



BREWIN  
DOLPHIN

*Channel Islands*

Private Client  
Terms & Conditions

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# **PRIVATE CLIENT TERMS AND CONDITIONS (JERSEY OFFICE)**

Terms and Conditions for private customers forming part of the Agreement between the Jersey Office of Brewin Dolphin Limited ('Brewin Dolphin') 2nd Floor, Kingsgate House, 55 The Esplanade, St Helier, Jersey JE2 3QB, Registered Office being 12 Smithfield Street, London EC1A 9BD ('we' or 'us'), a company registered in England and Wales No. 2135876, a member of the London Stock Exchange, licensed and regulated in Jersey by the Jersey Financial Services Commission ('JFSC') (Registration No. IB 0148) and the Client ('you').

## **Section 1 – Introductory Terms**

## **Section 2 – Our Services**

## **Section 3 – General Terms for all Clients**

Sections 1, 2 and 3 provide terms applicable to all clients.

Our Services are detailed in Section 2.

## **Section 4 – Other Services**

Details of other services we offer are stated in Section 4. Section 5 (Glossary) contains an explanation of the terms used within this Agreement.

## **Section 5 – Glossary**

Joint Account Holders should additionally refer to clauses 51 to 54.

It is important that you choose the appropriate service category and you should discuss your options and choice of service with your Investment Manager. It is therefore in your interest to read carefully all Sections that apply to you and to clarify with us any points that you do not understand.

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# Section 1: Introductory Terms

## PURPOSE OF TERMS

1. These Terms and Conditions (these “Terms”) between us contain important material regarding your legal position and the way in which we will provide our services to you.
2. Some words in these Terms have a special meaning. Where this is the case, we use capitalised expressions. These expressions are generally explained in the place where they are first used, or the place where we can best give a clear explanation of their meaning or they can be found in the Glossary at the end of these Terms.

## OUR AGREEMENT WITH YOU

3. Our legal relationship with you is governed by the following documents which together form our “Agreement” and set out the basis on which we provide our services to you:
  - a) these Terms;
  - b) the applicable Rate Card(s) that apply to the services that we will carry out for you under these Terms. The Rate Card(s) set out our transaction charges, our fees and other charges for our services;
  - c) the relevant account opening form(s) or application form(s) (the “Account Opening Form”);

**By entering into this Agreement with the Jersey office of Brewin Dolphin you agree that you are bound by all the laws of Jersey and submit to the non-exclusive jurisdiction of the Jersey Courts. You further confirm you will be subject to and bound by all applicable Jersey regulations and, if you are domiciled outside of Jersey, you may not be entitled to certain client protection provisions afforded in your own country of residence. Please note that Jersey is not part of the EU or the EEA.**

## OTHER FORMATS AND LANGUAGE

4. We will communicate with each other in English. Documents and other information we supply to you will be in English. A copy of this Agreement is available in other formats, such as larger print. Please contact your Investment Manager for further information.

## EFFECT AND COMMENCEMENT

5. Our Agreement supersedes any previous agreement between us. You are asked to confirm your agreement to the service category and our Agreement, by completing, signing and returning the relevant Account Opening Form. This Agreement constitutes a legally binding contract. Our Agreement will be effective from the date we receive and accept your fully completed and signed Account Opening Form until varied or terminated in accordance with clauses 193 and 197-199. Where this Agreement is not consistent with or conflicts with any previous agreement which you have already entered into with us, these terms will prevail.
6. At our sole discretion, we may enter into transactions on your behalf prior to receiving the original signed Account Opening Form.

## YOUR RIGHT TO CANCEL

7. You have the right to cancel our Agreement. You may cancel within 14 days from the later of (i) the date on which we confirm to you that we have accepted your Account Opening Form and (ii) the date on which you receive these Terms and our Rate Card(s) (the “Cancellation Period”).
8. We will only provide services during the Cancellation Period at your request. You may make such a request by instructing us to execute a transaction or by transferring money or investments to us to be held by us for you. If we provide services during the Cancellation Period at your request the right to cancel does not apply to any work we have carried out or transactions we have executed before we receive your notice of cancellation. You will be obliged to pay our fees for the relevant service provided during this period. You will also be liable for any transactions and charges for any transactions entered into prior to cancellation. Our fees will be calculated in accordance with our Rate Card(s).
9. To exercise your right to cancel you must write to your Investment Manager or the Head of Client Services, Brewin Dolphin Limited, 12 Smithfield Street, London EC1A 9BD within the Cancellation Period and notify us of your cancellation. If you have more than one Service Category please specify whether your cancellation applies to one or all of the Service Categories. If you do not exercise your right to cancel we will provide the agreed services until our relationship is terminated in accordance with these Terms.

## YOUR OBLIGATIONS

10. You warrant and represent to us that:
  - a) you have authority to enter into this Agreement; and
  - b) any information which you have provided or provide to us is complete, up-to-date and correct.
11. You warrant to us that you are the beneficial owner (or if you are a trustee, the legal owner) of any Investments and cash subject to this Agreement and will indemnify us against all claims or demands made by any person in relation thereto. You agree not to sell, dispose or otherwise deal with (or purport to sell, dispose or otherwise deal with) any Investments and/or cash covered by this Agreement unless agreed by us. You further agree to ratify and be bound by all transactions undertaken by us on your behalf.

## OVERSEAS RESIDENTS

12. Our services may not be available in countries where they are prohibited by local law. If in doubt you should obtain your own legal advice. We will not be responsible for the use of our services by persons in countries where our services are so prohibited.

## REGULATORY STATUS

13. We are licensed and regulated by the JFSC. The terms of this Agreement are subject to the Financial Services (Jersey) Law 1998 (as amended) and the subordinate legislation thereunder (the 'FSJ Law') and to the Codes of Practice for Investment Business issued by the JFSC from time to time pursuant to the FSJ Law (the 'Codes'). Brewin Dolphin Limited is also authorised and regulated in the UK by the Financial Conduct Authority ('FCA').
14. Where we recommend or exercise discretion with respect to a Retail Investment Product, including OEICs, unit trusts and other Packaged Products, our advice will be restricted advice because we do not review all Retail Investment Products available in the market. We do not restrict our recommendations of Retail Investment Products by product provider. We may recommend or exercise our discretion with respect to investment in products managed by an Associate but we will not do so if we are aware of a generally available product that would better meet your needs.

## APPLICABLE REGULATIONS

15. The provision of our services to you is subject to all applicable laws, regulations, exchange requirements and other provisions or market practices ('Laws and Regulations'), to which we are subject whether legally enforceable or not. If any conflict arises between this Agreement and any applicable Laws and Regulations, the latter shall prevail. We are not required to do anything or refrain from doing anything which would in our opinion infringe any applicable Laws and Regulations and may do whatever we consider necessary to comply with them. All stock market transactions will be undertaken in accordance with the applicable rules of the relevant exchange.
16. This Agreement shall not restrict or exclude any obligation that we may have under the Codes.
17. We will normally act as your Agent unless we inform you that we have dealt as principal.
18. Jersey residents are subject to all Jersey regulations. All non Jersey residents will be subject to all Jersey regulations and may also be subject to the applicable regulations that govern their conduct in their country of residence. For example, a UK resident is still subject to the market abuse rules and regulations of the FCA.

## SERVICE CATEGORY

19. The services we provide will be in accordance with one of the following four service categories. You are required to indicate on the Account Opening Form the service category you require.

## DISCRETIONARY MANAGED SERVICE

20. This service category is designed for clients requiring professional investment management who wish to delegate the day-to-day management of their investments to us. Your Portfolio will be managed, having regard to your Investment Objectives, Risk Category and other relevant information as notified to us. We shall have full authority to manage the composition of your Portfolio and to enter into any kind of transaction or arrangement on your behalf in respect of Investments subject to this Agreement at our discretion and without prior reference to you. By selecting this service category on the Account Opening Form you agree to your Portfolio being managed in this way.

## ADVISORY MANAGED SERVICE

21. For existing clients, this service category is designed for clients who prefer to make their own investment decisions but require advice regarding both the structure of their Portfolio as well as advice on individual Investments. We will be responsible for advising you on the composition of your Portfolio on a continuing basis, having regard to your Investment Objective, Risk Category and other relevant information as notified to us. We will make recommendations to you when appropriate, but we will only act on your instructions (except in certain restricted circumstances outlined in these Terms). Any decision to enter into a particular transaction remains your responsibility.

## ADVISORY DEALING SERVICE

22. This service category provides advice to you as to the merits of any investment within the scope of our expertise, but only when requested by you to do so. Therefore it is a passive service in which you contact us for advice. We will not proactively contact you with investment ideas or recommendations and we do not monitor your portfolio or individual investments. As such, the service is designed for knowledgeable and experienced investors who are capable and willing to manage their own affairs.

## EXECUTION ONLY SERVICE

23. This service category is designed for clients who prefer to make their own investment decisions with no advice from us. This means that we will not advise you about the merits of a particular Investment or transaction and we will not be required to ensure that the transaction or Investment is suitable for you. Similarly, we do not accept responsibility for suitability if we agree to provide a safe custody facility or nominee service for you. By selecting this service category on the Account Opening Form you agree to these Terms.

## YOUR INVESTMENT CIRCUMSTANCES

24. If you select our Discretionary Managed, Advisory Managed or Advisory Dealing service category it is important that we know about your financial position in order to provide the best service to you. You should complete the relevant sections of the Account Opening Form as fully as possible. Execution only clients may provide details of their financial circumstances but should be aware that this information will not affect the service we provide and we may not take into consideration details, if any, which you supply to us in this respect.
25. We are entitled to rely upon any information provided by you. If you provide us with inaccurate information, or if you fail to notify us of any changes to information previously supplied by you, this may adversely affect the quality of the services that we can provide. In these circumstances, we will not be liable for any loss (including loss of profit) that you incur as a result of our acting or advising you based on incomplete or inaccurate information. Where applicable to your service category, it is your responsibility to update us with any change to your investment requirements, restrictions or level of risk you are prepared to accept but no such change will be effective until acknowledged and accepted by us. Please note that any such changes to your investment requirements, restrictions or the level of risk that you are prepared to accept may result in us proposing or effecting significant changes to your Investments and/or the way in which your Portfolio is operated. In certain circumstances, we may disclose your personal information by order of a competent court, if required by law, or if required under a tax information exchange agreement between Jersey and any other country to exchange tax information or if the law otherwise permits or requires disclosure. Please also refer to clause 216 to 219 on Overseas Regulations for more information. Where we have such obligations, we may require you to certify that the information you have provided is correct and to notify us immediately of any changes to your circumstances.
26. You should remember that past performance is not necessarily a guide to future performance and the prices, values of and the income from Investments can fall against your interests. You may get back less than the amount you invest.

## Section 2: Our Services

### INVESTMENT SERVICES

27. We provide services in relation to Investments of the following types:
- a) stocks and shares in UK, Jersey or foreign companies, whether or not dealt on a Recognised or Designated Investment Exchange;
  - b) debenture stock, loan stock, bonds, gilts, notes, certificates of deposit, commercial paper or other debt instruments, including public agency, municipal and corporate issues;
  - c) depository receipts or other types of instruments relating to Investments falling within (a) or (b) above;
  - d) Collective Investment Schemes such as unit trusts, OEICs, mutual funds and similar schemes in the Channel Islands, UK or elsewhere;
  - e) foreign exchange, so far as it relates to Investments falling within this section;
  - f) warrants to subscribe for Investments falling within (a) and (b);
  - g) options, futures, covered warrants and contracts for differences; and
  - h) Investments which are similar or related to any of the above Investments.

We may also provide services relating to any other Investments as agreed between us. We will not purchase warrants under (f) or deal for you in derivative products under (g) unless you have signed and returned the relevant risk warning notice as described in Section 4.

### DEALING ON A DIFFERENT BASIS TO YOUR SERVICE CATEGORY

28. In the event that you do not accept our specific advice under clauses 21 or 22 or we reasonably believe when we receive an order for a certain transaction that you intend to deal in accordance with clause 23, such a transaction will be deemed by us to be an execution only transaction undertaken without advice from us. We will not be required to assess the merits of the transaction or to ensure that the transaction is suitable for you. We will notify you at the time of accepting your Instruction that the transaction will be carried out on an execution only basis and we will send you a Contract Note confirming this.

### REPORTING

29. Valuations are sent to clients on a six-monthly basis. You may at any time ask us to send valuations to you on a quarterly basis and if you do we may make a charge for this service. If we do we shall notify you of the amount of the charge at the time of your request. We may issue valuations to execution only clients at our discretion or upon request and as agreed by us, but we are under no obligation by law or this Agreement to do so. The provision of valuations to execution only clients does not in any way imply an obligation on our part to monitor or assess the composition of the Portfolio or the suitability of any particular Investment (see clause 23).
30. In most circumstances, we base valuations on the middle market price supplied by an external information provider as at the close of business on the valuation date. However, certain account types may be subject to specific valuation methodologies as required by Laws and Regulations. In other cases where a middle market price is not available we may need to value your account using a different basis, e.g. last trade or an estimate of the price. It should be noted that the values shown would not necessarily be those achieved on a sale of the holdings.



## KEY FEATURES DOCUMENTS

31. Please note that we will not provide Key Features Documents for Packaged Products, unless otherwise agreed between us.

## CHARGES

32. You agree to pay our charges and other costs as set out in our applicable Rate Card(s). We may vary our Rate Card(s) and other costs on prior notice to you (as provided in clause 193). You should be aware of the specific taxes and charges involved with making investments. Stamp duty and other taxes (including VAT or GST, if applicable) in respect of all fees and transactions and any out of pocket expenses incurred by us on your behalf are payable by you.
33. We reserve the right to pass on to you any currency, delivery and third party custody charges we incur. These are generally applicable when dealing in overseas securities. If these charges are varied by the third party, we will notify you as soon as possible after we become aware of the change. Any charges due to us (or agents used by us) plus any applicable tax may be deducted from any funds held by us on your behalf. If we have shared any dealing charge with any Associates, this will be indicated on the relevant Contract Note.
34. It is not our policy to charge an upfront fee. We do not therefore deduct any amounts from the value of a Portfolio on its transfer to us. Consequently, the initial value and composition of a Portfolio will be equal to that transferred to us, as will the initial value of any investment added to that Portfolio.

