 December 2008 and meets the Simplified Prospectus rules set by the Financial Services Authority (FSA).

Our two tracker funds within the RBS Index Tracker Funds ICVC are detailed in this document. Pages 6–12 of this Simplified Prospectus outline the Key Features of the ICVC. Please read this section in line with the fund pages which provide you with detailed information regarding each of the funds.

If investing via an ISA you will need to:

- Read the Key Features document and the fund information – this will provide you with investment details and the effect of charges on your investment which are specific to ISA investments
- Read and accept the ISA Terms and Conditions.

If investing directly you will need to:

Read the Key Features document and the fund information – this will provide you with investment details and the effect of charges on your investment which are specific to direct investments.

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Frequently Asked Questions

What is an ICVC?

An ICVC is an Investment Company with Variable Capital. These Key Features give you important information about our ICVC funds. Please read these Key Features carefully before you sign the application form and keep them with the other documentation we provide. If you are considering making an investment via our Individual Savings Account (ISA) then you should also read the ISA Terms and Conditions.

RBS Index Tracker Funds ICVC is an umbrella company, which, in simple terms means that there are various funds of the company with different investment objectives in which investors can choose to invest. An Investor purchases shares in the appropriate fund of the company. The RBS Index Tracker Funds comprises the FTSE 100™ Tracker Fund and the FTSE4Good Tracker Fund.

Your money, along with that from other investors, buys shares in the fund you choose. The number of shares you get depends on the amount you invest, any charges we make, and the share price. The share price will move up and down in line with the investments that the fund holds.

– All shares in both funds are accumulation shares. This means that any income received by the fund is retained in the fund and has the effect of increasing the share price.

How flexible are the funds?

The ICVC allows you to:

- Invest single and monthly payments
- Make withdrawals when you wish
- Choose from two funds to invest in
- Stop paying at any time (subject to retaining at least £50 in value to keep your investment open) unless you have an active Direct Debit
- Change the amount of your monthly payment (subject to a minimum of £30 and minimum increments of £1)
- Cash in your holding at any time.

You can change to the other Tracker Fund:

- If you want to switch to another fund of the ICVC in which you invest, we'll normally switch your investment no later than the next dealing day after receiving your instructions. There may be a charge for this
- When we switch your funds we'll redirect future monthly payments to the other fund you have selected on the next payment date after receiving your instructions
- We reserve the right not to act on an instruction if you have already requested six or more changes within that tax year.

What investment can I make?

- Your investment can be made directly into a fund, via an ISA or via an ISA transfer.
- If you invest by a single payment into an ISA or transfer in an ISA, your initial investment must be at least £500 and any subsequent investments must be at least £200. If you invest directly into the ICVC (non-ISA) by a single payment, your payment must be at least £1,000. If you are investing monthly, your payment must be at least £30 per month.
- You can keep your investment for as long as you choose as it has no fixed term. You should aim to keep it for the medium to long term (at least 5 years).

Can I invest in an ISA?

- You can invest in these funds via a Stocks and Shares ISA by cheque.
- You can invest in these funds via an ISA transfer.
- You can invest up to HM Revenue & Customs Limits. Our minimum amounts are £500 per fund for a single payment or £30 per month. After your initial investment, our minimum single payment is £200 per fund.

What is the difference between a Stocks and Shares ISA and a Cash ISA?

- Stocks and Shares ISAs enable you to invest in individual shares or funds that invest in stocks and shares. These are usually higher-risk/return funds aiming to provide long-term capital growth.
- Cash ISAs typically allow you to invest in deposits or interest bearing accounts.
- There is a maximum amount you can invest in a Stocks and Shares ISA and a Cash ISA in each tax year.
- The annual ISA investment allowance is £7,200. Up to £3,600 of that allowance can be saved in a Cash ISA with one provider. The remainder of the £7,200 can be investment in a Stocks and Shares ISA with either the same or another provider.
- If you choose to invest your full annual ISA allowance in a Stocks and Shares ISA this has to be with a single provider.

How can I invest?

To invest directly or to apply for an RBS Index Tracker ISA please telephone 0800 051 1867.

- You can invest directly in these funds in your own name or jointly with up to three other people.
- An ISA application must be in a single name only.
- If you are investing a single payment you can make your payment by cheque.
- If you are investing monthly you must make your payment by Direct Debit.
- If you are investing via an ISA transfer your payment must be by cheque from the other ISA manager.
- Single payments, including ISA transfers, will normally buy shares in the fund using the next Fund price following receipt and acceptance of your correctly completed application form and payment.
- If you are paying by monthly Direct Debit, your first payment will normally be collected on a date approximately 14 working days after receipt of your correctly completed application and mandate form by our administration department. Future payments will be collected on this date each month, or the next working day if this falls on a weekend or bank holiday.

Can I transfer my ISA?

- To transfer to us from another ISA manager, you will need to complete and sign an ISA transfer application form and send it to us. We will then send it to your current ISA manager.
- You can transfer part or all of a previous year's investment to another ISA manager. If you want to transfer an ISA investment made in the current tax year you must transfer the whole amount.
- Charges may apply on transferring an ISA from one provider to another. These charges can include, for example, exit charges, initial charges and transaction costs. For the funds in these Key Features we currently do not make exit charges or charges to cover any transaction costs associated with the transfer. There is the potential for loss of growth depending on market movements while your transfer is awaiting completion.

What about tax?

