

Rathbones Investment Management

# TERMS OF BUSINESS

Please keep for your records.

Valid from 1 September 2024

Rathbones Investment Management Limited is a restricted provider of investment management services for its clients. We generally select and manage investments across the whole of the relevant investment market. However, for some clients with lower levels of assets or specific mandates we may invest wholly or mainly in funds, including investing solely in In-House Funds. We do not provide advice on pensions and life assurance policies under these Terms.

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# KEY POINTS

## Our Agreement

Our legal relationship is governed by these Terms and a number of other documents which we provide to you, as set out in term 1.5.1. These documents form our **Agreement**. You should read these Terms and the other documents we give you carefully and before signing the Client Agreement. The Agreement is legally binding on you and us. If there is anything you do not understand, or if you have any questions, please contact us.

## Key points

We have set out below key points in the Terms to draw them to your attention and to aid your understanding. These key points are not a substitute for reading the Terms in detail. We have included a contents page to help you find relevant provisions in the Terms. A list of defined terms is included in Annex 1.

## What services do you provide in relation to this agreement?

Our principal service is discretionary investment management and we provide related custody, dealing and settlement administration. We also provide certain other ancillary services as listed in the Terms including limited banking services.

## Responsible investment

We will provide our services consistent with our approach to responsible investment, including, where we are able to, exercising voting rights, engaging with companies and taking other actions (which may include proposing resolutions).

We may, from time to time, conclude that certain activities or companies do not align with our approach to responsible investment and categorise such investments as excluded investments. This means that:

- we will not buy more of such investments for you
- where we have discretion, we may sell some, or all, of such investments in your Portfolio. We will decide the best time to do so.

We regularly review our approach to responsible investment, the response of companies to our engagement and any investments we have categorised as excluded investments.

We also include information on our approach to responsible investment in term 1.8. Further information is available at [www.rathbones.com](http://www.rathbones.com).

## What are the risks involved in my investment?

There are risks involved in any investment. These include:

- levels of income and prices of investments can and do fluctuate;
- past performance is not an indication of future performance;
- exchange rate risk exists where investments are denominated in a different currency;
- tax treatment of investments can change;
- in certain market conditions some investments can become difficult to sell.

Annex 2 contains information on risks in respect of a range of different investments which we may select from or advise on and investment techniques we may use when creating or recommending your Portfolio.

## What are my obligations as a client?

You must provide us with certain information before we can accept you as a client including evidence of identity and source of funds. You must provide us with information regarding your personal and financial circumstances, Investment Objectives, knowledge and experience regarding financial products and financial services and attitude to risk so that we can ensure our services are suitable and that we act in your best interest. We may also ask you to complete a risk questionnaire.

## Can I cancel this agreement?

You can cancel the Agreement at any time within 14 calendar days from the day after the date we notify you that your Account is open and provide you details of your Account number. You must notify us in writing if you wish to cancel. We will not charge you a fee for cancelling.

If you cancel the Agreement:

- we will still complete any transactions you requested before the cancellation;
- you may get back less than the amount you invested if the value of investments falls between the Effective Date and when you cancel the Agreement; and
- You must pay us for any charges that you incur before cancellation.

Where you take out an ISA, JISA or EIS at any time whilst this Agreement is in force, a separate right of cancellation (again within 14 days) may apply specifically to that product.

**Please see section 1 terms 1.10.1-1.10.7, section 7 terms 7.1.1-7.1.5 and section 8 term 8.15 for further details of how your rights of cancellation operate, and how you can exercise those rights.**

## What are the ongoing requirements of the Agreement?

By signing the Client Agreement you are contractually bound by the Terms.

You must notify us of any material changes to information you have provided to us and provide other information we reasonably request in order to comply with our obligations. If you do not provide us with the information we reasonably need, despite us requesting this, we may cease providing certain services to you and change the type of service we provide to you. If we believe you are or may be a vulnerable client, or we have been unable to contact you, we may reduce the Risk Level for your Portfolio and take such steps we reasonably consider appropriate in order to act in your best interest.

You cannot appoint anyone else to manage your Portfolio whilst our Agreement continues.

You agree to pay our fees and charges plus costs and expenses we incur on your behalf. You are also responsible for any costs and losses that we incur in providing our services to you

## KEY POINTS – continued

except where such costs and losses are caused by us in circumstances where we fail to carry out our duties with reasonable skill, care and diligence.

### What do you do with my information?

We need to collect certain information about you, which may include personal data, to confirm your identity and otherwise provide services to you. Our Privacy Notice for Clients explain how we may treat your personal data.

We are required to collect and disclose certain information to relevant tax authorities regarding our clients. You agree to disclose information about you fully and accurately when requested by us.