## THIRD PARTY COMMISSION

35. Trail commission is a payment we may receive from a fund manager relating to holdings in unit trusts, OEICs or SICAVs.
36. If you are a Professional Client (as defined in the Codes), we may receive remuneration including commissions from third parties in respect of transactions carried out on your behalf. Details of such remuneration will be notified to you.
37. If you are a Retail Client (as defined in the Codes), we will not receive remuneration by way of commission from product providers for investment advice services provided to you, unless you:
- a) received investment advice and based on that investment advice entered into an investment, on or before 31 December 2013, for which trail commission remains payable; or
  - b) transferred a portfolio of investments to us, then we may be remunerated by trail commission payable on the existing investment portfolio in the following circumstances:
    - i. the investment permits the transfer of trail commission to another registered person;
    - ii. where we advise you that we intend to make an application to re-register the investment and receive trail commission, and in such event we will notify you of the amount of trail commission; and
    - iii. where we provide you with an on-going advisory service in return for receiving the trail commission.

## RESEARCH

38. We may provide you with research which we reasonably believe to be reliable and accurate but we cannot guarantee the accuracy or completeness of the research. The information and recommendations are subject to change without notice. Subject to clauses 168 to 171, we do not accept liability for any direct, indirect or consequential loss arising from the use of our research. To the extent permitted by the Codes, we or a connected person may have positions in or options on the securities mentioned or may buy, sell or offer to make a purchase or sale of such securities from time to time either before or after the recommendation is published. We normally act as agent with regard to the sale or purchase of any security whether or not it is mentioned in our research.

## DEALING IN THE SHARES OF BREWIN DOLPHIN HOLDINGS PLC

39. Please note that we will not give investment advice or effect a discretionary managed transaction on your behalf in relation to shares or other securities issued by Brewin Dolphin Holdings Plc, nor distribute research on the company. If you ask us to deal in such securities we will transact the deals on an execution only basis in accordance with clause 23.

## INVESTMENT PROCESS

40. Our Investment Managers will exercise discretion or give advice having regard to your requirements and service category. Our services are personal to each client. To provide this personal service your Investment Manager maintains a degree of autonomy in decision making, subject always to the monitoring and supervision carried out as part of our investment process. We may recommend and offer guidance in relation to particular Investments or make available research and information for our Investment Manager. Each Investment Manager, however, may choose not to follow these recommendations. They may rely on their own research and select alternative Investments on the basis of this research. As a result it is likely that the performance of one client's Portfolio will differ from that of a client with a similar Investment Objective and Risk Category but who has a different Investment Manager responsible for their Portfolio. By signing the Account Opening Form, you confirm that you understand this.

## DISCRETIONARY MANAGEMENT PROCESS

41. As part of the account opening process and thereafter in your regular service review, we will assess your requirements and agree with you an Investment Objective and Risk Category.
42. We will also agree with you a specific benchmark against which we will measure the performance of your account. The valuation

report we send you will include a comparison of your Portfolio's performance against the applicable benchmark.

43. Your Investment Objective, Risk Category and the appropriate benchmark will be notified to you in writing and may be amended from time to time with your consent or at your request. You acknowledge that changing from one Investment Objective or Risk Category to another may involve a temporary period of alignment during which your investments may not match a specific Investment Objective or Risk Category.

## **BENCHMARKING**

44. The purpose of a benchmark is to provide clients with a reference point for their Portfolio. It is not a guarantee that your Portfolio will perform in line with the chosen benchmark or necessarily follow its distribution. If we suggest that you select a benchmark, this is designed only to assist you to assess the management of your Portfolio under the Discretionary or Advisory Managed services (see clauses 20 and 21) provided to you. Furthermore, benchmarking does not mean your Portfolio will be based on the Investments which make up the indices of the benchmark or will necessarily follow their asset allocation or performance.

## **CIRCUMSTANCES AFFECTING PRICES OF INVESTMENTS**

45. You should be aware that, where we exercise discretion or give advice in relation to Investments, we may take into account the liquidity of those Investments in the market and the effect this may have on the achievable sale price for those Investments.

## **INVESTMENT RESTRICTIONS**

46. We will only be bound by the ethical, moral or other specific investment restrictions which have been requested by you and agreed by us. Further information regarding investment restrictions can be provided upon request.
47. We will endeavour to observe the investment restrictions requested by you and agreed with us.
48. You should be aware that it is not possible to comply with your investment restrictions where we recommend or invest in a Collective Investment Scheme, because we may not always know the exact underlying holdings of the scheme or these may have changed.

## **RISK WARNINGS**

49. Please note that all types of investment carry some form of risk. Appendix 1 to these Terms (as amended from time to time) contains important information on this, and further information on the characteristics of different types of investments and their risks.

## **PENNY SHARES**

50. We may enter into transactions on your behalf or advise on Penny Shares. You should note that there is a particular risk when investing in Penny Shares, as there can be a wide difference between the buying and selling price of these shares. You may get back less than the amount you paid for them and the price may fall quickly.

## **JOINT ACCOUNTS**

51. If an account is in joint names, "you" or "your" refers to all account holders (individually a "Joint Account Holder"). For joint accounts, liability under this Agreement will be joint and several on the part of each Joint Account Holder, with the effect that on the death (or ceasing to exist in the case of a company which is one of the Joint Account Holders) of any one of the Joint Account Holders to this Agreement:
- a) the entire interest in the joint account shall be vested in the surviving Joint Account Holder(s);
  - b) the Terms set out in this Agreement will remain in effect; and
  - c) no part of the Investments held in the joint account with us can be bequeathed by any Joint Account Holder. Therefore the surviving Joint Account Holder(s) will become the exclusive owner(s) of all Investments held in the joint account with us.
52. For joint accounts, we require all account holders to sign the Account Opening Form. However, once the account is open, instructions which we receive from a Joint Account Holder will be accepted by us on the understanding that the person giving the Instruction is acting on behalf of all the Joint Account Holders, unless we have been advised in writing to the contrary. We reserve the right, although we are under no obligation, to request authority in writing from all signatories in respect of any instructions passed to us. By signing this Agreement and allowing it to become a joint account, you agree that we may act on the instructions of any one Joint Account Holder on behalf of all the Joint Account Holders. Any notice or communication given by us to any one of the Joint Account Holders shall be treated as notice to all holders of the joint account.
53. We will send notices and communications only to the first named account holder, who will be treated by us as authorised to receive them on behalf of all account holders. You can ask us to send copies of contract notes, statements and valuations to up to four other named persons (who do not have to be the Joint Account Holders) but other notices and communications will only be sent to the first named holder. At the request of all Joint Account Holders, you can ask us to change the first named Joint Account Holder to be one of the other Joint Account Holders, however, this may have legal implications and you should consult your legal adviser before asking us to do this.
54. Please consider your tax position before setting up a joint account with us and take appropriate tax advice where necessary.

## **EXECUTING YOUR ORDERS & ARRANGING TRANSACTIONS**

55. Where we execute an instruction on your behalf, we will normally act as your agent (that is, on your behalf so as to make a third

party your buyer or seller) when executing a transaction for you.

56. We will normally accept orders for dealing in person, over the telephone, by facsimile or via email (where you have given consent to email instructions; see clause 150) to your Investment Manager or to any appointed representative of the Investment Manager; however, we reserve the right to request a written signature on paper for any order. We may take orders outside our normal business hours but are under no obligation to do so and these orders will be executed whenever reasonably practicable on a 'best endeavours' basis.
57. Our normal Jersey office hours are 9.00 to 17.00, Monday to Friday (Jersey Local Time) and orders may not be placed outside these hours (we reserve the right to alter these hours without notice). The office may be closed on any Jersey or UK bank or public holidays or when the market is not functioning. Transactions will not be effected on any occasion when the LSE is not functioning and transactions on overseas markets will be subject to other periods of closure.
58. Large or illiquid orders will be executed on a manual basis utilising the skills of our in house dealing team. In such cases our dealers will source the best available terms by comparing the prices offered by a variety of market participants (including other regulated firms and MTFs) with reference market data. This may require us to execute orders over the course of a day, or a number of days, with the overall order execution being expressed as an average of all the individual executions (the "Average Price").
59. If you intend a purchase or sale Instruction to be treated as closing a transaction, you must inform us when giving instructions in order to match the earlier open bargain. A closing transaction can normally be instructed up to two Business Days prior to the due date for settlement of the open transaction.
60. If you have sent us an order by email you should not assume that this has been received by us unless you receive an acknowledgement from us by email, fax or by telephone confirming receipt of that order. We will only accept an email Instruction where we reasonably believe it was sent by you or a third party acting on your authority. However, where we accept an email Instruction we may act upon that Instruction even where we have not yet been able to contact you to acknowledge that order. If you are in any doubt about whether an order has been received or carried out, you must contact your Investment Manager as soon as is reasonably possible.
61. We reserve the right at any time to refuse to accept an order from you or any third party.

## ORDER EXECUTION

62. Our Order Execution Policy describes the factors we will take into account and the way in which we will deal with your order when arranging or executing transactions or taking decisions to trade on your behalf.
63. The latest versions of the summaries for clients are available either in a printed version on request, or on our website at [www.brewin.co.uk/execution-policy](http://www.brewin.co.uk/execution-policy). If you would like further details about our Order Execution Policy at any time, they are available on request.

## AGGREGATION OF ORDERS

64. We may combine (or "aggregate") an order for you with our own orders and/or orders of other clients. We will do so only if we believe that the aggregation is in the overall best interests of all the clients concerned. However, the effect of aggregation may on some occasions work to your advantage or disadvantage (for instance, in terms of price) and may on occasions result in you obtaining a better or worse price than if your order was executed separately. In relation to a new issue of a security, if our allocation is scaled back this will be applied proportionately across all relevant clients.
65. We operate a policy that clients who have been allocated a holding with a value of less than £1,000 may be removed from the aggregated order and their allocation redistributed amongst the remaining clients.
66. When we aggregate a client order, we will promptly allocate the order back to you within 24 hours and will not give an unfair preference to our company or to any of those for whom we have dealt.
67. Where an aggregated order is not completed in full (i.e. a partial completion) we will give priority to the clients' orders unless the transaction would not have happened on such favourable terms without our involvement.

## SHORT POSITIONS

68. A short position will arise if you contract to sell Investments which you do not own, have no authority to sell or cannot deliver to the market on the agreed settlement date. We will refuse to accept a sale Instruction from you for any Investments if we reasonably believe that a sale may result in you having a short position and you should not knowingly instruct us to do so. If you do give such an instruction you will be in breach of your obligation under this clause and we may buy investments to cover any obligation without prior reference to you and you agree we may recover from you any expenses incurred by us.

## LIMIT ORDERS

69. At our sole discretion, we will accept Limit Orders on a "best efforts" basis. This means that we will use all reasonable care and skill to execute the transaction within the limits imposed but this is subject to market conditions and other constraints described below. Limit Orders arise where you instruct us to deal in a security within certain price parameters. We will only purchase investments if the market price matches or is less than the limit price you have given us. We will only sell investments if the market price matches or exceeds the limit price you have given us. Even if the market price reaches the relevant level we still cannot guarantee that we will be able to deal, particularly in a fast moving or volatile market. Limit Orders will not be accepted outside normal market hours. We will only seek to execute a Limit Order during normal market hours on the Business Day on which it is accepted or, if dealing in an overseas market, during normal market hours on the day on which the order was left in

that overseas market and if achieved in that time the deal(s) will be executed without further reference to you. Limit Orders which relate to overseas investments are also subject to movements in currency rates. Any Limit Orders that are not achieved within the above timeframes will lapse without further reference to you. You agree that we need not publicise your Limit Order (including a Limit Order that is not immediately executed) unless we think it is in your best interests to do so.

## CONTRACT NOTES

70. Contract Notes will, in the absence of a manifest error, be conclusive and deemed acknowledged by you as correct unless we receive written notice from you to the contrary within two Business Days (seven Business Days for addresses outside of Jersey) of delivery to you of the Contract Note or alternative confirmation or if we notify you of an error within the same period. Contract Notes will confirm execution, contain the relevant due date for settlement for all transactions and will act as invoices.

## CLIENT MONEY

71. Where we hold client money in the course of carrying out investment business, we will deal with your money in accordance with the Order, which, amongst other things, requires us to hold your money segregated from our money and at an approved bank. Client money will be held in a segregated trust account in the name of Brewin Dolphin Limited (client account).
72. We may allow another organisation, such as an exchange, clearing house or an intermediate broker, to hold or control client money for the purpose of a transaction for you through or with that organisation or to meet any obligation.
73. We take reasonable care in the selection, appointment and periodic review of any credit institution or bank or other organisation which may hold your client money but we are not liable for the acts, omissions or default of any such organisation except to the extent caused by our own negligence, wilful default, fraud, breach of the Order or breach of contract. If a credit institution, bank or other organisation with which client money is held becomes insolvent (or similar) then we may not be able to claim the full amount of the balance owing on the client account. The exact position will depend on the regulatory rules applied but you may share proportionately in any shortfall with our other clients.
74. You authorise us to deduct or withhold any sum from the money we hold for you if, in our reasonable view, we are required or liable to deduct or withhold that sum under the law or practice of any tax authority in any relevant jurisdiction.

## INTEREST PAYABLE BY YOU

75. If you fail to pay us any amount when it is due, we reserve the right to charge interest on the overdue amount at a rate which fairly reflects the increased risk for us but not exceeding five per cent (5%) above the base rate of a major UK high street bank, such interest to accrue daily until we receive full payment. We will only apply this interest charge to your account where the interest calculated is greater than £10.

## INTEREST PAYABLE TO YOU

76. All money we hold on your behalf is held in a client money account. We will pay you interest in accordance with the interest rates published on [www.brewin.co.uk/fees-and-charges](http://www.brewin.co.uk/fees-and-charges). This interest will be paid gross. Please be aware that gross payment of interest is subject to change in line with tax legislation. Details of the interest rates payable to you will be detailed in the periodic statements and reports sent to you. Any changes to the interest rates are published on [www.brewin.co.uk/fees-and-charges](http://www.brewin.co.uk/fees-and-charges). Interest accrues daily on your deposit account and the total amount accrued will then be credited to your income account within four working days after the end of the quarter, at which point the interest becomes client money. Interest will not be paid on dividends and other income payments accumulated in the income account. Any difference between the rate of interest received by us on client money bank accounts and the rate paid to you is retained by us.