Investing Directly

- Both Tracker Funds make dividend distributions net of a 10% tax credit.
- Non taxpayers will not be able to reclaim the tax credit on dividend distributions.
- For these funds basic rate taxpayers have no further liability. If you are a higher rate taxpayer there will be an additional tax liability.
- We will send you a tax voucher showing the amount of the distribution and the tax credit.
- You may have to pay Capital Gains Tax on any gains that you have made when you cash in your shares. This might be payable if you sell your investment and make a profit (a gain), however, you could minimise any Capital Gains Tax liability by using your Capital Gains annual exemption in the year that you wish to cash in your investment.
- We have no responsibility for deducting Capital Gains Tax before we pay out the value of your investment.
- When you die the value of your investment will form part of your estate for Inheritance Tax purposes. The money will remain invested until we receive instructions from your legal representatives.
- You must declare income or gains from your direct investments to HM Revenue & Customs, where you have a tax liability.

Investing via an ISA

- You do not have any personal liability to Income Tax or Capital Gains Tax on an ISA investment.
- Your investment can no longer be held as an ISA after you die and its value will form part of your estate for Inheritance Tax purposes. The money will remain invested until we receive instructions from your legal representatives.
- The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.
- There is no need to declare income or gains from your ISA to HM Revenue & Customs.

SDRT

- The company will not pay Stamp Duty Reserve Tax (SDRT) as any liability is currently met by the Authorised Corporate Director (ACD).

Risk Factors

- The RBS Index Tracker Funds ICVC aims to provide a medium risk investment vehicle. The value of your investment can go down as well as up. What you get back is not guaranteed. It will depend on the investment performance of the funds you choose, our charges and any withdrawals you make. You may get back less than the value of your original investment.
- The investments of the Company are subject to normal market fluctuations and other risks inherent to investing in securities. There can be no assurance that any appreciation in value of investments will occur and there is no assurance that the investment objective of any Fund will actually be achieved.
- The value of your investment will also depend on how closely the Funds are able to track their respective indices. The funds aim to track the relevant index by investing in a broad range of shares underlying the index. The performance of the Funds will not perfectly track these Indices due to the impact of:
 - any regulatory restrictions on the Fund investments matching the constituents of the Index;
 - dealing costs, charges and other expenses; and
 - the timing of income from investments, sales and purchases of investments to meet the cash flows of the Fund.
- In addition to any market fluctuations, any appreciation in the value of investments may be less than current rates of inflation.
- Future changes in the levels and bases of and relief from taxation by the Government and our charges may affect the value of your investment and any returns from this.
- In certain circumstances the right to buy or sell shares may be suspended.
- In the event that any expense that would normally be payable out of the income property of a Fund cannot be paid because there is insufficient income property value available for that purpose, the expense may be paid out of the capital property of the Fund. This may have the effect of constraining capital growth.
- Legislation and tax rules may change in the future.
- If you make monthly payments and you do not maintain them, you may not achieve any target amount you are aiming for.
- Further details of all risks mentioned in this Key Features document can be found in the full Prospectus of the ICVC for the funds in which you invest. In the exceptional circumstance that an individual fund's liabilities exceed its net assets, the structure of the Company (of which the Funds are sub funds) allows for these liabilities to be allocated across other funds within the Company in a manner that is fair to the shareholders of the Company generally.

What might I get back?

You'll get back the value of your investment at the time you cash it in. The amount is not guaranteed. The amount you get back will be affected by:

- The amount you invest and the time you allow it to grow.
- Investment performance.
- Our charges.
- Any withdrawals you take.

Please see detail on fees and charges in the fund information pages or any specific illustration that may have been given to you.

Can I take money out?

- You can ask for a withdrawal from our funds at any time. This will affect what you get back when you cash in your investment.
- You can sell shares by writing to us. If you sell shares, we will send you a cheque within 4 working days of receiving your signed written request.
- The amount you withdraw must leave at least £50 in your investment (per fund).
- When we receive your instructions, we'll normally value your funds at 2pm on that or the next business day.
- For ISAs if you invest up to the Government's yearly ISA limit then make a withdrawal, you will not be able to reinvest that amount back into an ISA in the same tax year.

Where are my payments invested?

- We use your money to buy shares in the funds. Unless you choose otherwise the RBS FTSE 100™ Tracker Fund will be the default fund. These funds are described in the fund information pages.
- Unless you are paying monthly by Direct Debit, we will invest your money no later than the business day after we receive your application and payment.
- The Funds buy equity shares in the companies comprising the FTSE 100™ Share Index and the FTSE4Good UK 50 Index ("the Indices"), financial instruments and associated derivatives to ensure that the Funds track the performance of the Indices as closely as possible.
- We'll send you details of the number of shares we buy for you, and the price paid for each share, but won't issue share certificates.
- To calculate the price you pay for your shares, we value the funds you select at 2pm daily. The price for each Fund is the value of the fund divided by the number of shares.
- From time to time, money may be held on your behalf that has not been invested in your chosen funds. On these rare occasions, interest won't be paid to you.

What are Derivatives?

- Derivatives are a type of investment tool whose values are linked to the value of an underlying asset, for example a stock market index. They may be used to protect against the risk of price changes or as investments from which profits can be made.
- Derivative transactions may be used as a way to reduce investment risk and manage the funds in the most efficient way (also referred to as hedging). We don't consider that derivatives will significantly change the prices of shares in the fund.

What happens to my investment if I die?

If you've invested on your own:

- We'll pay the full value of your investment to your legal representatives when they ask for it, provided we receive the documents and information we need to process the request. It will form part of your estate and may be subject to Inheritance Tax, or we can transfer the shares to another person.
- Your investment can no longer be held as an ISA after you die.
- The money will remain invested until we receive instructions from your legal representatives.

If you've invested with someone else or other people:

- The investment will continue and they will own it. The value of your share of the investment may be subject to Inheritance Tax.