### MyRathbones

You can sign up to the MyRathbones Service, our secure online information and messaging portal, so that you and others authorised by you can have online access to information about your Portfolio, and so that you can send and receive secure messages from us via the online portal, and upload information about yourself.

### Responsibility

We accept responsibility where we fail to act with reasonable skill, care and diligence but do not accept responsibility otherwise.

We are not responsible for losses arising out of circumstances beyond our reasonable control.

We do not accept responsibility for losses caused by the default or insolvency of a third party custodian as long as we exercised reasonable skill and care in their selection and ongoing monitoring.

### How do I end the agreement?

You can end our Agreement at any time by giving us written notice. This will not affect liabilities and obligations which are due from either you or us at the date of termination.

We can end our Agreement with you by giving you 30 calendar days' written notice or two months' written notice (in relation to our banking services). In certain circumstances we can give you written notice to end or suspend the services we provide to you immediately, for example, where you fail to comply with the Terms or we have to do so for regulatory or operational reasons.

### How often do changes to these Terms occur?

We typically review and update the Terms on an annual basis.

We can make changes to these Terms from time to time for the reasons and in the manner as set out in the Terms, including written notice in accordance with **section 9, term 9.33**.

### Other important information

We may record telephone conversations and electronic communications (such as by email or SMS) between you and us.

### How do you hold my cash balances?

As we are an authorised bank we normally hold any cash for you as a deposit rather than as **client money**. This means that your money forms part of our balance sheet rather than being held in a segregated client account.

If you owe us money we may **set off** any amounts you owe us against money we owe to you. If you fail to pay money due to us we may sell your investments to recover the money due.

We do not offer or market our services under these Terms outside of the United Kingdom.

### How do I make a complaint?

You can complain to us if something goes wrong regarding our services. You may also be able to complain to the Financial Ombudsman Service.

We are covered by the Financial Services Compensation Scheme and you may be eligible to make a claim if we become insolvent.

# 1 OUR AGREEMENT AND OUR SERVICES

## 1.1 About us

- 1.1.1 We, Rathbones Investment Management Limited, are authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The FCA's present contact address is 12 Endeavour Square, London E20 1JN. The PRA's present contact address is 20 Moorgate, London EC2R 5DA. We are entered on the Financial Services Register with registration number 116316.
- 1.1.2 We operate under the trading names Rathbones Investment Management; Greenbank; Greenbank Investment Management; Greenbank Investments; and Rathbones.
- 1.1.3 We are a restricted provider of investment management services for our clients, which means we can only recommend Rathbones' products and services. When we select and manage investments within your Portfolio, these investments are selected from the whole of the relevant investment market. However, for some clients with lower levels of assets or specific mandates we may invest wholly or mainly in funds, including investing solely in In-House Funds. We do not advise on pensions and life assurance policies under these Terms.
- 1.1.4 Our main business is providing discretionary investment management services in relation to investments for individuals, trusts, charities, pension funds and for the professional advisers of these clients.
- 1.1.5 Our registered office is at Port of Liverpool Building, Pier Head, Liverpool L3 1NW.
- 1.1.6 Our head office is at 8 Finsbury Circus, London EC2M 7AZ. The telephone number of our head office is 020 7399 0000.
- 1.1.7 Details of all our offices are available on our Website. We will provide you with the address and contact details of the office where your Investment Manager who deals with your Portfolio is based.

## 1.2 Purpose of these Terms

- 1.2.1 The purpose of these Terms is to set out the basis upon which we agree to provide certain services to you and your obligations in relation to such services.
- 1.2.2 It is very important that you read these Terms carefully. We recommend that you keep a copy of these Terms for your records. A copy is also available on request. If there is anything you do not understand or if you have any questions, please contact your Investment Manager.

## 1.3 Structure of these Terms

- 1.3.1 These Terms comprise a number of sections.
- 1.3.2 The contents of these sections and how they apply are explained below:
- a section 1 sets out our details, explains how these Terms operate and the documents that make up our Agreement. This section applies to all clients

- b section 2 contains terms specific to our discretionary investment management services and applies if we provide this service to you
- c section 3 contains terms specific to our non-discretionary investment management services and applies if we provide this service to you
- d section 4 contains terms specific to our advisory services and applies if we provide this service to you
- e section 5 contains terms specific to our execution-only services and applies if we provide this service to you
- f section 6 contains terms specific to our custody, dealing and settlement administration and applies where we provide these services to you
- g section 7 contains terms specific to where we provide our services as ISA Manager or EIS provider
- h section 8 contains terms specific to our limited banking services and applies where we provide such banking services to you
- i section 9 contains terms which apply to all clients
- j Annex 1 contains a list of defined terms used in the Terms and rules on interpretation
- k Annex 2 contains information and risk warnings relevant to different types of investments, markets and investment techniques and is relevant to all clients. You should read this Annex carefully.