## STANDING ORDERS

77. Regular payment instructions, once accepted by us, are at all times subject to the availability of cleared funds. If there are insufficient funds available, we may make no payment or part payment.

## OVER AND UNDER PAYMENT

78. If you pay us more than is required for settlement then we may hold the overpayment in the client money account for you unless you instruct us to repay the difference to you upon request. Conversely, if we pay you more than the amount due for immediate settlement you agree to repay promptly any amount due to us.

## SMALL PAYMENTS

79. We reserve the right not to issue cheques or to transfer sums less than £5. Sums less than this amount may be held on deposit, until such cumulative amount reaches £5 at which point we will pay the sum to you.

## DORMANT FUNDS

80. We reserve the right to repay money held for you in the client money account where there have been no transactions on your account for a period of time, usually at least 18 months. Before taking any action we will write to you at the last address you notified to us asking you for your instructions.

## UNCLAIMED FUNDS

81. We may pay away any unclaimed funds to charity. Should we do so, you consent to us releasing and paying away to a registered charity of our choice any unclaimed client money balance held for you from our client bank account and we will no

longer treat it as client money where:

- a) we have been unable to trace you after attempting to contact you by using the contact details provided by you;
  - b) there has been no movement on your balance for at least six years (except for our periodic charges or debit or credit interest); and
  - c) we satisfy any other requirement of the Order applicable to the situation.
82. Where the balance we hold for you is in aggregate of £25 or less we may pay it away to a charity of our choice and stop treating it as client money where the condition in (b) above is met and we have made at least one attempt to contact you to return the balance using the most up-to-date contact details we have for you, and you have not responded to such communication within 28 days of the communication having been made.
83. If at any future date you raise a valid claim to these funds they will be repaid to you.

## SETTLEMENT – YOUR OBLIGATIONS

84. The day that we enter into a transaction is known as the dealing or trade date. For each transaction we will agree with the other party to the transaction (known as the counterparty) the day on which the deal will be settled, known as the settlement date. There are standard settlement periods for most markets; for example, the UK equity market settlement period is currently two Business Days after the trade date.
85. On the agreed settlement date a purchaser has an obligation to provide cleared funds to the counterparty in exchange for receipt of the investment they have agreed to purchase. We generally ensure that cleared funds are available within your account to meet your settlement obligations.
86. All sums due to us including commissions, fees, dividends, market claims, charges, expenses and related taxes as applicable will be debited from your account unless otherwise agreed by us in writing.
87. We will deal and settle all transactions in Sterling unless agreed otherwise. If you request, we may, at our sole discretion, open and maintain accounts based in other currencies. Transactions denominated in those currencies will, if sufficient funds are available, be settled from the relevant foreign currency account.
88. If a sale transaction for you is settled in a currency which is not Sterling we will automatically convert the total amount received for you into Sterling unless we have agreed otherwise with you. If a purchase transaction for you is to be settled in a currency which is not Sterling then we will carry out a currency exchange transaction on the trade date to obtain the relevant currency for settlement.

## EXTENDED SETTLEMENT

89. Extended settlement is not offered as standard; however, subject to our sole discretion we may permit this. If you effect a transaction for extended settlement (i.e. where the settlement period is longer than the standard settlement period for that investment and market) the counterparty may levy a charge and any such charge will be reflected in the price shown on the Contract Note. We may at any time request payment in advance of the due date for settlement. If you fail to provide such payment or to agree alternative arrangements with us we reserve the right to close the position within two Business Days of our request, with no liability on our part. However, you remain liable for any outstanding costs and payments. We will wherever possible (but without any obligation) endeavour to contact you in advance of closing such open positions to give you the opportunity to make alternative arrangements.

## CUSTODY OF YOUR INVESTMENTS

90. The following options are available in relation to the custody of your investments:
- a) We can act as custodian;
  - b) Investments can be held by a third party custodian, where agreed with us;
  - c) For existing clients, investments can be held directly by you in your name; or
  - d) For existing clients, investments can be held in your name in a CREST Personal Member account.
91. Where you hold investments in your name or are an existing CREST Personal Member sponsored by us and later decide that you would rather use our custody and nominee service, please contact your Investment Manager to request this service. You should be aware that the nominee service provisions in these Terms will apply from the date that we begin to offer you the custody and nominee service.

## OUR CUSTODY SERVICE AND NOMINEE COMPANIES

92. Where we act as your custodian, a nominee company will hold the investments, as the legal owner, on behalf of you as the beneficial owner. The investments will appear on the respective company register in our nominee company's name. Our nominee companies are wholly owned subsidiaries of Brewin Dolphin and have been established solely to hold investments for clients. We accept responsibility for all acts and omissions of our nominee companies and they act in accordance with our instructions and on our authority.
93. We may transfer your investments between any of our nominee companies without cost to you and without your consent. For example, we may transfer investments between any of our nominee companies if this is necessary to effect settlement of any trades.

94. We reserve the right to refuse to accept any particular security into our nominee companies.
95. More information about holding investments through a nominee company in a pooled account is set out in clauses 97 to 100.

## STOCK LENDING

96. We do not lend stock.

## POOLING OF INVESTMENTS

97. Investments that are registered in one of our nominee companies or in an omnibus account with a third party custodian or its sub-custodians may be held on a pooled basis along with investments belonging to other clients. This means that your entitlement will not be separately identifiable on the relevant company register, by separate certificates, other physical documents of title or equivalent electronic records.
98. Under a pooled arrangement, due to the timing of transaction settlements, it is possible that a situation may arise where the assets held for one client are temporarily used to meet the settlement obligations of another client. We try to avoid this occurring but it could happen in our nominee or where investments are held in an omnibus account by a third party. We accept responsibility for ensuring that if such an event occurs there is no loss or prejudice suffered by our clients. By agreeing to these terms you give express consent to the possibility that your assets may be used in this way.
99. In the event of an irreconcilable shortfall of pooled investments, clients may not receive their full entitlement and may share in the shortfall in proportion to their original share, or on some other basis in accordance with the applicable law. By accepting these Terms you agree to your investments being held in one of our nominee companies or in an omnibus account with a third party custodian or its sub-custodian on a pooled basis.
100. When your investments are pooled you may not receive the same treatment or options when there is a corporate action or other event as you would if the investment were held in a separately designated account with a nominee company or custodian, or held in your own name. For example, following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been if your investments had been registered in your own name. Clauses 110 to 113 contain more information about how we deal with fractional entitlements arising because investments are held in our Nominee Company.

## INVESTMENTS HELD AT A CUSTODIAN

101. Some investments (mainly overseas investments) are held for us by a third party custodian or its sub-custodian usually in an omnibus account. This means your investments may be pooled with those of other clients of ours and other clients of the custodian or sub-custodian. Clauses 97 to 100 explain pooling and describe how this can affect you. Such investments may be registered in the name of the custodian, its sub-custodian, another third party (or its nominee) or in our name (or that of our nominee companies). Investments will only be registered in the name of another third party or in our name (or that of our nominee companies) where we have taken reasonable steps to determine that it is in your best interests to do so or it is not feasible to do otherwise because of the nature of the applicable law and market practice. By signing the Account Opening Form you agree to the possibility that investments may be registered in our name or that of our Nominee Companies.
102. In some circumstances, investments held by a third party custodian or its sub-custodians may not be segregated from our investments or those of the custodian or sub-custodian. Therefore, your protection may be less should a default occur on the part of the custodian or sub-custodian. In certain jurisdictions where different laws/regulations apply, your investments will not necessarily be separately identifiable and may be subject to third party claims made against us or the relevant custodian or sub-custodian.
103. You acknowledge that investing in overseas securities may give rise to different settlement, legal and regulatory requirements from those in the UK and/or Jersey and different practices for the separate identification of investments. Where accounts holding your money or investments are not subject to English or Jersey law your rights may be different from those that would apply under English or Jersey law.
104. You acknowledge that the custodian or its subcustodians may take a lien (which is a form of security right) over investments held by them or that they may be entitled to other security rights over investments or money, including rights of set-off, retention or sale in respect of or affecting your investments or money. Under the Order the scope of any such rights and the circumstances in which they may arise are restricted.
105. We will exercise due skill, care and diligence in the selection, appointment and periodic review of any custodian. If the custodian or any sub-custodian becomes insolvent, the consequences for you will depend upon the applicable law (which may not be English or Jersey law). The insolvency may result in delays in settling or transferring investments or money held. The effect of any applicable law is outside our control and could, for example, mean that your interests are not recognised as separate from those of a third party. We shall not be responsible for any acts, omissions or insolvency (or similar) of any such custodian or sub-custodian unless they result from our negligence, fraud, wilful default, breach of the Order or breach of contract.

## STATEMENTS

106. We will provide a semi-annual statement prepared on a trade date basis to those clients who hold their Investments, including stocks and shares, in one of our Nominee Companies. The statement will show what Investments you own and where they are held.

## UNCLAIMED SECURITIES

107. We may pay away unclaimed custody assets to charity. Should we do so, you consent to us either:

- a) transferring any unclaimed securities held for you from our Nominee Company; or
- b) realising any unclaimed securities held for you and releasing the proceeds from our client bank account, which we will no longer treat as client money;

to charity where:

- (i) we have been unable to trace you after attempting to contact you by using the contact details provided by you;
- (ii) there have been no instructions with regard to the assets on your account for at least 12 years; and
- (iii) we satisfy any other requirements applicable to the situation.

108. If at any future date you raise a valid claim to these proceeds they will be repaid to you.

## SHAREHOLDER ENTITLEMENTS

109. Where your Investments are held by our Nominee Company the following actions will occur in respect bonus and scrip issues:

- (a) all bonus issues will automatically be credited to your account; and
- (b) in the event of a scrip dividend;
  - (i) our default option is to elect to take any cash alternative and we will not be responsible for informing you that any scrip alternative exists; and
  - (ii) in certain circumstances and only upon your request we will use reasonable endeavours to obtain any scrip alternative for your account.

## FRACTIONAL ENTITLEMENTS

110. Where our Nominee Company holds your investments, the Nominee Company will usually receive one allocation of shares or units for all of the clients in our Nominee Company who participate in an open offer, new issue, bonus, entitlement, rights issue or similar corporate action. The Nominee Company may also receive a small cash payment from the relevant company's registrars in respect of any fractional entitlement.

111. The shares or units received by the nominee company will be allocated by us as follows: where the shares or units can only be transferred or registered in a whole number of shares or units, then we will allocate to your account such number of shares or units rounded down to the nearest whole number that we calculate are due to you, using the relevant company's basis of allocation.

112. Any shares or units remaining after we have made these allocations will be aggregated and sold at the then prevailing market rate. The resulting net sale proceeds, together with any cash payment in respect of fractional entitlements, will be distributed amongst the relevant clients in proportion to their holdings, on a pro rata basis. Any remaining cash balance will become our property. However, we reserve the right to deal with the net sales proceeds and the cash payment (if any) as follows:

- a) where your share of the proceeds of sale is £5 or above this will be credited to your account, and
- b) amounts below £5 will become our property.

113. Where you are a designated nominee client, the shares and any cash payment in respect of fractional entitlements distributed by the relevant company will be posted to your account.

## RIGHTS ISSUES AND OTHER OFFERS

114. If you have selected our Discretionary service (clause 20) we will use our discretion as to whether to take up rights or an offer. If you have selected any other service, we will use best endeavours to seek your instructions as to whether to take up rights or accept an offer, provided that sufficient cleared funds are available and that the Codes do not prohibit the shares acquired from being held in your Portfolio; however, if we cannot contact you we may make a decision on your behalf which is likely to be the default option (or an alternative default option selected by us where applicable). Regardless of the service category you have selected, if we make a decision on your behalf with respect to a rights issue, we will do so in a manner which we deem to be in your best interests. If insufficient money is held within the account, the rights will be allowed to lapse.

## VOTING

115. If you have selected our Discretionary service (clause 20) we will use our discretion with respect to exercising voting rights. If you have selected any other service category we will use our best endeavours to seek your Instruction with respect to exercising voting rights. If we cannot contact you, we may make a decision on your behalf. Regardless of the service category you have selected, where we do use our discretion with respect to voting rights, we will do so in a manner which we deem to be in your best interests. You undertake to give our Nominee Company your Instructions within a reasonable time before the date by which a form of proxy must be completed and returned. We will not be required to attend, speak or vote at any meeting in respect of any of the Investments held by our Nominee Company, although we may do so if agreed between us and in which case a fee will be charged, as notified to you in our Rate Card. Where your Investments are held by one of our Nominee Companies, you may be able to exercise your right to vote on certain issues and at AGMs by using our Internet proxy voting service 'Vote your Shares'. This can be accessed via our website at [www.brewin.co.uk](http://www.brewin.co.uk)

## TAKEOVERS AND COMPANY REORGANISATIONS

116. If you have selected our Discretionary service (clause 20) we will use our discretion when dealing with any proposed takeover, capital reorganisation or exercise of conversion rights affecting your Investments. If you have selected any other service category

we will use our best endeavours to contact you to seek your instructions for any of these stock situations; however, if we cannot contact you, we may make a decision on your behalf which is likely to be the default option (or an alternative default option selected by us where applicable). Regardless of the service category you have selected, if we make a decision on your behalf with respect to takeovers and company reorganisations, we will do so in a manner which we deem to be in your best interests.

## SHAREHOLDER CONCESSIONS

117. We reserve the right to not pass on any company privileges or shareholder perks to which you may have otherwise been entitled if the Investment was registered in your own name rather than the name of our Nominee Company.

## EXISTING CREST SPONSORED MEMBERS

118. Existing clients who have members who have elected to be CREST Sponsored Members will be responsible for deciding on any rights attached to their Investments as detailed in clauses 109 to 116. For further information on this service please refer to Section 4. If you have selected our Advisory Managed service you will be entitled to advice in accordance with this Agreement. If we find after purchasing any Investment that the Investment cannot be held in an existing CREST Sponsored Member account, we will endeavour to contact you for your instructions. However, we reserve the right to sell the stock.

## CERTIFICATED STOCK

119. For existing clients, where you have selected not to hold your Investments in one of our Nominee Companies or a CREST sponsored member account, we will register them in your name or such other name nominated by you as specified in writing to us and this will be at your own risk.
120. You or your agents agree to sign when necessary any instruments of share transfer and all other documents sent to you in respect of Investments sold for you. You or your agents agree to promptly deliver to us the share transfer and the relevant share certificate(s) and you will remain liable for any costs arising. If we find after purchasing any Investment that the Investment can only be held electronically we will endeavour to contact you for your instructions; however, we reserve the right to sell the stock.