What is a Dilution Levy and when might it be applied?

We may, in exceptional circumstances, apply a Dilution Levy to ensure fairness between all investors in the fund. We apply it when you buy or sell shares in the fund and it will reduce the value of your investment. It will be retained in the fund for the benefit of all existing investors.

For example, a Dilution Levy may be applied in the following circumstances:

- An investor wants to sell a significant number of shares in a fund or invest a significant amount.
- The Fund manager may have to sell assets from the fund or buy new assets as a result.
- The fund may incur significant dealing costs which would result in other investors being disadvantaged if the Dilution Levy wasn't applied.

The Dilution Levy is applied by:

- reducing the money paid to the investor selling shares; or
- deducting the Dilution Levy from the money being invested by an investor buying shares.

How will I know how my investment is doing?

- We'll send you statements twice a year in January and July showing performance as well as a copy of the manager's report for the funds. The statements will show all transactions since the previous statement and will include a valuation.
- The prices and latest yields are also available by telephoning 0845 605 0171. Prices will also be published daily in the Financial Times and the Daily Telegraph in the Unit Trust and OEIC's listing page.

Can I change my mind?

We do not operate a "cooling-off" period. This means if, having invested, you change your mind the amount of money you will receive will depend on the value of your holding on the day we receive your instruction to sell.

How do I make a complaint?

If you wish to complain about the services you have received or the operation of the Funds or the ISA, please contact:

RBS Collective Investment Funds Ltd
PO Box 6795
Brentwood
Essex CM15 8WA

If you're not satisfied with our response, you can write directly to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. This doesn't affect your legal rights.

Law

The law and courts of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

The Authorised Corporate Director (ACD)

The ACD for the ICVC is RBS Collective Investment Funds Ltd. The ACD is responsible for all aspects of the administration and management of the funds and pays any commission.

The ACD is authorised and regulated by the Financial Services Authority. FSA registered number SC46694.

The ICVC is authorised by the Financial Services Authority.

Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS, UK.

The Depositary

The Depositary for RBS Index Tracker Funds ICVC is: The Bank of New York Trust and Depositary Company Ltd, 1 Canada Square, London E14 5AL. The Depositary is responsible for the safekeeping of the ICVC's assets and ensuring that the ICVC is managed in accordance with FSA rules.

The Auditor for the ICVC is:

Deloitte & Touche LLP, Lomond House, 9 George Square, Glasgow G2 1QQ.

How to contact us

If you have any other questions about the funds, you can write or phone us.

RBS Collective Investment Funds Ltd
PO Box 6795
Brentwood
Essex
CM15 8WA

Telephone: 0845 605 0171 Lines are open from 8.30am until 5.30pm (UK time) on each Business day.
Calls to this number may be recorded for training or monitoring purposes.

Copies of the annual and half yearly Manager's long and short reports and the full Prospectus are available free of charge from RBS Collective Investment Funds Ltd at the address given below:

RBS Collective Investment Funds Ltd
Business House B
2nd Floor
Gogarburn
EH12 1HQ

Compensation

You are buying your shares in the fund without advice therefore you will have no legal right to compensation if you later decide that the investment was unsuitable for you. The Financial Services Compensation Scheme set up under the Financial Services and Markets Act 2000 covers your investment. It covers you if RBS Collective Investment Funds Limited becomes insolvent and is unable to meet its obligation under this investment. Most types of investment business are covered for 100% of the first £30,000 lost and 90% of the next £20,000 of the remaining value of the investment at the time, so the maximum compensation is £48,000. For more information on the conditions of the Scheme, please contact the FSCS at www.fscs.org.uk

Fund information: RBS FTSE 100™ Tracker Fund & RBS FTSE4Good Tracker Fund

What are the Fund objectives and investment policy?

RBS FTSE 100™ Tracker Fund: The objective of the RBS FTSE 100™ Tracker Fund is to provide long term capital growth. We aim to achieve this by tracking closely the performance of the FTSE 100™ Index, which consists of the 100 largest companies listed on the London Stock Exchange.

RBS FTSE4Good Tracker Fund: The objective of the RBS FTSE4Good Tracker Fund is to provide long term capital growth. We aim to achieve this by tracking closely the performance of the FTSE4Good UK 50 Index which consists of companies which comply with the ethical criteria set by the FTSE4Good UK 50 Index.

The ACD will normally use a range of recognised indexation techniques to achieve the objective of tracking the FTSE 100™ and FTSE4Good Indices. In so doing the ACD may use discretion in deciding which investments included in the said Indices are to be included in the portfolio. The Funds will invest mainly in Index securities, either directly or through investment in collective investment schemes or other entities that invest in such investments. Each Fund may also hold ancillary liquid assets.

The ACD reserves the right in relation to each Fund to exercise the full powers of the Company in relation to borrowing and efficient portfolio management as and when it considers that the circumstances which then exist make it appropriate to do so. Permitted efficient portfolio management transactions for those purposes (excluding stock lending transactions) are forward currency transactions with approved counterparties and transactions in (i) approved derivatives (i.e. options, futures or contracts for differences which are dealt in or traded on an eligible derivatives market), (ii) off-exchange derivatives (i.e. futures, options or contracts for differences resembling options with a counterparty falling within certain specified categories and meeting certain other criteria) or (iii) synthetic futures (i.e. derivatives transactions in the nature of composite derivatives created out of two options bought and written on the same eligible derivatives market and having certain characteristics in common) which meet detailed requirements set out in the FSA Rules.