## 1.4 The services you select

- 1.4.1 You will select the services you require from us in the Client Agreement (or otherwise request from time to time).
- 1.4.2 We do not promote or advertise our services or activities in countries outside of the United Kingdom. If you are situated outside of the United Kingdom we will only provide our services or activities where you have asked us to at your own initiative.

## 1.5 The Agreement between us

- 1.5.1 The Agreement between us comprises:
- a the documents in the Contractual Pack, which includes these Terms and documentation referred to in these Terms
  - b the documents in the Agreement Pack (including the Client Agreement)
  - c where we have accepted your registration to use MyRathbones Service, the MyRathbones Terms & Conditions
  - d any terms that we provide you with if we agree to provide you with additional services.
- 1.5.2 Please ensure that you have both the Contractual Pack and the Agreement Pack and all documents listed in each. The definitions of Contractual Pack and Agreement Pack list the documents included in each pack (please note these may change in the future).

# 1 OUR AGREEMENT AND OUR SERVICES – continued

1.5.3 We need to obtain certain information about you (and in some circumstances persons related or connected to you) to accept you as a client, to provide you with services and to satisfy our legal and regulatory obligations. For example, detailed evidence of your identity and source of funds or wealth information to comply with anti-money laundering obligations. We may ask you to provide this information at any time before or after we provide you with services or gather this information by conducting electronic checks on you. We may also require that you provide evidence in support of the information you provide. We will not be able to accept you as a client, open any Account for you or provide you with any services, including receiving or crediting funds into an account for you, if you do not provide us with the information we ask for. We can also terminate this Agreement if you do not provide us with the information we ask for.

1.5.4 In addition to the reasons set out in term 1.5.3, we may, for any reason, decline to:

- a accept you or any person, as a client
- b provide any service to you or execute any transaction requested by you.

We will try to let you know if this is the case, unless we are not allowed to.

1.5.5 We will not provide you with separate key facts documentation about our services and their cost. All the information provided by such documentation can be found in the documents which make up our Agreement.

## 1.6 Your Investment Mandate

1.6.1 We will use the following information to form the basis of your Investment Mandate for your Portfolio or (where applicable) for a Fund:

- a the information we ask you to provide us regarding your financial circumstances and your knowledge and experience of financial services
- b the information we ask you to provide us in a risk questionnaire
- c any other information that would inform your investment parameters, including any investment strategy, investment time horizon and any constraints, restrictions or preferences that we agree with you
- d the investment Objective and Risk Level for your portfolio or (where applicable) for each Fund that you agree with us.

1.6.2 We must undertake an ongoing suitability assessment to ensure that we act in your best interest where we provide discretionary investment management services, non-discretionary investment management services or advisory services.

1.6.3 It is very important that you provide us with up to date, complete, full and accurate information about you and your circumstances as we rely on this information

when providing our services to you. We will not be responsible if we take actions based on inaccurate or incomplete information provided by you. You must:

- a provide us with updated information as we reasonably request
- b notify us promptly of any material change to the information you have provided to us including information in relation to your financial circumstances, risk tolerance, your ability to bear losses, your knowledge and experience of financial services
- c notify us if you wish to amend any aspect of your Investment Mandate, Investment Objective or Risk Level.

1.6.4 If you do not provide us with the information we need or ask you for, we will not be able to carry out a suitability assessment. If that is the case:

- a we may stop providing you with discretionary investment management services, non-discretionary investment management services or advisory services (as applicable) and change the service we provide to an execution-only service
- b if we consider that you are or may be a vulnerable client, or, if we have been unable to contact you, we may:
  - i reduce the Risk Level for your Portfolio (or Fund)
  - ii take such other steps as we reasonably consider to be in your best interests which may include, amongst other things, re-investing your Fund or Portfolio in In-House Funds or converting your investments to cash

c we will try to let you know before we make any of the changes set out in term 1.6.4(a) or 1.6.4(b), but the changes will still be effective if we cannot contact you.

1.6.5 Where we are providing discretionary or non-discretionary investment management services, your Investment Objective will not be breached because of any events or circumstances outside our control. For example, we will not have breached your Investment Objective if there are changes in the price or value of assets in your Portfolio or in a particular Fund brought about because the market has moved. However,

- a where we are providing discretionary investment management services, we will try to address any such breach as soon as reasonably practicable
- b where we are providing non-discretionary investment management services, we will try to recommend to you how to address any such breach as soon as reasonably practicable.

## 1.7 MyRathbones

1.7.1 We offer the MyRathbones service which is an online facility available via a secure portal that enables you (and persons authorised by you) to access information

# 1 OUR AGREEMENT AND OUR SERVICES – continued

in relation to your Portfolio and for you to send us messages and information regarding you and your Portfolio, and to receive messages from us.