## SAFE CUSTODY OF CERTIFICATED SHARES

121. If we have agreed to provide safe custody services to you we will do so in accordance with the following terms in this clause. We may charge a fee for the safe custody service, details of which are available on the applicable Rate Card.
122. Under exceptional circumstances, where we agree to hold your certificates, we will accept responsibility for their safe custody in accordance with the Codes and these Terms and will keep them segregated from our assets. You agree that your certificates may be held by us securely at one of our offices, with a bank or with another custodian nominated by us. These may include overseas third parties.
123. The investments will continue to be registered in your name and at your address. We do not accept associated mail on your behalf where we hold safe custody of your certificates. We reserve the right to return the Certificates to you, at the last address notified to us, at any time. We will return the Certificates to you on request at the last address notified to us. We may deliver the Investments to the market for settlement purposes. We accept responsibility for the security of Certificates in our possession, but cannot be held responsible for the security of transit to and from us unless special arrangements, providing otherwise, are agreed in writing between us.
124. We shall not be responsible for taking action in respect of any corporate events as detailed in clauses 109 to 116, when assets are not registered in our name.

## DISCLOSURE OF INTEREST IN SHARES

125. For Discretionary or Advisory Managed clients, we will be responsible for monitoring your shareholdings and making the relevant disclosures on your behalf about your investments.
126. For all other clients, you are responsible for monitoring the level of your shareholdings and making the relevant disclosures when your shareholding in any company reaches/exceeds/falls below certain threshold levels in accordance with current legislation. This applies to all your investments whether held through our Nominee Company or otherwise. If we notify you that we believe you should make a disclosure in respect of your investments in our nominee company, this does not mean that we accept any responsibility to you to monitor or report your holdings.

## OUR RIGHTS IF YOU OWE US MONEY

127. Where you owe us money we reserve the right to sell or realise any investment which we are holding (or are entitled to receive) on your behalf in order to meet any liabilities which you may have incurred with us including any fees or charges. We will use reasonable efforts to contact you in order that you might make alternative arrangements before we take any such action or specify which investments you would prefer us to sell. However, we may not give advance notice to you if we consider that it is necessary or appropriate to act quickly to reduce your indebtedness to us, in which case we will contact you promptly after we have sold or realised any investment to explain what action we have taken. Any monies still outstanding will remain your responsibility.
128. We reserve the right to deduct the sums owed to us from any amounts that we owe to you or are holding for you where you:
- (a) have failed to put us in funds in sufficient time to enable us to meet any obligations incurred by us in relation to transactions carried out on your behalf; or
  - (b) owe us sums in respect of our fees, charges, costs, expenses and any related taxes.



129. The clauses below give us certain rights over money held in your account or accounts from time to time if a sum is owed to us by you or, in the circumstances described in clauses 130 and 131 below, by you and/or one or more of your Joint Account Holders. The rights which you (and your Joint Account Holders) give us under these clauses are called “security interests”. We may exercise them even if you (or anyone else entitled to the money) become bankrupt or make a proposal to your (or their) creditors for a voluntary arrangement. We will not, however, do this if we are prohibited from doing so under general law or by a court order, unless we obtain the permission of the court to do so.
130. We may use money in any account held in your sole name to repay or reduce an amount that you owe us.
131. We may also use money held in an account in joint names to repay or reduce an amount that:
- (a) you owe us;
  - (b) anyone who is one of your Joint Account Holders owes us;
  - (c) you and any one or more of your Joint Account Holders owe us.
132. The amount which may be repaid or reduced by the exercise of our rights under clauses 127 to 131 may be owed to us on a joint account, on an account in your sole name or otherwise under our agreement with you or your Joint Account Holder.
133. If we decide to exercise any of our rights under clauses 129, 130 and 131 we will notify you (and anyone else otherwise entitled to the money to be used to repay or reduce what is owed to us) at least 7 days before doing so, unless we reasonably think that the money will be moved to prevent us from exercising such rights. If we have not told you before we exercise our right, we will notify you (and anyone else otherwise entitled to the money) why and when we did so, and the amount taken from your account, as soon as possible after we exercise our right.
134. We reserve the right after notifying you to refer a debt which you are unable or unwilling to pay to a debt collection agency to recover our funds and any costs incurred to recover a debt including legal costs. We also reserve the right, at our absolute discretion and without further notification, to sell the debt in its entirety to another party.
135. We may exercise our rights under clause 128, 129, 130, 131 or 132 where the currency of the sum owed to us (the “Liability Currency”) is different from the currency (the “Asset Currency”) of:
- (a) the proceeds of any sale or realisation of the relevant investments;
  - (b) the amount we owe to you or are holding for you; or
  - (c) the account you hold with us.
136. If we do this, we will convert the relevant sum in the Asset Currency into the sum owed to us in the Liability Currency. We will do this at the rate at which we (acting reasonably and in good faith) can purchase the Liability Currency with the Asset Currency at the time we exercise our rights to repay or reduce the sum owed to us. You (and/or your Joint Account Holders) will remain responsible for any amount owed to us in the Liability Currency which is not repaid in this way.
137. In addition, we may exercise our rights under clause 127 to 132 where the sum owed to us is not yet payable or due, but is a sum that: (a) will become payable; or (b) we reasonably consider will become due upon the occurrence of an uncertain future event.
138. In this case, we shall (acting reasonably and in good faith) value the sum that will become payable or we reasonably consider will become due (the “Valued Amount”). We will tell you the Valued Amount and explain how we have calculated it before we exercise our rights. We will also tell anyone else otherwise entitled to the money we propose to use under clause 131 as well as (if different) the person who owes the relevant sum. The Valued Amount as notified to you will be immediately payable to us.
139. We will then exercise our rights to realise or set aside an amount equivalent to the Valued Amount. We will place this equivalent amount into an interest-bearing account held in the same currency as the Valued Amount. We may use any amount held in an account from time to time under this clause 139 to repay or reduce any sum that is owed to us as it becomes due and payable.
140. We will (acting reasonably and in good faith) revise our calculation of the Valued Amount by reference to any change of circumstances or other information that becomes available to us. If we revise the Valued Amount downwards, we will immediately pay a sum equivalent to the adjustment. We will make this payment to you and/or to anyone else otherwise entitled to the money we used under clauses 129, 130 and 131. If we revise the Valued Amount upwards, we may exercise our rights to realise or set aside an amount equivalent to the adjustment and place that equivalent amount into an interest-bearing account in the same currency as the Valued Amount.
141. We will tell you the amount of any downward or upward adjustment and explain how we have calculated it. We will also tell anyone else otherwise entitled to the money we propose to use under clause 131, as well as (if different) the person who owes the relevant sum.
142. We will pay any interest we receive on any equivalent amount in accordance with clause 75.

## Section 3: General Terms for all Clients

### INSTRUCTIONS

143. We may accept instructions and communications from you by telephone, in person or in writing unless otherwise specified in this Agreement; however, we may request a written signature on paper for any Instruction. We will only accept instructions where we reasonably believe the Instruction has been given by you or with your authority.

144. If you are in doubt about whether any communication or Instruction has been received or carried out, you must contact your Investment Manager as soon as is reasonably possible.

## **TRUST, COMPANY, PARTNERSHIP, CHARITY, ASSOCIATION OR OTHER ENTITY ACCOUNTS**

145. For trusts, companies, partnerships, charities, associations or other entities we will accept instructions from and give notices and other communications to your nominated contact person or official correspondent, but we will generally need the Account Opening Form to be signed by a minimum of two persons. You agree that your nominated contact person or official correspondent is authorised to give instructions on your behalf and that we shall be entitled to rely upon any instruction given by your nominated contact person or official correspondent.
146. When you open a trust, company, partnership, charity, association or other entity account, we may be required to identify and where necessary verify the identity of all parties to the account and not just the nominated contact person or official correspondent. We may also require information to enable us to comply with our obligations under tax law. For more information please see clauses 216-219.
147. It is vital that you keep us informed about who has been appointed to give instructions to us on your behalf and also of any changes to the account information. Where appropriate we will require the full authorised signatory lists and minutes of meetings or the trust or variation deed appointing the nominated contact person or official correspondent. You can also ask us to change the nominated contact person or official correspondent by writing to us with details of the change you require. We may ask for such information as we consider necessary to verify such a request.

## **THIRD PARTY AUTHORITY, POWER OF ATTORNEY AND DUAL CLIENTS**

148. You may ask us to accept instructions from a third party. This request may be made either by completing the relevant section in the Account Opening Form or by putting the request in writing. If we agree to accept third party instructions, we will need to perform anti-money laundering identification and verification checks on the third party before accepting instructions from them and we may impose other conditions, for example, where a third party is relying on a power of attorney we will require a certified copy before we will accept instructions or where a dual client relationship is being set up we require a Dual Client Authority Form to be signed.
149. Where more than one party can give instructions over an account, for your protection, we reserve the right (but are under no obligation) to request written instructions signed by all parties. We can only accept the above written instructions where it is provided by those entitled to give such instructions.

## **ELECTRONIC MAIL COMMUNICATIONS**

150. You will need to complete the relevant question in the Account Opening Form to allow us to communicate via email. By providing your email address you confirm that instructions (excluding orders for dealing), client statements, Confirmation Notes, Research and Non-Real Time Financial Promotions may be sent via email. By crossing the relevant box on the Account Opening Form you consent to orders (for dealing) being sent via email. Emails sent by us are deemed to have been received by you on transmission. You also confirm that you are aware of the risks associated with the use of email (see clause 172 to 176).

## **FINANCIAL PROMOTIONS**

151. You will need to complete the relevant question in the Account Opening Form to permit us to discuss investment opportunities with you, which may not relate to your Portfolio, either by telephone, between the hours of 08:00 and 18:00 (Jersey Local Time) on weekdays, or in a meeting between us in person or otherwise. Such communications will be in accordance with the FSJ Law and we will comply with any restrictions that you may impose from time to time. At no time are you obliged to accept any recommendations communicated to you.

## **MARKET MANIPULATION AND INSIDER DEALING**

152. You warrant that you will not, whether by deliberate, reckless or negligent act or omission or otherwise, engage in market manipulation or insider dealing, each as described in the FSJ Law. This means that you will not engage in behaviour which may distort, mislead or take unfair advantage of the market by, for example, the use of private information or issuing misleading statements or creating misleading impressions. Market manipulation may include, for example, the placing of multiple orders simultaneously in the same investment with a view to dealing in a larger amount than the normal market size. Market manipulation and insider dealing, as described in the FSJ Law is each a criminal offence for which you can be prosecuted, fined and imprisoned. If you are in any doubt as to your position, you should seek independent legal advice.
153. You should also be aware that if you are a director or an employee with access to confidential information about a listed or quoted company or you are otherwise connected to such persons you must comply with the appropriate country's requirements applying in respect of that listed or quoted company.

## **ANTI-MONEY LAUNDERING LEGISLATION**

154. We have certain responsibilities under Anti-Money Laundering legislation to confirm the identity and permanent address of our clients and source of funds (or wealth, as the case may be). You will be asked to provide documents to establish the correctness of these details. These will generally be a certified copy of your passport, photocard driving licence, utility bill or other acceptable documents, details of which can be supplied on request. We also have responsibilities under these laws to confirm the identity and permanent address of any third party connected to your Portfolio.
155. You confirm that where requested this information will be provided promptly and will be accurate. We may restrict payments if they are to be made to third parties or to bank accounts not in your name(s), or held in a jurisdiction outside Jersey and the EEA.

156. We may be requested by the product provider to forward to them copies of any verification of identity and address documents that we have obtained from you. We may also be required to pass these documents to Our Bank or other institution where you have a deposit account with them. You confirm that we have your permission to forward these documents to these companies if so requested.

## DATA PROTECTION

157. In order to provide our services to you, we may collect, use, share and store personal data about you and other individuals, such as your spouse. In doing so we are bound by all applicable laws and regulations from time to time in force ("Data Protection Laws"), relating to data protection, privacy and the processing of personal data, including the Data Protection (Jersey) Law 2018 and the General Data Protection Regulation (Regulation (EU) 2016/679).
158. We may also process personal information which you have supplied to us relating to other individuals, such as your spouse. In supplying this information to us, you confirm that you have obtained their prior consent to provide this information to us and for us to process it in accordance with this Agreement. Records of your personal information will be held in accordance with the Data Protection Laws and shall not be kept for longer than is necessary.
159. We may use your personal information for the purposes of administering your Portfolio in accordance with the terms of this Agreement. We may also record our telephone conversations with you and keep records and copies of emails and any other written communications between us and these may be used in the event of a dispute.
160. In connection with this arrangement, we may carry out a credit check with a licensed credit reference agency which will retain a record of that search. In the event of your default, relevant details may be recorded with that agency. This information may be used by other stockbrokers, financial institutions, etc., in assessing applications for credit by you and members of your household, and for occasional debt tracing and fraud prevention purposes. By signing the Account Opening Form you consent to these checks being undertaken.
161. We may pass on personal information about you to our third party suppliers and sub-contractors to whom we pass on personal information about you, solely for the purposes of carrying out our duties under this Agreement. This information is supplied on the understanding that our third party suppliers and sub-contractors will keep your personal information confidential.
162. Some of our third party suppliers and sub-contractors to whom we pass on personal information about you may be based outside of Jersey and the EEA, but where we do so, we ensure that your personal information is protected in accordance with Data Protection Laws.
163. From time to time we may be required to share your personal information with Regulatory Authorities and Statutory Bodies in any country. Please refer to clauses 216 to 219 for more information about our obligations in respect of international tax law.
164. The Data Protection Laws provide you with certain rights in respect of your personal information. For example, you may request copies of the documents which we hold containing personal information about you. Should you wish to find out further information or to update the personal information which we hold about you, please contact your Investment Manager.
165. We may share your personal information with the other companies within our group structure for marketing purposes to enable us to inform you about other services which may be of interest to you. Please refer to the relevant section in the Account Opening Form to provide or withhold your consent for us to share your personal information within our group structure for this purpose.
166. To read our Privacy Notice, which sets out in more detail the way in which we process your personal data, please visit: <http://www.brewin.co.uk/privacynotice> or contact your adviser or usual Brewin Dolphin contact to receive a written copy.
167. You have the right at any time to stop us contacting you for marketing purposes. If you no longer wish to be contacted for marketing purposes, please contact your Investment Manager or the Head of Client Services.