FTSE and Footsie are registered trademarks of the London Stock Exchange Limited (“Exchange”) and the Financial Times Limited (“FT”) and are used by FTSE International Limited (“FTSE”) under licence. The shares in the RBS FTSE 100™ Tracker Fund and the RBS FTSE4Good Tracker Fund are not in any way sponsored, endorsed, sold or promoted by FTSE or by the London Stock Exchange or by the FT and neither the FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 100™ Index or the FTSE4Good Index (“the Indices”) and/or the figure at which the said Indices stand at any particular time on any particular day or otherwise.

The Indices are compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Indices and neither FTSE nor Exchange nor FT shall be under any obligation to advise any person of any error therein.

Who can invest?

The Funds within the RBS Index Tracker Fund ICVC are available to all retail investors aged 18 or over.

What type of shares are available?

Accumulation shares are the only type available.

In what currency are the Funds denominated?

UK Sterling.

What is the profile of a typical investor?

These Funds are suitable for people who understand how Tracker Funds work and are able to make an investment decision without the need to seek advice. Investors should be able to invest for the medium- to long-term and understand the risks and the investment objective and policy of the Fund.

How much can I invest?

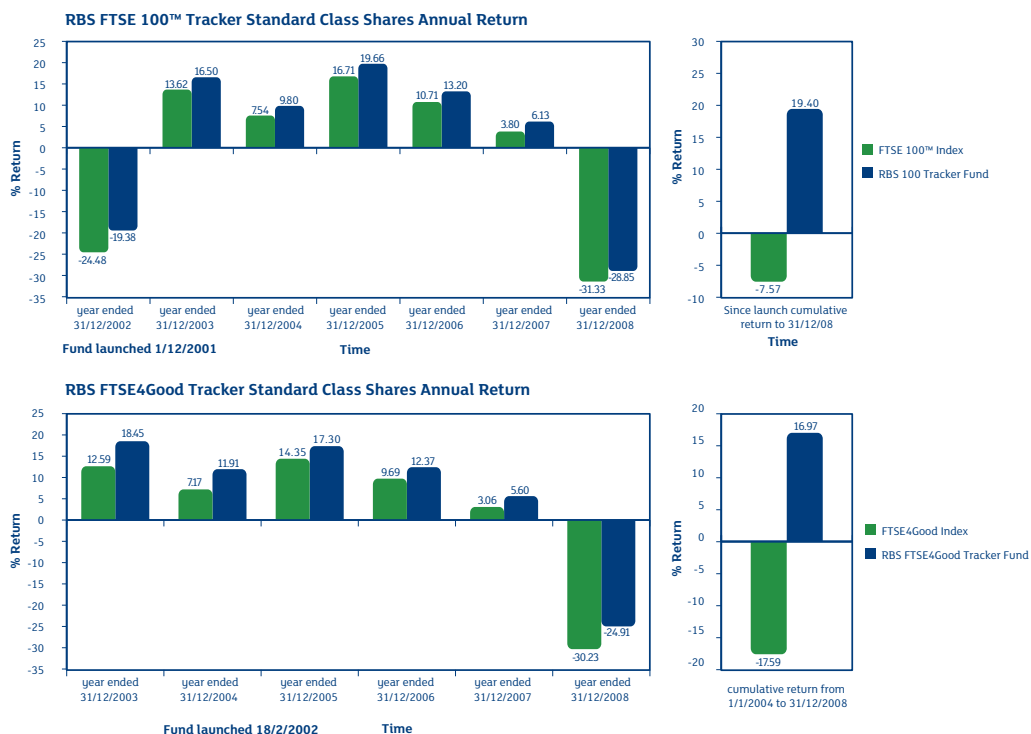
You can invest either by lump sum or by regular monthly payments, or by a combination of the two. With regular monthly payments you can invest as little as £30 each month which can be increased or deferred at any time on request.

	Minimum Lump Sum (initial investment)	Minimum Lump Sum (top ups)	Minimum Regular Monthly	Maximum Investment Per Tax Year
RBS Index Tracker ISA	£500	£200	£30	£7,200
RBS Index Tracker (non ISA)	£1,000	£1,000	£30	—

If for any reason cash cannot be invested immediately, it will either be returned to you or will be held in a client account. No interest will be paid on monies held in such an account.

How has the Fund performed?

All performance figures are on a total return basis (excluding any buying/selling spread which may apply). Past performance is not a guide to future performance. The value of your investments and any income from them can go down as well as up, and you may not recover the amount of your original investment. Performance is shown for each calendar year and on cumulative basis. Please note that the performance of the Indices does not include any dividends payable as these Indices reflect capital growth only.



How will charges and expenses affect my investment?

The Total Expense Ratios for the Funds as at 30 November 2008 are as follows:

RBS FTSE 100™ Tracker Fund	1%
RBS FTSE4Good Tracker Fund	1%

The Total Expense Ratio (TER) shows the total annual operating expenses charged to the fund. It does not include transaction expenses or the cost of bank overdraft interest. The TER is provided to help you compare annual operating expenses with those of other funds. To help you understand how all charges, including transaction expenses, could affect the growth of your investment examples have been set out below.

Example 1 is based on an investment of £10,000 and assumes a growth rate of 6% per year.

At end of Year	Investment to date £	Effect of Deductions to date £	What you might get back £
1	10,000.00	106.00	10,400.00
3	10,000.00	352.00	11,500.00
5	10,000.00	653.00	12,700.00
10	10,000.00	1,710.00	16,200.00

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £1,710.00. Putting it another way, this would have the same effect as bringing investment growth from 6% a year down to 4.9% a year.

Example 2 is based on a tax exempt investment (ISA) of £3,000 and assumes a growth rate of 7% per year.

