



Your Money & Investments

Investor protection and compensation

The money and assets you hold with us are covered by the protected investment business scheme operated by Financial Services Compensation Scheme (FSCS).

Compensation in the event of our default

Compensation in the event of our default Cash and assets held by us are covered by the FSCS. This means that if we are unable, or likely to be unable, to pay claims against us, customers can apply to the FSCS for compensation. Any claim will be limited to £85,000 per individual. Further information is available on the FSCS website at www.fscs.org.uk or by contacting them at: Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

Compensation in the event of default by a third-party financial institution

The cash you hold with us is pooled with that of other customers and deposited with a number of financial institutions. In the event of the failure of one of these institutions, you may be able to make a compensation claim through the relevant deposit guarantee scheme. In the UK, the relevant deposit guarantee scheme is the FSCS and deposits are protected up to a value of £85,000 per person, per institution. In the interests of diversifying risk, we may deposit a proportion of the pooled money in a country outside the UK, where we cannot guarantee that it will be protected by a similar deposit guarantee scheme to the FSCS

How we hold your money and investments

We will hold your money in a bank account designed to facilitate efficient settlement of transactions. We will deal with your money in accordance with the FCA's client money rules and guidance, which require us to hold it in a client bank account, separating your funds from ours. Such money may be held by a bank with other clients' money in a pooled client account. To ensure we maintain our ability to appropriately diversify client money across highly rated, strongly capitalised banks, the FCA has given us permission to deposit some of our client monies in fixed term deposits for up to 95 days. This means that in the event that a default by a bank causes any unreconciled shortfall in the money held in the pooled account, then you may share proportionately in that shortfall. Subject to eligibility, you may need to make a claim against the FSCS, which provides cover.

As regards your investments: Investments either purchased by us on your behalf or transferred to us will be held in the name of our nominee or another custodian on trust for you as beneficial owner. Any investments held on your behalf may be pooled with those investments of other clients. This means that your entitlement may not be individually identifiable on the relevant company register, by separate certificates or electronic records (other than ours, where they will be identifiable) and, in the event of an unreconciled shortfall caused by the default of a custodian, you may share proportionately in that shortfall.

Where you invest in CREST-eligible assets we may (subject to third party systems and controls compatibility) be able to make available an individually segregated custody account. If applicable, Assets held in an individually segregated custody account are registered in the name of our Nominee, however, they are not pooled with the assets of other customers and may therefore be treated differently in the event of our insolvency or the insolvency of the UK Central Securities Depository (Euroclear UK and Ireland).

An individually segregated account should provide a higher level of protection to your assets, than a pooled omnibus account. This is because your assets are not co-mingled with the assets of other customers and, in the event of our insolvency, they should be ring-fenced. Consequently, you should not be exposed to any shortfall in the pooled omnibus account. Moreover, in the event of our insolvency, the costs (charged by the appointed insolvency practitioner) of transferring your assets should be lower

and the transfer process should be quicker. The transfer of an omnibus account to is likely to take longer because it may be necessary to obtain the consent of all the account holders.

However, please note that, as an FCA authorised investment firm, we are required to comply with the UK's Client Assets (CASS) regime. CASS requires us to keep your assets segregated from our own so that, in the event of our insolvency, these are readily identifiable as belonging to our clients. Furthermore, we are required to reconcile our custody assets held in CREST on a daily basis and if we identify a shortfall, that has not arisen as a result of a third-party issue, we set-aside an equivalent amount of our own money to cover the shortfall until it is resolved.

If you wish to set-up an individually segregated account, please proceed with your application as normal online. Once we have issued you with your account number, please contact our Customer Services team and tell them you wish to convert your account to an individually-segregated account in accordance with our Customer Terms of Service.

Please note that there is an additional monthly cost of £100 per month for this service and this must be paid by direct debit.

You agree that because of the nature of applicable laws or market practices in certain overseas jurisdictions we may decide that it is in your best interest for your nominee investments to be registered or recorded in our name or in the name of the person who is a custodian for the purposes of the FCA Rules, and if it is not feasible for us to do this, then:

- a) the nominee investments may be registered or recorded in the name of the firm or custodian as the case may be;
- b) the nominee investments may not be segregated and separately identifiable from the designated investments of the person in whose name they are registered; and
- c) as a consequence, in the event of a failure, the nominee investment may not be as well protected from claims made on behalf of our general creditors

Your non-United Kingdom securities may be held overseas by a custodian, bank, intermediate broker, or settlement agent. There may be different settlement, legal and regulatory requirements and different practices for the separate identification of investments from those applying in the UK. In the event of insolvency or any other similar proceedings in relation to that institution or person, your investment may be treated differently from the treatment which would apply if the investment was held with an institution in the United Kingdom. Note that as dealing in overseas investments may not be available through all communication channels, you should contact our Client Services Team for further information on product availability.

In the case of bargains transacted outside the United Kingdom, any stock or money held by us or to our order on your behalf may be passed to an intermediate broker, settlement agent or counter party located outside the United Kingdom. In these circumstances, the legal and regulatory regime applying to that person may be different from that of the United Kingdom. This means that in the event of the insolvency of that person, your assets may be treated differently from the manner in which they would be treated if they had been passed to an intermediate broker, settlement agent or counterparty within the United Kingdom.

If you do not pay when due any amount owed by you to us then we may sell any of your assets held by us to discharge the amount due and any additional costs reasonably incurred. If we do not recover the amount due from you then the provisions of clause 21 of the Terms of Service will apply and, where it is reasonable to do so, may be enforced against you or your representatives. If we have to pay or repay any money from any Account you may hold with us or deliver or redeliver any investment it will be conditional upon there being no outstanding liabilities (whether actual or contingent) due from you.

We shall also have the legal right to withhold cash and investments which we or our nominees may hold, as security for you meeting all of your outstanding liabilities to us from time to time and we have the right

to use the cash or convert the investments into cash on such terms (including as to price) as we consider appropriate and to apply and set-off the proceeds of such realisation as set out below.

We may combine, consolidate or merge all or any of your Accounts, balances and other amounts with, or liabilities to us and may set-off any sum standing to the credit of any such Accounts, balances or other amounts in or towards the satisfaction of any sum or liability you owe to us. To effect set-off we may transfer monies and/or assets between any of your Accounts.

Additional information if you hold an ii SIPP

Cash and stock held in the SIPP is covered by the FSCS.

Any contributions and transfers paid to your SIPP are held briefly in the Investor SIPP Trustees Limited bank account with NatWest, part of The Royal Bank of Scotland Group where they are pooled with those of other customers before being moved automatically to your SIPP investment account. Withdrawals are held briefly in the client money account of BW SIPP LLP held with Bank of Scotland, part of the Lloyds Banking Group before being paid out to you. For the short period that your cash is held either by Investor SIPP Trustees Limited or BW SIPP LLP in their bank accounts, it is covered by the FSCS deposit protection scheme up to a value of £85,000.