## OUR LIABILITY

168. We will take reasonable care in providing our services to you and will be responsible to you for liabilities, losses, costs or expenses suffered by you as a direct result of our negligence, wilful default, fraud or breach of our obligations or statutory duty, or that of our Nominee Companies. However, we do not accept liability for liabilities, losses, costs or expenses suffered by you which were not reasonably foreseeable to both you and us at the time when we entered into our Agreement.
169. We will exercise reasonable due skill, care and diligence in the selection, appointment and periodic review of any agent or market counterparty appointed or selected by us to purchase and sell investments. In the event that the market counterparty defaults in its obligations or it becomes insolvent, we will not be responsible to you for any loss suffered by you by reason of any cause beyond our control.
170. We shall not have any responsibility for money being paid to you once the money has left our bank account. Any correspondence and/or documents of title that are dispatched to you by post or courier to the latest address as notified to us by you are sent at your sole risk. We shall have no responsibility for any failure in delivery to you on the part of the postal system or any courier company. We shall not be responsible if there is a delay or change in market conditions after we have received your instructions and before the contract is effected.
171. Nothing in our Agreement shall be read as excluding or restricting any liability we may have under the regulatory system which applies to us under the FSJ Law, the Codes, the Order, for fraud or fraudulent misrepresentation or for death or personal injury caused by our negligence.

## LIABILITY FOR USE OF WEBSITE AND ELECTRONIC MAIL

172. We have no liability to you arising from breach of confidentiality or otherwise if any other person sees any communication which is deemed to have been delivered to your email address.
173. If we act upon instructions given by facsimile or email we shall not accept liability for any loss you incur if it reasonably appears to us that the communication was sent by you. Neither shall we be liable for any loss you incur as a result of our or your failing to receive for whatever reason any communication sent by these methods or as a result of receipt by any third parties of any such communication sent to your email address or facsimile number.
174. We will not be liable under any circumstances for any direct, indirect, incidental, special punitive or consequential loss or damages which result or may result from your use of our website (including but not limited to system errors, deletion or loss of files, defects or delays in transmission of instructions or other information, any failure of our server or the Internet, or any other event beyond our control) or your access to the Internet or use thereof for any purpose whatsoever or for any reliance on or use of information received on or through the website or the Internet.
175. Security of your username, password and any other access details in respect of any online service we provide is your responsibility.
176. You must contact your Investment Manager immediately if you suspect that your username, password or any other access details have been disclosed to, or obtained by, a third party and that their security may be in jeopardy. Until such notification is received by us, we will assume that any instructions received in electronic form, which have been authenticated by your username and password will be genuine and valid instructions from you and we will act accordingly.

## INDEMNITY

177. You agree to indemnify us against all claims, demands, liabilities, losses, expenses and costs (together with any third party costs) of any kind including (but not limited to) commissions, transfer and registration fees, taxes and all other financial liabilities relating to your Investments or the services, which we may incur or have made against us:
- (a) as a direct or indirect result of our acting properly under this Agreement;
  - (b) as a result of any party claiming to be entitled to Investments which form part of your Portfolio, including, without limitation, any such party who claims to have had any interests in Investments bequeathed to him; or
  - (c) as a consequence of any breach by you of this Agreement.
178. All transactions are entered into, pursuant to this Agreement, entirely at your risk. All securities sold or transferred to us must be free from any pledge, lien, charge or encumbrance.
179. You hereby agree to indemnify us in respect of any action, claim or proceeding brought against us as a result of you using any of our services that are prohibited by local law in your country of residence. You will remain liable for any costs we incur in this regard.

## FORCE MAJEURE

180. We shall not be liable to you for any non-performance of any of our obligations hereunder by reason of any cause beyond our control, including, but not limited to, any act of God, fire, flood, act of Government or state, war, civil commotion, insurrection, act of terrorism, embargo, inability to communicate with market makers for whatever reason, failure of any computer dealing or settlement system, prevention from or hindrance in obtaining any energy or other supplies, labour disputes of whatever nature, late or mistaken delivery or payment by any bank or counterparty or any other reason beyond our control.

## CONFLICTS OF INTEREST

181. When we make a recommendation or enter into a transaction on your behalf, we or some other person connected with us may have an interest, relationship or arrangement that is material in relation to the transaction or Investment concerned. We do, however, require our employees to comply with an independence policy obliging them to disregard the interest, relationship or arrangement concerned when acting on your behalf. Your attention is also drawn to the fact that, when entering into a transaction for you, we could be:
- (a) dealing as principal for our own account by selling the Investment concerned to you or buying it from you;
  - (b) buying or selling units in a Collective Investment Scheme where we are or an associated company is the trustee or operator (or adviser of the trustee or operator) of the scheme;
  - (c) buying Investments where we are involved in a new issue, rights issue, takeover or similar transaction concerning the Investment;
  - (d) recommending that you buy or sell an Investment in which one of our other clients has given instructions to buy or sell;
  - (e) recommending that you buy or sell an Investment in which we have a long or short position; or
  - (f) acting as a broker fund adviser.
182. You agree that we and any relevant connected person may provide the relevant service despite any such interest and that we are not required to account to you for any income, gain, profit, or other advantage arising from doing so provided that we do not contravene the Codes. We may decline to execute a transaction if we have, or an associate has, an interest which may conflict with your interest.
183. A copy of our Conflicts Policy is available on request.

## TAX AND LEGAL ADVICE

184. You have sole responsibility for the management of your tax and legal affairs including all applicable tax filings and payments and for complying with all applicable Laws and Regulations. We have not and will not provide you with tax or legal advice and we recommend that you obtain your own independent tax and legal advice tailored to your individual circumstances.
185. The tax treatment of investment products can be complex, and the level, rate and basis of taxation may alter during the term of any product. You should therefore obtain professional tax advice appropriate to your own circumstances before investing.

## CLIENT PROTECTION

186. All business of the Jersey branch of Brewin Dolphin Limited is conducted under and in accordance with the Codes of the JFSC. The UK Financial Services Compensation Scheme (which may include any successor thereto) and various other UK protection schemes do not apply in Jersey. Furthermore, by entering into this Agreement, you do not have the right of recourse to the UK Financial Ombudsman Service.
187. As we are not regulated under the Banking Business (Jersey) Law 1991, the Jersey Bank Depositors Compensation Scheme similarly does not apply. However, by entering into this Agreement you will, once the scheme is active, have a right of recourse to the Jersey Financial Services Ombudsman. Please refer to <http://www.gov.je/StayingSafe/ConsumerProtection/FinancialServicesOmbudsman/Pages/ComplaintFinancialService.aspx> for further details.
188. Brewin Dolphin has taken care to ensure the quality of its insurance programme. We have put in place specific insurance cover to protect us and our clients from losses arising out of fraud, misappropriation or theft or loss of or damage to any client assets in our custody and control, which includes both cash and securities. We regularly review the level of cover provided.

## COMPLAINTS

189. If you have a complaint about any aspect of our service please contact the Investment Manager who normally deals with your affairs or write to the Head of our Client Services Team at 12 Smithfield Street, London EC1A 9BD.
190. We will acknowledge your complaint and provide you with details about how it will be handled including actions being taken to resolve the complaint, within 5 working days of receipt.
191. We will aim to resolve any complaints within 3 months of the complaint being lodged and will advise you in writing when a complaint is considered closed and, where the complaint is not upheld, the reason(s) for rejecting the complaint.
192. You have the right to refer any unresolved complaints to the JFSC and, when the scheme becomes effective, the Jersey Financial Services Ombudsman. Please refer to <http://www.gov.je/StayingSafe/ConsumerProtection/FinancialServicesOmbudsman/Pages/ComplaintFinancialService.aspx> for further details.

## VARIATION

193. We may vary these Terms, our Rate Card(s) and the characteristics of our services by sending you a written notice describing the relevant changes. Such changes will become effective on a date specified in the notice, which will be at least 28 days after the notice is sent to you.

## NOTICES

194. Notices required to be given by us to you under this Agreement will be in writing addressed to your last known address and delivered by post, hand or courier, or sent by facsimile transmission or email.
195. Notices and other correspondence shall be deemed to be received two Business Days after posting if sent by pre paid post to addresses within Jersey or the UK, seven Business Days if sent by airmail to addresses outside Jersey or the UK, or on transmission if sent by email or facsimile. Other notices, instructions and communications may be given by us in person or by telephone. Notices required to be given to us by you under this Agreement must be given in writing. You must update us immediately of any change to your address and/ or contact details.
196. Notices should normally be sent to your Investment Manager at Brewin Dolphin Limited, 2nd Floor, Kingsgate House, 55 The Esplanade, St Helier, Jersey JE1 4HQ, unless we have specifically asked you to send notices and/or documents to another of our offices, for example, our Newcastle or Edinburgh processing centres, or one of our agents. Alternatively, you may send notices to our Client Services Team, Brewin Dolphin Limited, 12 Smithfield Street, London EC1A 9BD.

## TERMINATION

197. You may terminate your relationship with us by giving written notice specifying the date on which you wish to terminate (which may be effective immediately upon our receipt) to your Investment Manager or to the Head of Client Services at Brewin Dolphin Limited, 12 Smithfield Street, London EC1A 9BD.
198. We may terminate our relationship with you by giving at least 28 days' written notice to you. We do not have to provide any reason for any such termination.
199. Our relationship with you will terminate immediately if:
  - (a) you make a voluntary arrangement with your creditors;
  - (b) you become bankrupt;
  - (c) we receive written notice of your legal incapacity (subject to clauses 212 and 213); or

- (d) you are a body corporate and an administrator, receiver, liquidator or other insolvency practitioner is appointed or you merge with another body corporate or are otherwise removed from the register of companies at the JFSC Companies Registry or the equivalent in the applicable jurisdiction.
200. You shall tell us immediately if any of the above events occur in relation to you. If we otherwise become aware that any such event has occurred, we shall inform you immediately that our relationship with you has terminated under clause 199.
201. We will cease to provide you with our services (other than our Execution Only service):
- (a) at the time your written notice of termination under clause 197 becomes effective;
  - (b) at the time our written notice of termination under clause 198 becomes effective; or
  - (c) at the time our relationship with you is immediately terminated under clause 199, each of the above dates being a "Switch Date".
202. For Discretionary, Advisory Managed and Advisory Dealing clients, from the Switch Date we will provide you with an Execution Only service on and subject to these Terms until we cease to act for you in accordance with clause 204. Where we provide you with this Execution Only service, we will not advise you about the merits of any transaction at the time of execution or monitor your portfolio on an ongoing basis. We will not be required to ensure that any transaction is suitable for you. Our charges for this service will be as per the prevailing Execution Only Rate Card as published from time to time.
203. For Execution Only service clients, after the notice of termination becomes effective, we will continue to provide our Execution Only service on and subject to these Terms (and our Rate Card(s) for our Execution Only service will continue to apply) until we cease to act for you in accordance with clause 204.
204. We will carry out your reasonable instructions relating to the termination as soon as is reasonably practicable. We will continue to hold your investments and client money until they are transferred in accordance with your instructions. We will cease to act for you once, in accordance with your instructions, we have transferred your investments into your name, or that of a third party for your beneficial ownership, materialised them where possible and/or dispatched any certificates or other documents evidencing title to the last address that you have notified to us.
205. In the event we are unable to contact you to obtain your instructions, and after making reasonable attempts to contact you, we reserve the right to transfer any investments held in our Nominee Company into your name. We will write to you at your last known address to advise you that we have done this. In the event that we are unable to transfer your investments, we reserve the right to sell your investments and remit the proceeds to you. If we do take such action, we also reserve our right to deduct the sums owed to us, as set out in clauses 128, 129, 130 and 131.
206. If you terminate your relationship with us in accordance with clause 197 in connection with a variation to these Terms, our Rate Card(s) or to the characteristics of our services and do so within 56 days of receiving notice of such variation, then we shall not make a charge for transferring or materialising any investments or dispatching any certificates or other documents under clause 207.
207. We may make a charge for transferring or materialising any investments or dispatching any certificates or other documents under clause 204 if:
- (a) you terminate your relationship with us in accordance with clause 197 otherwise than in the circumstances described in clause 206, 221 or 222;
  - (b) we terminate our relationship with you in accordance with clause 198; or
  - (c) our relationship with you is immediately terminated in accordance with clause 199.
208. Further details of the charges referred to in this clause are set out in the applicable Rate Card(s).
209. You will remain liable for prompt settlement of all outstanding transactions, fees, charges and obligations related to services provided by us prior to termination or after the Switch Date and any outstanding debts relating to those services must be satisfied. No penalty or other additional payment will be payable by you or us in respect of the termination.
210. Our Agreement shall, even after termination, continue to govern any legal rights or obligations which have already arisen or which relate to our services under our Agreement or which arise in consequence of termination.
211. Without affecting our rights under clause 209, where we do not hold any investments or money in respect of an account and we have had no contact from you over an 18 month period we reserve the right to terminate our relationship with you in accordance with clause 198.

## **INCAPACITY AND POWER OF ATTORNEY**

212. In the event of your legal incapacity, our relationship will terminate automatically upon our receipt of written notice unless you have granted a power of attorney under which we can continue to act. We reserve the right to require proof or further details of your legal incapacity.
213. Where a power of attorney has been granted over your account, we will continue to administer the account in accordance with the attorney's instructions until such time as the power of attorney is revoked, or until the time of your death.

## **DEATH OF A CLIENT**

214. Upon receipt of written notification of your death (where you are an individual, or your ceasing to exist in the case of a company) your account(s) will be suspended and we will settle any outstanding trades. For Discretionary or Advisory Managed clients we will operate your account on a "care and maintenance" basis whereby we will continue to provide custody services but will cease to actively manage your investments in accordance with your Investment Objectives and Risk Category.

215. Unless otherwise agreed with us, no instructions over any Portfolio in your name can be accepted until the title of your Executor(s) has been satisfactorily established in accordance with Jersey law. Your Executor(s) may thereafter instruct us (as appropriate) to sell, transfer or rematerialise the Investments, which may incur a charge as detailed on our applicable Rate Card(s).