At end of Year	Investment to date £	Effect of Deductions to date £	What you might get back £
1	3,000.00	32.00	3,170.00
3	3,000.00	109.00	3,560.00
5	3,000.00	205.00	4,000.00
10	3,000.00	599.00	5,340.00

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £599. Putting it another way, this would have the same effect as bringing the investment growth down from 7% a year to 5.9% a year. Please note that these figures are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

The Portfolio Turnover Rate for the Funds for the year to 31 May 2008 were as follows:

RBS FTSE 100™ Tracker Fund	20%
RBS FTSE4Good Tracker Fund	34%

The more stocks and shares a fund has bought and sold, the higher the portfolio turnover rate. This can result in higher transaction expenses being paid by the Funds. However, this can also indicate that the Funds are being managed in line with the stated objectives.

The Portfolio Turnover Rate is calculated on an annual basis using the following formula.

$$= \frac{((\text{Purchases of Securities} + \text{Sale of Securities}) - (\text{Issue of Shares} + \text{Redemption of Shares}))}{\text{Average Fund Value over Year}} \times 100$$

RBS Index Tracker Funds ISA

Terms and Conditions

Please read carefully and retain for future reference.

1. Definitions

The words 'us', 'we' or 'our' – refer to RBS Collective Investment Funds Ltd and companies employed to act on our behalf.

ACD – means RBS Collective Investment Funds Ltd, which is the Authorised Corporate Director of The Company and The ISA Manager.

Account – means an individual Savings Account, referred to in the regulations and subscribed to by you as the Plan Holder.

Associate – means an associate of RBS Collective Investment Funds Ltd as defined in section 52 of the Companies Act 1989.

Business Day – means any day on which we are open for business up to 5pm.

Company – the RBS Index Tracker Funds ICVC, an open-ended investment company with variable capital.

Funds – the RBS FTSE 100™ Tracker Fund and the RBS FTSE4Good Tracker Fund.

FSA – the Financial Services Authority.

FSA Handbook – FSA Handbook of Rules and Guidance as amended from time to time.

Investments – the investments, and cash if any, in the Plan.

ISA – means Individual Savings Account.

ISA Manager – means RBS Collective Investment Funds Ltd.

Plan – means an individual Savings Account, referred to in the regulations and subscribed to by you as the Plan Holder.

Plan Manager – means the ISA Manager.

Prospectus – means the prospectus of The Company as amended from time to time.

Regulations – the Individual Savings Account Regulations 1998, as amended from time to time and any other applicable regulations or statutes.

Tax Year – 6 April to 5 April the following year.

You and **Your** – means the investor: the individual named as the applicant in the application form.

2. Introduction

- a) These Terms and Conditions apply to the RBS Index Tracker ISA and form the agreement between you and RBS Collective Investment Funds Ltd 'the Agreement'.
- b) You appoint us to manage your Investment in accordance with the Regulations. We may delegate any of our functions or responsibilities under this agreement provided we are satisfied that the person we delegate to is competent to carry them out.

- c) RBS Collective Investment Funds Ltd is authorised and regulated by the Financial Services Authority. Our activities are subject to the Terms of this Agreement, the FSA Handbook and the Regulations (see Definitions).
- d) We are authorised and regulated by the Financial Services Authority (FSA) in the conduct of Investment business. The ISA Manager is approved by HM Revenue & Customs as an ISA Manager under the Regulations.

3. RBS Index Tracker ISA Investment

- a) i) The Plan will invest in shares in the RBS FTSE 100™ Tracker Fund and the RBS FTSE4Good Tracker Fund which are sub-funds of the RBS Index Tracker Funds ICVC, which is an open-ended investment company with variable capital. RBS Index Tracker Funds ICVC is an umbrella company, which, in simple terms means that there are various funds of the company with different investment objectives in which investors can choose to invest. The objective of the Funds is to 'track' the performance of the FTSE 100™ Index and the FTSE4Good UK 50 Index as appropriate.
 - ii) The shares in your Plan are accumulation shares. The income received by the Funds less expenses and tax is retained within the Funds.
 - iii) All payments to us must be from your own resources and we reserve the right to satisfy ourselves of this
- b) If we receive your completed application prior to the tax year to which it relates, we cannot invest your payment until the start of the tax year you have applied for. In such circumstances we may retain your application and payment pending the start of the new tax year.
- c) Payments in respect of regular monthly savings plans will be collected normally on the 1st of each month unless specified otherwise, or if this is not a Business Day, the next Business Day thereafter.

Shares in respect of these payments will be bought on the first Business Day on or after this. We will send individual confirmation of your first investment but not subsequent months. Details of your purchases will be shown in your statements.

We will continue to collect your monthly savings amount by direct debit in accordance with your instructions until:

- i) We receive your instructions to stop; or
- ii) We are unable to collect your monthly savings amount for three consecutive months and payments have not recommenced following our notification to you.

4. Titles and Roles

- a) The Plan Manager is RBS Collective Investment Funds Ltd, the Authorised Corporate Director of the Company.

The Depositary is The Bank of New York Trust & Depositary Company Limited, One Canada Square, London E14 5AL.

The administration of the Company and its sub-funds has been delegated by the ACD to Bank of New York Mellon, whose business address is Mellon House, Ingrave Road, Brentwood, Essex CM15 8TG. The detailed Prospectus for the Funds is available from the Plan Manager on request.

5. Cash Held

We reserve the right not to treat any cash balances due to you as client money if they remain unclaimed for a period of over 6 years. We will continue to accept and process any valid claims against such money during and after this period.

6. Opening Your Plan

- a) This Agreement will come into effect on the day on which we receive your correctly completed Application and Declaration Form. As there is no cooling off period, you have no formal right to cancel from outset.
- b) To comply with the Money Laundering Regulations 2003 we may require from you further evidence of identity. If appropriate evidence is not provided when requested this could delay payment to you.
- c) On receipt of a correctly completed Application Form, shares paid for by cheque will be purchased on the day we receive your cheque or the following working day if it arrives on a Saturday or after 2pm; shares paid for by Direct Debit will be purchased as soon as your bank has credited us with your first and subsequent payments. We will confirm to you in writing details of the shares purchased when we have set up your Plan.
- d) We will, at our discretion and on your behalf, buy and sell shares in the RBS FTSE 100 Tracker Fund or the RBS FTSE4Good Tracker Fund only. Unless you choose otherwise the RBS FTSE 100 Tracker Fund will be the default Fund. It is not intended to hold any cash in the Plan.
- e) If for any reason cash cannot be invested immediately, it will either be returned to you or will be held in an account with our Group bank The Royal Bank of Scotland plc. No interest will be paid on monies held in this account.

7. Aggregation of deals

Investments may be managed together with other Investments or other ISAs managed by us and may be aggregated for transactions. Investments within the Account may be consolidated with other Accounts which we hold for you.

8. Transfers in from Other ISA Managers

- a) You may transfer to us Cash ISAs and Stocks and Shares ISAs for the current and/or previous tax years that are managed by any ISA Manager, provided the value of each ISA being transferred is at least £500 for each Fund. Only full transfers can be accepted for the current year. Transfers will only be accepted in the form of payments by

cheque from a previous ISA Manager. Once your ISA has been transferred you will be subject to these terms.

- b) Any distributions (including tax credits) received from a previous ISA Manager after the transfer of an ISA Investment to the RBS Index Tracker Funds ISA will be accepted and reinvested in your Account provided that value is at least £10. Any such payments under £10 will be returned to the previous ISA Manager for payment directly to you.

9. Transfers Out to Other ISA Managers

- a) You may transfer all of your Account or part of your Account (subject to clause 8(b) below) to another Stocks and Shares ISA Manager who is prepared to accept the transfer. You must provide us with written notice of your wish to transfer your Account. Only the cash value of the Account can be transferred.

The new ISA Manager will have to provide us with your written authority for the transfer before it can take place. We do not make any charge for the transfer. Your ISA will be transferred to another ISA Manager on your instructions.

- b) A transfer of part of your Account to another ISA Manager is only available to you in respect of Investments made in previous tax years and where the amount to be transferred is £500 or more, and where the amount remaining in each Fund is normally £50.

10. Full or partial withdrawals (and minimum holdings)

- a) You may withdraw some or all of your Investment at any time by providing us with written instructions to withdraw. Unless you are making a full withdrawal, the minimum withdrawal amount for any Fund is £50. If you are not withdrawing your total holding in a Fund, the remaining value of your holding in that Fund after the withdrawal must be at least £50.
- b) We will normally sell your shares no later than the next Business Day following receipt of your request to make a withdrawal. However, if your request is received after 2pm your shares will be sold on the next following Business day.
- c) If you have holdings in both Funds you must stipulate which Fund the withdrawal should come from. However we also reserve the right to contact you for clarification of your wishes before processing your request if we deem this appropriate.
- d) Payment of your withdrawal will be made to you by cheque, and this will be posted to you within 4 Business Days of the sale of your shares subject to our requirements being met.

These can include having a clear and unambiguous signed request to withdraw, proof of your authority to give that

instruction and any identification that may be necessary for payment purposes or to satisfy anti-money laundering requirements.

11. Switching

Subject to eligibility, you may switch some or all of your investments between Funds by giving us your written instructions. Switches will normally be affected at the next valuation point. The ACD reserves the right not to comply with a switching instruction if any conditions attached to the purchase or holding of shares in any Fund is not complied with. Furthermore, if a switch would result in you holding less than any specified minimum holding for the Funds, the ACD may at its discretion refuse to effect the switch or switch the whole of your investment.

12. Closure of the Plan by Us

We will be entitled in our absolute discretion to terminate the Agreement at any time on giving you 7 days' notice in writing. We may close your Plan if you have a balance of less than £50. We will close your Plan if it is, or has become, void under the Regulations and shall notify you accordingly.

13. Process if investor dies

In the event of your death your account will cease to qualify for tax exemption under the Regulations from the date of your death. On notification of death we will contact your representatives for instruction and they may decide to hold the investment in their own name or repurchase. If they choose to repurchase we will sell the shares held within your Account by the end of the next Business Day following receipt by us of the evidence we require to make payment. The proceeds will be paid by cheque and this will be posted to your legal representatives within 4 Business Days of the sale of the shares that were held within your Account. These Terms and Conditions are binding on your personal representatives.

14. What Happens When Your Plan is Closed

- a) If your signed withdrawal or transfer out form is received before 2pm on Monday to Friday we will sell your shares that day and send out your payment within 4 working days. If it arrives after 2pm or on a Saturday we will sell your shares on the next working day and send out your payment within 4 working days thereafter. The payment will be net of any deduction required to cover any of our charges that may remain unpaid.
- b) If any tax becomes payable or repayable in connection with the Plan becoming void, we will be entitled to sell investments to pay any tax liability. Closure of a Plan does not affect the completion of transactions already started.
- c) The following will apply in these circumstances:

- if shares are being purchased, then the Plan will be retained until all the outstanding purchases are completed; and
- if shares are being sold, the original instruction to sell will be progressed and your Plan will be closed.