## OVERSEAS REGULATIONS

216. Holders of United States (US) reportable securities agree to provide the appropriate documentation as necessary to meet US Internal Revenue Service (IRS) requirements. If you do not complete and return the statutory forms or the forms are not acceptable then in order to avoid sanctions on us, which can include severe financial penalties imposed by the US IRS, we will, after giving you due notice, sell the relevant holdings, and make any remittance necessary in the circumstances net of deductions to cover our costs.
217. We may not provide you with our services if you are a US resident as we are not registered with the US Securities and Exchange Commission (SEC) and we reserve the right to refuse our services if you are identified as a US resident account holder "US Resident" as defined by the SEC as per the Securities Act of 1933 Regulation S. We reserve the right to ask further questions or to ask for evidence at any time that you are not a US person. If we become aware that you were a US resident at the time of account opening but failed to disclose this to us we reserve the right to terminate our relationship with you under clause 198.
218. We may also have obligations under Jersey or other overseas law which may require us to provide certain information about the beneficial owners of investments or levy and remit an appropriate rate of withholding to the relevant tax authority.
219. We are obliged under Jersey legislation, agreements and tax treaties with worldwide jurisdictions to provide information on clients to the relevant tax authority under exchange of information agreements. In some cases we may require further information or documentation from you to enable us to receive income on your behalf. Where you are a reportable person under any such international agreements, these terms shall serve as required notification to you that we are providing your information to relevant tax authorities in line with our obligations under the law.

## ASSIGNMENT AND DELEGATION

220. You agree that you will not assign, transfer, dispose of or grant security over any of your rights and obligations under our Agreement without our prior written consent. We will not unreasonably withhold such consent.
221. We may assign or transfer any of our rights or obligations under this Agreement to a third party. Before effecting any such assignment or transfer, we will make reasonable efforts to agree such statement of policy with the assignee/transferee as we reasonably consider is sufficient to protect your rights under this Agreement and to ensure that the services are provided by the assignee/transferee to the same standard as we provide them to you. We will give you written notice of any assignment or transfer in accordance with clauses 194 to 196. If you object to such assignment or transfer, you may terminate your relationship with us or any assignee/transferee in accordance with clause 206. No charge shall be made for transferring or materialising any investments or dispatching any certificates or other documents we or any assignee/transferee hold(s) for you if you terminate within 56 days of receiving notice of assignment or transfer under this clause.
222. We may delegate any of our functions under our Agreement but, except as provided in these Terms, we will only do so where we have given you at least 28 days' prior written notice. If you object to any such delegation, you may terminate your relationship with us in accordance with clause 206. No charge shall be made for transferring or materialising any investments or dispatching any certificates or other documents we hold for you if you terminate within 56 days of receiving notice of a delegation under this clause.
223. The transmission of an order to another person (such as a broker) for execution in accordance with ordinary market practice or the use of exchanges, clearing and settlement systems shall not constitute a delegation. We may, where reasonable, employ agents to perform any administrative or ancillary services required to enable us to perform our services under our Agreement without prior notification to you. We will act in good faith and with due diligence in the selection, use, monitoring and retention of such agents. We will remain responsible to you for any functions delegated to agents performing administrative or ancillary functions.

## ENTIRE AGREEMENT

224. This Agreement constitutes the whole agreement and understanding between the parties as to the subject matter of this Agreement and it supersedes all prior representations (other than fraudulent misrepresentations), communications, negotiations and understandings concerning the subject matter of this Agreement. You acknowledge that you have not relied on any representation or warranty except as expressly set out in this Agreement.
225. Nothing in this clause shall be construed to exclude any liability on our part under Laws and Regulations or which is not otherwise permitted by Laws and Regulations to be excluded.

## SEVERABILITY

226. Each clause of these Terms is severable and if any provision becomes invalid, void, voidable or unenforceable, or contravenes any applicable regulations, the remaining clauses will not be affected.

## GOVERNING LAW

227. Our Agreement shall be governed and construed in accordance with the laws of Jersey. Each party submits to the non-exclusive jurisdiction of the Jersey Courts.

## Section 4: Other Services

228. Please note that for the following services you will need to sign separate documentation and by entering into this Agreement you are not confirming your agreement to the services below.

### CREST SPONSORED MEMBERS

229. CREST Sponsored Membership accounts are not available to new clients but will continue to operate for existing clients who have already elected to be CREST sponsored members.

### DERIVATIVES AND WARRANTS TRADING

230. If you wish to trade in warrants and/or derivatives as detailed in Appendix 1 you must sign and return the relevant risk warning, in addition to entering into this Agreement, to confirm that you are aware of, and understand, the risks associated when trading in these Investments. You should be aware that you will be required to ensure that sufficient margin is in place.

231. If you are interested in any of the above services you should discuss these with your Investment Manager.

## Section 5: Glossary

### ACCOUNT OPENING FORM

The relevant account opening form(s) or application form(s) for a service.

### AGREEMENT

The agreement between you and us relating to the provision of our services to you, and which is made up of the documents described in paragraphs (a) to (c) of clause 3 (as varied from time to time in accordance with clause 193.)

### ASSOCIATE

Each member of the Brewin Dolphin Group of Companies, its agents, divisions and employees.

### BEST EXECUTION

The act of achieving the most advantageous price for a transaction of a particular type and size at that particular time in a particular market.

### BREWIN DOLPHIN GROUP

Incorporates Brewin Dolphin Holdings Plc and its subsidiaries, including Brewin Dolphin Limited.

### BUSINESS DAY

A day on which banks are open for business in Jersey except Saturdays or Sundays. Any other reference to "days" within these Terms shall refer to calendar days.

### CERTIFICATE

The document or other physical evidence of title to an Investment.

### CODES

The Investment Business Codes of Practice issued by the JFSC pursuant to the FSJ Law.

### COLLECTIVE INVESTMENT SCHEME

An investment fund, such as a Unit Trust, Investment Trust or Open Ended Investment Company (OEIC), that pools together the money of a large number of investors and invests it on their behalf.

### CONTRACT NOTE

The document which confirms the details of a trade undertaken and acts as an invoice.

### CREST

The computer based system which enables securities to be held and transferred in uncertificated form and which is operated by CRESTCo Limited.

### CREST SPONSORED MEMBER

A direct member of CREST (who may accordingly hold Investments in their own name in uncertificated electronic form) who is sponsored to do so by a full member of CREST, such as ourselves. This includes CREST Personal Members and CREST Corporate Members.

### DERIVATIVE

A financial instrument whose value is derived from an underlying asset, index or value. Investors enter into an agreement to exchange



cash or assets over time based on the change in the value of the underlying asset.

## **EEA**

European Economic Area.

## **EMAIL**

Electronic Mail.

## **EXECUTOR**

A person appointed under the law of the relevant jurisdiction to administer the estate of a deceased person.

## **FOREIGN**

Outside of the United Kingdom of Great Britain and Northern Ireland, the Island of Jersey and Bailiwick of Guernsey (and overseas and abroad should be construed accordingly).

## **FCA**

Financial Conduct Authority (UK Regulator).

## **FSJ LAW**

Financial Services (Jersey) Law 1998 as amended and the subordinate legislation thereunder.

## **INVESTMENT MANAGER**

Our employee who is chiefly responsible for your Portfolio and who has introduced themselves as such or with whom you have or will have the majority of your contact.

## **INVESTMENT OBJECTIVE**

There are three broad categories of investment objective: Capital Growth; Income; or Income and Capital Growth, as agreed between you and us and which may be amended from time to time.

## **JFSC**

Jersey Financial Services Commission.

## **JOINT ACCOUNT**

A Portfolio held by two or more persons.

## **LIMIT ORDERS**

An order to buy a specified quantity of a security at or below a specified price or to sell it at or above a specified price (called the limit price).

## **LSE**

London Stock Exchange. The principal London exchange for equity and bond trading.

## **MTF**

Multilateral trading facility.

## **NOMINEE COMPANY**

Any company under our control that acts as the registered owner of securities, but holds the Investments on trust for the beneficial owners of the securities.

## **OEIC**

Open-ended Investment Company.

## **ORDER**

The Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001.

## **OUR BANK**

The Bank of Scotland, or successor thereto or any other authorised bank used by us.

## **PACKAGED PRODUCTS**

A unit in a regulated Collective Investment Scheme or an interest in an investment trust savings scheme.

## **PENNY SHARE**

A readily realizable security in relation to which the bid offer spread is 10% or more of the offer price, but not:

- (a) a government and public security; or
- (b) a share in a company quoted on the Financial Times Stock Exchange 100 Index; or
- (c) a security issued by a company which, at the time of dealing, has a market capitalization of £100 million or more.

## **PERSON**

Any natural person, corporation, partnership, Regulatory Authority, Statutory Body, Government authority or other entity or organisation of any nature, quasi-governmental, to which certain powers are delegated by governments of member states. Examples include The European Union and The United Nations.

## **PORTFOLIO**

Your account(s) with us including any Investment or range of Investments as described in clause 27 unless otherwise specified and includes any currency accounts or cash deposit accounts held with us (whether held by us, one of our Nominee Companies, a custodian or a product provider).

## **RATE CARD(S)**

Those document(s) that set out our transaction charges, our fees and other charges for our services (as varied from time to time in accordance with clause 193)

## **REGULATORY AUTHORITY**

A body or institution responsible for regulating investment business within a jurisdiction.

## **RETAIL INVESTMENT PRODUCT**

Any of the following:

- (a) a life policy;
- (b) a unit in a Collective Investment Scheme;
- (c) a stakeholder pension scheme;
- (d) a personal pension scheme;
- (e) an interest in an investment trust savings scheme;
- (f) a security in an investment trust;
- (g) other investments which offer exposure to underlying financial assets in a packaged form which modify the exposure when compared to a direct holding in the financial asset; or
- (h) a structured capital at risk product.

## **RISK CATEGORY**

The categories describing attitude to risk defined by a scale of 1 to 10, as described in the Channel Islands Guide to our risk categories document and which may be amended from time to time.

## **STATUTORY BODY**

A body or institution established under the law of any jurisdiction.

Terms and Conditions

These Terms and Conditions (including any Appendices) as varied in accordance with clause 193.

## **UK**

United Kingdom.

## **USA**

United States of America.

## **WEBSITE**

Our website: [www.brewin.co.uk](http://www.brewin.co.uk)

Words and phrases defined by the JFSC or by law for the purposes of laws and rules in respect of financial services regulation shall, except where the context requires otherwise, bear the same meaning in these Terms.

In the event of conflict between the definition of a word or phrase as set out in this Agreement and the definition of a word or phrase as prescribed by the JFSC or by law, the latter shall prevail, except where the context requires otherwise.

# Appendix 1 – Risk Warnings

## A DESCRIPTION OF ASSETS AND A GUIDE TO THEIR RISKS

Our services provide exposure to financial assets – such as equities and bonds – all of which are subject to some form of investment risk. It is important to understand that the level of return you can expect from an investment you make is related to the amount and type of risk for that investment.

In the following, we discuss in detail the many types of risk that can impact upon the performance of an investment. First, we will look at the broad categories of investment risk and second at the different types of investment asset and the specific risks that apply to each.

### TYPES OF INVESTMENT RISK

**Volatility risk:** ‘Volatility’ is a measure of the relative rate at which the price of a particular investment moves up and down. If the price of an investment moves up and down rapidly over short time periods it can be described as having high volatility. If the price changes relatively infrequently, it can be described as having low volatility.

The movements in price of an investment could be caused by events in the domestic or global economy, changes in interest rates or currency exchange rates, general political factors or company or investment-specific factors.

Some investments are more volatile than others – for example, company shares or ‘equities’ would generally be more volatile than government bonds, and cash would be the least volatile. However, it is important to understand that there is a ‘trade-off’ between the level of volatility you are prepared to accept and the return you can expect to achieve from an investment. As a general rule, the higher the volatility of an asset, there is not only the greater the potential for positive returns but also the greater the potential for losses. This is often referred to as the trade-off between risk and reward. Overall, it is important to remember that investments and the income from them may go down and you may get back less than the amount you invested.

**Inflation risk:** If you are investing over a long period of time, for example saving into a pension, you need to be aware of the long-term impact of inflation. Inflation erodes the ‘purchasing power’ of your assets - i.e. it reduces how much they will be able to buy at future price levels. Of course, inflation risk can have an impact on all types of investment but some types are more at risk than others. For example, cash is among the asset classes most vulnerable to inflation risk. If the interest rate payable on a cash deposit in a bank or building society is consistently below the rate of inflation over time, then the ‘real’ value of that cash will be eroded. This is particularly relevant to the market conditions such as those we have experienced in the last few years, where interest rates available on deposit accounts have been generally lower than the prevailing level of inflation for some time.

**Currency risk:** This form of risk relates to all investments denominated in foreign currency, for example US government bonds or Continental European company shares. These assets will generally be priced in the currency of the country of origin – US government bonds will generally be denominated in US dollars and Continental European company shares will generally be priced in euros. UK investors – whose investment portfolios will usually be priced in sterling – therefore need to be aware that the value of the foreign assets that they own will depend not only on the price movements of the assets themselves in the local foreign currency but also on the movements of the exchange rate of the currencies against sterling. This can mean that investments denominated in foreign currency can be more volatile than those denominated in sterling. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner and also independently of the value of the underlying asset.

**Liquidity risk:** The investment term ‘liquidity’ essentially means the ease with which an investment can be bought and sold. For example, the shares of large companies in developed countries such as the UK have a relatively high level of liquidity - there are typically a large number of buyers and sellers in these markets and these shares can usually be bought and sold readily. They can therefore be said to have a low level of ‘liquidity risk’ – should you want to ‘cash in’ the investment you have in the shares of a large UK company you will generally be able to do so easily and relatively quickly. On the other hand, there are a number of assets which can be described as having a relatively high level of liquidity risk. These could include the shares of very small, relatively unknown companies where there is a narrow market for the shares (i.e. a relatively small number of potential buyers and sellers) and they are therefore infrequently traded. An investor who owns such ‘illiquid’ shares and wants to sell them may find that it takes a considerable amount of time to find a buyer, or that they will need to reduce the price they are prepared to sell the shares for in order to sell them quickly. It is this latter point particularly that you should be aware of when considering investing in relatively illiquid assets – it can sometimes prove difficult to sell these investments in a timely way and there may be a significant risk of capital loss.