15. Tax

- a) When you take out an RBS Index Tracker Stocks and Shares ISA you sign a Declaration that you have no other Stocks and Shares ISA for the same tax year. This Declaration is binding on you. Under current legislation, investments held within an ISA are not subject to income tax or capital gains tax within the UK.
- b) The Plan and these Terms and Conditions are based on our understanding of current tax law and HM Revenue & Customs practice. If any changes are made to ISAs or the Regulations, we may have to change the Terms and Conditions applying to your Plan in order to maintain its tax status. We will notify you in writing if this occurs.
- c) Your signed Application and Declaration Form gives us the authority to apply to HM Revenue & Customs to reclaim on your behalf tax credits on dividends from investments held within the Plan. This may mean that we will conduct appeals against and agree liabilities for and reliefs from tax in respect of the Plan. From 6 April 2004 ISA managers have not been able to claim a tax credit on dividends from UK shares held within an ISA. Nor can we reclaim any tax related to tax credits attaching to foreign income dividends.

We will make returns to HM Revenue & Customs, as we are required to do by law. You do not need to declare your Plan on your tax return.

16. Fees and Charges

- a) Charges may be varied within set limits. You will be notified in writing 60 days in advance of any changes to these charges.
- b) The annual management charge on the Funds will be calculated on a per day basis and paid each month in arrears.

17. Dilution Levy

We do not currently charge a dilution levy on investments made through our ISA. Any change to this policy would be notified to investors. We do reserve the right to make such a charge on any direct investment into the Company outside of an ISA as detailed in the Prospectus.

18. SDRT

The company will not pay Stamp Duty Reserve Tax (SDRT) as any liability is currently met by the Authorised Corporate Director (ACD). Any change to this policy would be notified to investors.

19. Pricing

- a) The price of shares is calculated every working day as at 2pm. Shares in the Funds are bought and sold at the same price which represents the mid-market price of the underlying assets of the Funds. The price of shares is calculated by taking the total value of assets representing each class of shares of the Funds, less the liabilities attributed to that class and dividing by the number of shares of that class in issue. This is the net asset value of the share.
- b) Prices are quoted daily in the Financial Times and Daily Telegraph.

20. Beneficial Ownership

- a) All Investments held under the Plan will be held for you as beneficial owner. Title to the Investments will be vested in us as Plan Manager. Any document which provides evidence of title to investments will be held by us or persons appointed by us.
- b) We will satisfy ourselves that any persons to whom we delegate any of our functions or responsibilities under this Agreement are competent to carry them out.

21. Conflicts of interest

We are not prevented from providing services under these terms because of any conflict of interest or duties which may rise as a result of us having a material interest in any transaction or any Associate having a material interest.

22. Liability

- a) The value of your Plan may go down as well as up and we accept no responsibility for the performance of your Plan. We will not be liable for errors of judgement or for any action taken or omitted to be taken by us unless it is due to wilful default or negligence.
- b) These provisions do not affect any duty which we have under the Financial Services and Markets Act 2000, the FSA Handbook or the Regulations.

23. Assignment, Transfer or Charge

You must not assign, transfer or charge any beneficial or other interests in your Plan to any other person, including using your Plan as security for a loan.

24. Company Information and Voting

Please contact us if you wish to receive the interim and final long or short report and accounts or any other information issued to shareholders of the Company, or if you wish to attend or vote at shareholders meetings of the Company.

25. Complaints

Should you ever wish to complain, please write to our Managing Director at the following address:

RBS Collective Investment Funds Ltd
PO Box 6795
Brentwood CM15 8WA

In accordance with FSA Regulations a copy of our complaints procedure is available on request. If your complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service (address available on request). Making a complaint will not prejudice your right to take legal proceedings.

26. Financial Services Compensation Scheme

The Financial Services Compensation Scheme set up under the Financial Services and Markets Act 2000 covers your investment. It covers you if RBS Collective Investment Funds Limited becomes insolvent and is unable to meet its obligation under this investment. Most types of investment business are covered for 100% of the first £30,000 lost and 90% of the next £20,000 of the remaining value of the investment at the time, so the maximum compensation is £48,000. For more information on the conditions of the Scheme, please contact the FSCS at www.fscs.org.uk

27. Correspondence

- a) We will send any notices or other correspondence to the address you have given us in your application form, or to a new permanent residential address provided you have notified us in writing of the change.
- b) You should send any notices, instructions, or requests for further information, to us at:

RBS Collective Investment Funds Ltd
PO Box 6795
Brentwood CM15 8WA

28. Third party rights

Nothing in the Terms and Conditions confers or purports to confer on any third party any benefit or any right to enforce any term of these Terms and Conditions.

29. Changes to these Terms and Conditions

We may vary these Terms and Conditions;

- a) by giving you 60 days' prior written notice where we increase our charges. This may be required if the cost of managing your Investment increases.
- b) by giving you 30 days' prior written notice where possible, if for example it is necessary to comply with or anticipate any changes in applicable laws, rules or regulations, or for example to take into account a ruling by a Court, Ombudsman, regulator or similar body.
- c) by giving you 30 days' prior written notice where we have changed or introduced new systems, methods of operation, services or facilities. Such amendments will only be made if we have satisfied ourselves that the overall effect of the amendments mean that you receive broadly comparable terms for the ISA under the revised Terms and Conditions.
- d) without giving notice to you providing we have satisfied ourselves that the effect of the amendments mean that you receive no less favourable terms for the ISA under the revised Terms and Conditions.

30. Transfer of business by us to another firm

- a) You agree that we may transfer (subject to any necessary regulatory approval) our rights and obligations under this contract to another company provided we give you no less than 30 days' prior written notice.
- b) We may appoint another company to be the Account Manager of your ISA under these Terms and Conditions having given you one month's prior written notice. The new Account Manager must be approved to act as an ISA Account Manager by the Commissioners of HM Revenue & Customs.