In extreme cases an investment may become ‘non-readily realisable’. In this case the investment may not be easily tradable, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

**Leverage/gearing risk:** Collective funds (such as investment trusts) and companies may make use of borrowing in order to enhance returns. This is known as leverage or gearing and increases both the volatility and the risk level of an investment. It applies if a company has borrowed significant amounts of money, or if an investment vehicle (such as an investment trust) otherwise allows an investor to gain much greater exposure to an asset than is paid for at the point of sale (i.e. money is borrowed to obtain the increased exposure to that asset). It also applies if an investor borrows money for the specific purpose of investing. The impact of leverage can mean that movements in the price of an investment lead to much greater volatility in the value of the leveraged position, and this could lead to sudden and large rises and falls in value. The impact of interest costs from borrowing may also lead to an increase in any rate of return required to break even while there is also a risk that the investor may receive nothing back once the leverage is repaid if there are significantly large falls in the value of the investment.

**Stabilisation:** This activity enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Stabilisation can help to counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found due to the excess supply of shares.

Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation.

**Settlement risk:** This is the risk that one counterparty to a transaction does not deliver a security or its value in cash as agreed when the security was traded after we have delivered either the cash or security as per the trade agreement.

**Legal risk:** We instruct various agents and third parties to provide us with a service or product to enable us to administer your account such as a market counterparty to buy or sell a stock in the market. Another example is client money held by a bank instructed by us. We take great care in selecting reputable agents and third parties, however, should they default or be unable to perform their obligations by reason of any cause beyond our control, this may mean that you will bear the loss of the default to your account or change to our service.

## INVESTMENT-SPECIFIC RISKS

In the following, we look at the various asset classes and the investment risks that are specific to each.

### EQUITIES

#### Company shares – attributes

'Equities' or company shares – and collective funds that invest in them – are commonly used by investors seeking longer term capital growth.

- Each company share represents a stake in the ownership of that firm. In most cases, the company will be listed on a stock exchange (such as the London Stock Exchange)
- Most large company shares can be readily bought and sold under most market conditions
- They entitle the shareholder to the payment of dividends – a regular payment made out of the company's profits
- Although a company is not obliged to pay a dividend its management can be held accountable by shareholders if they do not provide a reasonable return
- Over the longer term company shares have historically provided a reasonable return together with a degree of inflation protection.

#### Specific risks

- Returns on company shares cannot be guaranteed. The price of a company's shares can go up and down and you may not get back the original amount invested
- The price variability of international shares denominated in a currency other than sterling may be higher or lower than that of UK shares once foreign currency exchange rates are taken into account
- As ownership of an equity represents a direct stake in the company concerned this will give you full exposure to the economic risks faced by the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends
- In times of particularly difficult market conditions, there is the potential to suffer irrecoverable capital losses. In the worst case, a company could fail and, if this happens, its equity can become worthless.

Examples of typical company characteristics which could mean a heightened level of equity investment risk are:

- The company's market value is relatively low (otherwise known as the 'market capitalisation')
- The products that the company offers are undiversified (i.e. it relies on one or a few product lines or services for the bulk of its profits) or the company relies on a single market as a major source of income
- A significant reliance on borrowing as a source of finance
- A significant level of up-front fixed costs to pay (for example, payments for the leasing of business premises) which are not directly related to the company's level of production
- Major income sources which are seasonal or 'cyclical' (i.e. they vary according to prevailing economic conditions) in nature
- Companies trading primarily in developing countries, particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

Most shares that we would buy for you can be readily bought and sold under most market conditions, although this might not always be the case with shares from some very small companies. The shares of some smaller companies may trade in very low volumes, and an investment in these kinds of shares will usually involve a proportionately large difference between the market buying and selling price. This could mean that a purchase of shares of this kind followed by an immediate sale may lead to a significant loss. Some smaller companies may not be subject to the rules of a listing authority (for example, the London Stock Exchange). Such companies are likely to be higher risk ventures and may have an unproven trading history or management team. These shares may not be readily sold, and it could be difficult to value them independently as they are not easily tradeable.

Overall, the risks involved in investing in company shares can often be managed by using collective funds (such as unit trusts and investment trusts) which have a diversified portfolio of holdings or by investing directly in a wide range of shares which give exposure to a variety of industries, countries and currencies.

### Collective investment schemes – attributes

A collective investment scheme is a form of investment fund that enables a number of investors to 'pool' their assets and invest in a professionally managed portfolio of investments – typically company shares and fixed income investments.

- Collective funds are an easy way for investors to obtain diversity in a portfolio or exposure to a particular sector
- A reduction in risk is achieved because the wide range of investments in a collective investment scheme reduces the effect that any one investment can have on the overall performance of the portfolio
- Through economies of scale they can offer a lower cost option for investors to invest in a wide range of shares or other assets
- Investors may benefit from the skills, experience and resources a professional management company can offer
- Collective investments may be more expensive due to additional fund management fees.

### Specific risks

- The price of a collective investment scheme is determined by the price of the underlying assets of the fund. Therefore the price of a fund will rise or fall in line with the underlying rise or fall of underlying asset values
- Returns on company shares, and therefore the investment funds that invest in them, are not guaranteed
- As with company shares, in times of particularly difficult market conditions, there is the potential to suffer irrecoverable capital losses
- Some collective investments may be in unquoted investments or property and therefore potentially higher risk and illiquid and therefore not easily realisable
- You may be exposed to foreign currency fluctuations which could amplify losses that may be incurred on typical investments.

As the underlying components of collective investment schemes are chiefly company shares and fixed income investments, please see these sections for fuller explanations of their attributes and the associated risks to which you may be exposed.

### Investment trusts

Investment trusts (specialist companies set up for the purpose of investment that are listed on a stock exchange) are a type of collective fund – an equity investment that pools money from many different investors.

- Investment trusts are known as 'closed ended' – that is, they have a set number of shares that can be traded on a stock exchange (although investment trusts do occasionally issue more shares or buy some of their shares back)
- The share price of an investment trust is determined by supply and demand for the shares and can be higher or lower than the value per share of the underlying assets (this is called the 'net asset value' or NAV). When the share price is higher than the NAV, the investment trust will be trading at a 'premium' but when the share price is lower than the NAV it will be trading at a discount. The concept of investment trust discounts and premiums is a key risk for investors to be aware of – it is important that you refer to the specific risks set out below for further information
- Investment trusts can make use of borrowing in order to enhance returns (known as 'leverage' or 'gearing') or may invest in other companies that may use gearing.

### Specific risks

- While gearing can potentially produce stronger investment returns if used successfully it also increases both the volatility (a measure of the relative rate at which the price of a particular investment moves up and down) and the overall risk level of an investment in investment trust shares
- As a result, movements in the value of the leveraged position (the investments purchased using the borrowed funds) may be more volatile than the movements in the price of the underlying investment. The value of the leveraged position may be subject to sudden and large falls in value and you may get back nothing at all if the fall in value is sufficiently large
- Investing in the shares of an investment trust is subject to similar risks to investing in company shares, although the share price can also be impacted by the performance of the underlying investments
- While the share price of an investment trust may be influenced by the performance of the underlying investments and thus the NAV, there is no guarantee that a discount will close or that an investment trust will move to a premium even if the underlying investments are performing well.
- This is because the share price of an investment trust is driven by supply and demand – if, for example, investor sentiment towards the sector that the investment trust focuses on is poor then there may be an excess of sellers over buyers and the share price may fall, regardless of the NAV performance (this would mean that the discount would widen).

One option that is open to the board of an investment trust would be to consider strategies to manage the discount – perhaps by buying back shares or encouraging demand for the shares through a promotional campaign. Overall, the concept of investment trust discounts and premiums is a key risk for investors to be aware of when considering investing in investment trusts.

### Structured products – attributes

A structured product is the generic term for manufactured investment products used by investors to provide exposure to a wide range of underlying asset classes (for example, equities).

- Generally they have a limited lifespan and a maturity date
- It is important that an investor in a structured product understands both the nature of the underlying assets and the extent of the

exposure to those assets. In some cases, structured products may offer a high income or a high level of access to the capital growth of the underlying assets

- Structured products are generally issued by investment banks. The solvency of these institutions is crucial for not only the investment return but also for the ability of investors to buy and sell structured products (i.e. their 'liquidity')
- The level of income and/or capital growth provided by a structured product is usually linked in some way to the performance of a specified underlying asset class. Some structured products aim to return the initial capital invested at the end of the term
- Structured products can also come in the form of credit-linked notes, where product performance is linked to a fixed income index or a particular bond. This type of product is more likely to behave like an ordinary bond that pays a regular coupon and so should be categorised in the fixed income asset class. However, structured product returns are never guaranteed
- The investment return (i.e. the level of income and/or capital growth) is usually linked in some way to the performance of the relevant underlying assets
- Structured products can be complex – supported by our Research Team, we will examine closely the precise details of an individual product before investing.

#### Specific risks

- You should be aware that the return of capital invested at the end of the investment period is not guaranteed, and therefore you may get back less than was originally invested
- Structured products can expose you to a range of different investment risks. We will monitor these risks and associated risks on an ongoing basis. This is crucial as the risk of structured products evolves as time passes
- Structured capital-at-risk products (known as SCARPs) aim to return the original money invested at the end of the term unless the index or asset price to which the product is linked has fallen below a predetermined threshold. If this happens you can quickly lose all or part of your original capital invested
- Prices can fluctuate below the level at which originally invested, due to market forces such as interest rates. If the product is sold before its maturity date the return may be less than invested, irrespective of the performance of the underlying asset
- Structured products will not necessarily outperform the underlying asset to which they are linked
- In a similar way to bonds and debt instruments, most structured product strategies are exposed to the credit risk of the product issuer, meaning that investments could be entirely lost if the issuer is not able to repay the sums due under the terms of the product
- Structured products generally include leverage (i.e. borrowing), and their value can be subject to sudden and large falls if conditions arise which mean that the product is unable to repay the full amount invested
- Investors should review detailed product information and other literature carefully for details of any factors which might impact how the payout, from a structured product, may change under different economic or market conditions. In particular, where a product aims to repay the amount invested, which is subject to certain conditions being met, the value of an investment will be exposed to the full risk of the underlying assets if these conditions are not met
- It is important to be aware that the product terms for a structured product will only apply to investors who invest at launch and who hold the product until final maturity. Early redemption or purchase after launch could result in a capital loss, even where the product aims to return the amount purchased. These products may also not be readily realisable, which means that it may be difficult to sell a product of this type
- Investors should only invest in structured capital at risk products if they are prepared to accept the risk of sustaining a total or substantial loss of the money they have invested, plus any commission or other transaction charges. Furthermore, some structured products may not be covered by the Jersey Financial Services Ombudsman.
- The payoff of a structured product can be linked to the performance of any asset class such as equities, fixed income or commodities. The type of asset will largely determine the risk- return profile of the structure. If the product performance is linked to an equity index such as the FTSE 100 then the structure will exhibit equity-like risk-return characteristics and so it should be allocated to the equity asset class.

Some structured products with partial capital protection may be linked to more than one asset class at the same time. An example of this would be a 'geared supertracker' where the product performance is linked to the gold price while the capital protection is linked to an equity index.

#### Fixed income bonds and bond funds – attributes

A fixed income investment is a security that pays a known return, often with lower risk than equities. Bonds are the most common form of fixed income security – these are loans mainly issued by governments, companies or other organisations.

- The bond issuer promises to repay the amount borrowed at the end of the bond's life and also promises to make pre-determined interest payments during the life of the bond
- There are various types, ranging from bonds issued by robust governments/countries, where the risk that an investor will not be repaid tends to be very low, to corporate bonds (bonds issued by companies) where the risk is generally higher
- Government bonds can generally be bought and sold easily while corporate bonds vary more in terms of the ease with which they can be traded
- The price of bonds often moves inversely to changes in cash interest rates.

### Specific risks

- Bonds issued by major governments (e.g. UK government bonds, often referred to as 'gilts') or supranational bodies (for example, the European Investment Bank) tend to be lower risk investments
- The risks of other types of bonds (such as those issued by developing countries or individual companies) can vary greatly. For example, if an issuer is in financial difficulty, there is an increased risk that they may be unable to meet the payments to bondholders that they are due to make. In this event, little or no capital may be recovered and any amounts repaid may take a significant amount of time to obtain
- The payments received from bonds are typically fixed (hence the term 'Fixed Income') which means that inflation can erode their 'real' value to some extent.

The value of bonds can generally be expected to be more stable than that of company shares. However, in some circumstances the value of most bonds can also be volatile and prices can go up or down. The factors which are likely to have an impact on the value of a bond are:

- The financial position of the bond issuer
- Changes to market interest rate expectations
- The bond issuer's credit rating (which reflects their ability to repay the amounts payable when they fall due)
- The amount of interest payable (otherwise known as the 'coupon')
- The length of time until the debt falls due for repayment
- Where the bond ranks in terms of the issuer's other liabilities (referred to as the 'seniority'), and the quality of any security available. Should a company be wound up, bonds rank above equities in terms of claims on the company's assets and are therefore less risky.

Government bond investments can generally be sold easily to release funds if required. Corporate bond investments (loans to companies) vary more in terms of the ease with which they can be bought or sold. Holding bonds in an investment portfolio can partially reduce the level of risk in a portfolio as bonds often make gains when company share prices fall. However, the price of bonds often moves inversely to changes in cash interest rates.

### Cash – attributes

The main form of cash for investment purposes is savings or deposit accounts which generally (but not always) pay interest on the amount deposited.

- Our investment managers will generally hold a certain amount of cash in a portfolio to enable them to take advantage of investment opportunities as and when they arise
- Cash is also used to reduce the 'volatility' of a portfolio (that is the relative rate at which the value of a portfolio goes up and down) and this can be of particular use in terms of helping to protect its value during periods of falling markets.

### Specific risks

- Broadly speaking, cash has virtually no short term risk of capital loss (other than due to a default by the institution taking the cash deposit) and can be readily accessed (e.g. an instant access deposit account will allow you to withdraw cash whenever you want to)
- However, cash frequently provides a return that is below the prevailing rate of inflation – particularly in recent years as interest rates have been at historically low levels – meaning that the 'real' value, i.e. buying power, of cash is eroded over time.

### Alternative investments

'Alternative investments' are a range of assets which have different characteristics from equities, bonds and cash and may be used by our investment managers for diversification and risk management purposes.

Diversifying through alternative investments may be used to further mitigate against the investment risks within a portfolio. These investments may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that investors understand the properties of the particular type of assets they are planning to use before making such an investment.