31. Applicable Law

English law governs both the Plan and all our dealings relating to it.

32. Language

This contract is supplied in English. We will continue to communicate with you in English for the duration of this contract.

Your Information

Who we are

Your Investment is with RBS Collective Investment Funds Limited. We are a member of The Royal Bank of Scotland Group (the Group). For information about our Group of companies please visit www.rbs.com and click on 'About Us', or for similar enquiries please telephone 0131 556 8555 or Minicom 0845 900 5960. Maximum call charge from a BT landline is 6p plus up to 2p per minute. Calls from other networks may vary.

Your electronic information

If you contact us electronically, we may collect your electronic identifier (e.g. Internet Protocol (IP) address or telephone number), supplied by your service provider.

How we use your information and who we share it with

Your information comprises all the details we hold about you and your transactions, and includes information obtained from third parties.

We may use and share your information with other members of the Group to help us and them:

- assess financial and insurance risks;
- recover debt;
- prevent and detect crime;
- understand our customers' requirements;
- develop and test products and services.

We do not disclose your information to anyone outside the Group except:

- where we have your permission; or
- where we are required or permitted to do so by law; or
- to other companies who provide a service to us or you;
- where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone to whom we pass it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object to the change within 60 days, you consent to that change.

If you would like a copy of the information we hold about you, please write to: The Data Protection Manager, Retail Regulatory Risk, 2nd Floor, Business House B, RBS Gogarburn, PO Box 1000, Edinburgh EH12 1HQ. A fee may be payable.

Credit reference agencies

We may make periodic searches at credit reference agencies and will provide information to the Group to manage and take decisions about your accounts. This may include information about how you manage your account including your account balance, credit limit and any arrears. We will also provide this information to credit reference agencies who may make this information available to other organisations so that they can take decisions about you, your associates and members of your household. The information may also be used for tracing purposes.

Fraud prevention agencies

If false or inaccurate information is provided and fraud is identified or suspected, details may be passed to fraud prevention agencies.

Law enforcement agencies may access and use this information.

We and other organisations may also access and use this information to prevent fraud and money laundering, for example when:

- checking applications for, and managing credit or other facilities and recovering debt;
- checking insurance proposals and claims;
- checking details of job applicants and employees.

We, and other organisations that may access and use information recorded by fraud prevention agencies, may do so from other countries.

We can provide the names and addresses of the agencies we use if you would like a copy of your information held by them. Please contact any branch. The agencies may charge a fee.

RBS Collective Investment Funds Ltd
PO Box 6795
Brentwood
CM15 8WA

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering buying certain financial products. Use this information to decide if our services are right for you.

2. Whose products do we offer?

- We offer products from the whole market.
- We only offer products from a limited number of companies. These include our own products but our recommendation will be made following an analysis of our entire range of products. Ask us for a list of the companies and products we offer.
- We only offer our own products.

3. Which service will we provide you with?

- We will advise and make a recommendation for you after we have assessed your needs.
- You will not receive advice or recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
- We will provide basic advice on a limited range of Stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:
 - conduct a full assessment of your needs;
 - offer advice on whether a non-Stakeholder product may be more suitable.

4. What will you have to pay us for our services?

- Before we provide you with advice, we will give you our keyfacts guide 'about the cost of our services'.
- We will tell you how we get paid, and the amount, before we carry out any business with you.

5. Who regulates us?

The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh EH2 2YB is authorised and regulated by the Financial Services Authority. Our FSA Register number is 121882.

Our permitted business is advising and arranging life insurance, pensions and investments.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

6. Loans and ownership

The Royal Bank of Scotland has entered into a joint venture with Norwich Union. These companies jointly own Royal Bank of Scotland Collective Investment Funds Ltd.

7. What to do if you have a complaint

If you wish to register a complaint about the service you receive please contact us:

- ...in writing** Write to Mellon House, Ingrave Road, Brentwood, Essex CM15 8TG.
- ...by phone** Telephone 0845 605 0171. Lines are open from 8.30am until 5.30pm (UK time) on each Business day. Calls to this number may be recorded for training or monitoring purposes. Minicom users please dial: 0800 404 6160.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

8. Are we covered by the Financial Services Compensation Scheme (FSCS)?

The Financial Services Compensation Scheme set up under the Financial Services and Markets Act 2000 covers your investment.

It covers you if RBS Collective Investment Funds Limited becomes insolvent and is unable to meet its obligation under this investment. Most types of investment business are covered for 100% of the first £30,000 lost and 90% of the next £20,000 of the remaining value of the investment at the time, so the maximum compensation is £48,000. For more information on the conditions of the Scheme, please contact the FSCS at www.fscs.org.uk

Terms of Business

The Financial Services Authority (FSA) requires firms regulated by it, to classify customers with whom they intend to transact investment business, to ensure that the appropriate level of regulatory protection is provided. We will treat all our customers as retail clients with the aim of ensuring that everyone receives the highest level of protection possible.

The Bank will, where necessary, contact you by telephone between the hours of 9.00am–9.00pm (Monday to Saturday).

Calls will only be made outside this time with your prior consent. You will be deemed to have accepted these Terms of Business once you have received this document.

RBS Collective Investment Funds Ltd. Registered in Scotland No. SC46694. Registered Office: 24-25 St Andrew Square, Edinburgh EH2 1AF.
Authorised and regulated by the Financial Services Authority. FSA Registered Number 122139.

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16 February 2009

Make it happen