Many alternative investments are structured as unregulated funds. This means that standards of operation, administration and management are determined privately by the operator of the fund, rather than being driven by regulation. It is important to understand that it may be difficult to sell an investment of this type, or to obtain an independently determined fair valuation for a holding in this kind of vehicle.

In addition, investors may not be protected by financial regulations or compensation schemes in the event that a company operating an alternative investment scheme acts unlawfully and causes a loss to investors when managing fund assets. Such risks can be mitigated by conducting thorough research prior to investment, or through investment via a professionally managed fund of funds.

You should only invest in these products if you are prepared to sustain a total or substantial loss of the money you have invested, plus any commission or other transaction charges. The term 'alternative investments' covers a very wide range of investment products – the attributes and risks specific to the most widely used categories of these products are set out here.

### Absolute Return – attributes

Absolute Return funds aim to deliver positive returns in any market condition, but returns are not guaranteed. Absolute return is a very broad category that encompasses most asset classes and investment techniques.

- An Absolute Return fund may invest in any asset class such as equities, bonds, currencies, commodities or derivatives.

- Absolute Return funds employ various investment strategies, many of which are similar to the strategies employed by hedge funds. Below are some examples:
- Short selling – selling securities and buying them back at a later date if a security price is expected to fall
- Relative value trades - selling one security whilst simultaneously buying another one with similar characteristics
- Trend/Momentum trades – buying selling securities based on their recent performance
- Curve/Duration trades – buying or selling bonds with different maturities according to portfolio managers' interest rate expectations
- Absolute Return funds can be complex – supported by our Research Team, we will examine the details of individual funds to try and reduce the risk of investing.

#### Specific risks

- Although Absolute Return funds aim to achieve positive returns, this objective is not guaranteed.
- Absolute Return funds often invest in derivatives which can have additional risks associated with them.
- Selling assets (“going short”) exposes the investors to a higher level of risk than buying securities. This is because the losses are potentially unlimited as the price of sold securities can go up perpetually. Additionally there is a regulatory risk, e.g. ban on short sales, “uptick rule” etc
- Absolute Return fund may employ leverage either through borrowing or through derivative positions. Whilst it can enhance the potential returns it also exaggerates potential losses.
- Often Absolute Return funds take position in exotic or thinly-traded assets to earn extra returns from holding illiquid assets.

#### Property – attributes

The main type of property that is typically purchased for investment portfolios is commercial property – this encompasses shops, offices and other types of business premises.

- Investment in commercial property entitles the holder to rents paid by the tenant as well as the disposal proceeds if a property is sold
- Over longer periods the capital growth and income returns it can generate have historically provided a level of protection against inflation.

#### Specific risks

- The rental income from and value of a given property will be impacted by demand, although it is important to emphasise that property can be difficult to value independently. There is no guarantee that the underlying properties invested in by a property fund will remain occupied and they may incur significant maintenance or restoration costs which could impact on the returns available. All property is subject to local risks which may be unique in nature and may be caused by factors such as prevailing legal, economic, environmental or political circumstances.
- One of the key risks of investing in property is that it is the least ‘liquid’ of the main asset types – that is to say the relatively long time it can take to buy and sell property means that direct investment in this asset class will generally not offer quick access to your money if you want to sell. In weak market conditions it may prove more difficult to sell a property
- Our investment managers use ‘collectives’ such as unit trusts or investment trusts (funds) that invest in property, meaning they can usually sell holdings on any working day. However, there have, historically, been a few examples of funds having to suspend investors’ rights to withdraw money, sometimes for a substantial period of time, in order to balance the interests of investors exiting a property fund with those staying in the fund
- These delays can be up to six months in duration in the case of funds which invest directly or indirectly in buildings or land. Investment in property development funds carries additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or become occupied with tenants at the intended price or within the intended timeframe
- Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business. Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

#### Hedge funds – attributes

Hedge funds are pooled investments which, in contrast to conventional collective funds, will use a wide variety of different trading strategies in order to produce returns.

- One example of this is ‘short selling’ - an investment technique that enables a fund to potentially benefit from falling share prices
- The type of strategies and investments used by a hedge fund will be a key determinant of how risky the investment will be
- Our investment managers may use absolute return funds and funds of hedge funds in client portfolios (these offer diversified exposure to a range of types of hedge fund and are managed by specialists dedicated to hedge fund analysis).

#### Specific risks

- Strategies may range from lower risk funds which aim to deliver a positive return regardless of market conditions (known as ‘absolute return funds’) to high risk or speculative funds which make use of borrowing (or ‘leverage’) in an attempt to maximise returns



- While this borrowing will serve to magnify positive returns it will also make losses larger than they would have been had the borrowed money not been invested
- Investments made by hedge funds may also be narrowly based around a specific type of asset or trading strategy and the returns experienced by investors in these funds may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used
- Potential for high volatility
- Returns on hedge funds are not guaranteed, you may get back less than you invested.

#### Commodities-linked products – attributes

This broad term refers to natural resources that are either mined, extracted or harvested. Commodities encompass energy (i.e. oil, coal and natural gas), 'soft' commodities (i.e. agricultural goods such as coffee and wheat), 'hard' commodities (i.e. industrial metals such as copper and tin) and precious metals such as gold.

- A key reason for investing in commodities is that it can offer some protection from inflation. Virtually everything that is produced, bought and sold makes either a direct or indirect use of commodities of one form or another so a general rise in prices is likely to be associated with a rise in the price of at least some key commodities. Therefore, getting exposure to commodities should in theory help to maintain the purchasing power of an investment portfolio
- Investment in commodities (including precious metals) is often achieved either via a structured product based on a commodities index or basket of different commodities, or by using a commodity derivative (a financial contract which derives its value from the performance of an underlying asset or market index), or by the use of an Exchange-Traded Fund (ETF) which aims to track the price of the commodity itself
- Precious metals have their own distinct characteristics and a key reason for using these in a portfolio (indirectly through an ETF) is that their value is generally not connected to the performance of the other more mainstream asset classes such as company shares or bonds
- In particular, gold and other precious metals are seen as more likely to hold or even increase their value during times of severe economic and social turbulence as theoretically investors will flock to them as 'safe havens' and this has proved to be the case on a number of occasions in history.

#### Specific risks

- A key risk to be aware of is that commodity prices can be extremely volatile – that is the price can change dramatically from month to month or over very short time periods.
- They can also be very difficult to predict – commodities may be affected by a variety of political, economic, environmental and seasonal factors which impact on the demand for or the available supply of the given commodity.
- For example, the prices of agricultural goods will be impacted if severe weather events affect crop yields, while the price of oil has historically been strongly linked to global political events such as tensions in the Middle East.

#### Infrastructure – attributes

This term refers to investment in vital economic assets including roads, railways, airports, oil and gas storage and transportation facilities, marine ports and electricity and water utilities.

- Investing in infrastructure offers the potential for capital growth as well as a degree of protection from inflation – broadly speaking, infrastructure investments tend to generate relatively stable levels of income (although this cannot be guaranteed).

#### Specific risks

- A key risk to investing in this sector is that companies involved in infrastructure-related industries are subject to environmental considerations and government regulation, which may impact on returns to investors.

#### Private Equity – attributes

This term refers to investment in companies that are not traded on a public stock exchange (for example, the London Stock Exchange), but can offer access to strong growth potential.

- These companies raise finance privately and are not subject to the stringent requirements faced by companies that do list on a stock exchange
- The type of unlisted companies that a private equity fund may invest in could range from small start-up companies to larger firms with a long and established trading history
- By definition private equity is not dealt on public stock exchanges and is therefore generally difficult to trade in. Our investment managers tend to access private equity through collective investments which are usually dealt on a daily basis.

#### Specific risks

- As private equity investments are not traded on public stock exchanges, there is a risk that they may prove difficult to sell as it may take time to find a buyer – i.e. they can be significantly less 'liquid' than other investments
- This may also affect the price at which the investment can be sold (i.e. you may have to accept a price that is lower than fair value in order to achieve a sale)

- A further risk is that as private companies do not have to meet the requirements of a company that lists on a stock exchange, there is a risk of a lower level of scrutiny of the management of these companies. As a result, the management may be less accountable to shareholders for decisions that they make than the management teams of public companies
- One of the features of private equity fund investment is a concept called 'capital commitment'. This is an agreement between an investor and a private equity fund under which the investor is obliged to contribute money to the fund. The investor may pay all of the committed capital at one time or over a period of time (known as the 'capital commitment period'). Investors must therefore be capable of making payments to satisfy the requests for capital made throughout the commitment period
- Private equity investment may involve a focused portfolio of investments, which could lead to exposure to undiversified underlying assets. It may also involve the use of significant leverage or borrowing, which amplifies potential risks
- Payments to investors from private equity funds are generally made in cash. However, if a fund is unable to sell its interest in a private company, it may instead distribute holdings in these companies to investors in the fund.

Overall, it is important that you are familiar with the terms of, and risks associated with, any private equity fund that you invest in.

## OTHER INVESTMENT PRODUCTS AND THEIR RISKS

### Life assurance products – attributes

Life assurance bonds (or life bonds) are a form of insurance contract which provide both an element of insurance in the case of the death of the covered person or persons in addition to having an ongoing value as an investment (as opposed to expiring worthless at the end of a defined period or term).

- Life bonds are issued by insurance companies, and an investment will be subject to the ability of the insurance company to repay the sums owing to an investor when they fall due for payment
- This means that the creditworthiness of the insurance company is important, much in the same way as for any other bond
- Life offices generally maintain a range of funds with different asset allocations and market exposure. It is possible to change your investments between these funds without incurring capital gains tax.

### Specific risks

- In some cases, the returns available from a life bond are linked directly to a specific pool of assets held by the insurance company
- In other cases, the returns could be linked more generally to the profits of the insurance company in general, which reduces the overall transparency of returns.

If you wish to invest in a life bond, you will be presented with specific information about the type of contract, its terms, charges and more general information about the insurer and its financial strength. Please refer to this documentation for specific details about the policy and a more detailed description of the investment risks.

### Derivatives for hedging and income enhancement – attributes

In some circumstances, derivatives (securities whose price is dependent upon or derived from one or more underlying assets – the derivative itself is a contract between two or more parties) may be used to offset certain risks that may exist in a portfolio. This is known as 'hedging'.

- For instance, a holding in a foreign company exposes an investor to the movements of the currency that the firm is denominated in, as well as the economic risks of the firm. It is possible to offset some of the currency risk by purchasing an appropriate derivative contract
- Similarly, derivative contracts which aim to cover risks associated with interest rate movements, company defaults or falls in equity values can also be purchased.

### Specific risks

- The cost of the derivative contract may lower the returns that a portfolio might have otherwise earned if the risk was left 'unhedged'
- The derivative contract may not perfectly offset the risk that it is intended to offset
- The counterparty which issues the derivative may default and not be able to honour the contract.

In some instances derivatives may be used to enhance the income of a portfolio and the same risks are applicable.

### Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs) – attributes

ETFs and ETNs are exchange traded funds which try to match a specified benchmark index. There are a number of different structures that are used to create these funds.

### Specific risks

- The risks that an investor is exposed to depend partly on the structure of the fund and partly on the index that the fund is designed to track
- If the benchmark index is an equity index then an investor is exposed to the same risks as those for equity funds. Similarly, if the benchmark index is a bond index then an investor is exposed to the same risks as those for bond funds
- The benchmark index could instead be related to commodities or some other index which may have its own idiosyncratic risks.

Further to the risks inherent in the benchmark, the structure of the ETF or ETN may give rise to the following risks:

- A fund may not fully replicate the benchmark index and may therefore not produce the intended results
- The fund may engage in securities lending. Securities lending involves the risk that the fund may lose money because the borrower of the loaned securities fails to return them in a timely manner or at all
- Where a fund uses derivatives to recreate the benchmark index returns, there is a risk that the counterparty which issues the derivative may default and not be able to honour the contract.

#### Non-Mainstream Pooled Investments (NMPI) – attributes

Non Mainstream Pooled Investments (NMPIs) are pooled investments or funds, which are characterised by unusual, speculative or complex assets, product structures, investment strategies and/or terms and features.

- NMPIs are a particular type of pooled investment vehicle and are generally regarded as high risk products that often invest in assets which are typically not traded in established markets and which are therefore difficult to value and may be highly illiquid
- The investments are often complex and difficult to understand and performance information may be unavailable or unreliable
- NMPI's may invest in one or more volatile assets, such as property, emerging market stocks, renewable energy or fine wine, and therefore the risk of an investor losing all or part of their money are much higher than other investment types such as Collective Investment Schemes (CIS).
- A NMPI encompasses: Units in an Unregulated Collective Investment Scheme (UCIS);
- Units in a Qualified Investor Scheme (QIS);
- Securities issued by special purpose vehicles (SPVs) (other than excluded securities);
- Traded life policy investments (TLPs); and
- Rights to or interests in investments in any of the above.
- NMPIs are unlikely to be suitable for the average or ordinary retail investor; they are more likely to be appropriate for professional or institutional investors and to those clients who are sophisticated investors, and have significant investment experience of investing in these types of investments, and understand all the associated risks

#### Specific risks

- High risk and illiquid
- A client investing in a NMPI could lose some or all of their investment
- Unlike regulated CIS, NMPI may not be subject to investment and borrowing restrictions aimed at ensuring a prudent spread of risk, therefore the risk of a total or partial loss of capital is much higher. As a result they are generally considered to be a high risk investment and you should always ensure that you understand the risks before investing
- You may not be covered by the Jersey Financial Services Ombudsman; should you have a complaint about the fund.
- Some investments do not have cancellation rights
- UCIS are not regulated by Jersey (or other) authorities and therefore do not provide the same protections as regulated investment funds. Furthermore, their holdings are difficult to value because of the lack of market pricing.

#### Warrants – attributes

A warrant is a security that entitles the holder to buy the underlying stock of the issuing company at a fixed exercise price until the expiry date.

- A relatively small movement in the price of the underlying security can result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant
- Warrants may appear in clients' portfolios after the process of an initial public offering of an investment trust as they are often issued with ordinary shares at the same time
- It is however, unlikely that an investment manager would include warrants in a client's portfolio unless they have a particularly aggressive growth mandate.

#### Specific risks

- The price of warrants can be volatile.
- It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time – should the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless
- Warrants are usually only appropriate for clients with the willingness and ability to take a high degree of risk with their investments – you should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or transaction fees.

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