- 1.7.2 The MyRathbones service is subject to additional terms and conditions, as updated from time to time, available at [www.rathbones.com](http://www.rathbones.com).

## 1.8 Responsible investment

- 1.8.1 We will provide our services consistent with our approach to responsible investment, including, where we have discretion, exercising voting rights and engaging with companies and taking other actions (which may include proposing resolutions).
- 1.8.2 We may, from time to time, conclude that certain sectors, activities or companies do not align with our approach to responsible investment and categorise such investments as excluded investments. This means that:
- a we will not buy more of such investments for you
  - b where we have discretion, we may sell, some or all, of such investments in your Portfolio. We will decide the best time to do so.
- 1.8.3 We regularly review our approach to responsible investment, the response of companies to our engagement and any investments we have categorised as excluded investments.
- 1.8.4 Further information on our approach to responsible investment is available at [www.rathbones.com](http://www.rathbones.com).

## 1.9 Effective Date

The Effective Date of Agreement is the date we notify you that your Account is open and provide you with details of your Account number. We will not be responsible for managing your assets until we have control of them. There are risks when assets are withdrawn and transferred to us such as the risk of being out of the market. Further detail is set out in section 9, term 9.3.

## 1.10 Cancellation rights

- 1.10.1 You can cancel our Agreement at any time within 14 calendar days starting the day after the Effective Date. If you would like to cancel the Agreement please write to us before the end of the 14 calendar day cancellation period at the office which we have notified to you as dealing with your Portfolio or our registered office detailed in term 1.1.5.
- 1.10.2 If you cancel our Agreement, our Agreement will end and we will stop providing you with all services including the operation of all Funds and Accounts, and any ISA or JISA. You must notify us in writing if you do not wish any specific Fund (such as an ISA) to be cancelled, as you may lose benefits (including tax benefits) provided by such Funds which once lost cannot be restored.

- 1.10.3 We will normally sell the investments in your Fund if you ask us to cancel the Agreement and we shall not be responsible if you get back less than you invested. However, if you would like any investments within a Fund to be transferred rather than sold, at the same time as you provide us with your notice of cancellation, please also provide us with details in writing of the nominated agent to whom the assets of the Fund are to be transferred.

- 1.10.4 Cancellation will not stop the completion of transactions which started before you requested the cancellation. Cancellation will not affect any rights that are intended to continue beyond the end of this Agreement. This includes the right that we have to be paid by you.

- 1.10.5 You will not have to pay a fee for exercising your right to cancel. However, you:

- a must pay our fees and charges pro rata to the date of cancellation and any additional expenses incurred by us (or a third party) in cancelling this Agreement
- b accept any losses necessarily incurred in settling or concluding outstanding transactions.

- 1.10.6 You may get back less than the amount you invested if the value of investments in your Portfolio falls between the Effective Date and the date we receive your cancellation notice. We will not be responsible for such losses.

- 1.10.7 If you cancel this Agreement, we will return any cash due to you, less any amount deducted in accordance with term 1.10.5, within 30 calendar days of receiving your cancellation notice.

- 1.10.8 Separate cancellation rights may apply with respect to an ISA, JISA or EIS, as set out in section 7.

## 1.11 Your status

- 1.11.1 We have categorised you as a retail client (unless we have informed you separately in writing that we are treating you as a professional client).
- 1.11.2 Where we have categorised you as a professional client you may request in writing to be categorised as a retail client. However, we do not have to agree to such a request and may decline to act for you. We may also, on our own initiative, re-categorise you as a retail client by giving notice in writing to you.

## 1.12 Professional clients

The following provisions of these Terms will not apply, or will apply in modified form, where we have categorised you as a professional client:

- 1.12.1 our obligations regarding our duty of best execution are modified to the extent permitted by the Regulatory Rules
- 1.12.2 suitability rules do not apply and, we shall assume that you have the necessary experience and knowledge to understand the risks involved in relation to the service and where we provide advice, we shall also assume you are able financially to bear any related investment risks



# 1 OUR AGREEMENT AND OUR SERVICES – continued

1.12.3 should you wish to instruct an execution only transaction we are required to assess the appropriateness of the investment for you, and we shall assume that you have the necessary experience and knowledge to understand the risks involved in relation to the investment or service.

## 1.13 Types of Investments

1.13.1 When we provide you with discretionary investment management services, non-discretionary investment management services, and/or advisory services, we may buy, sell, recommend and/or hold the following investments for you:

- a money market instruments
- b fixed income securities
- c equity securities and equivalents
- d small company shares
- e units in collective investment schemes (regulated and unregulated), which may be units in In-House Funds
- f structured investment products and structured deposits
- g structured capital at risk products
- h warrants
- i derivatives
- j commodities
- k exchange traded funds
- l illiquid investments
- m cash and near cash
- n all other securities/investments save as provided for in term 1.16.

1.13.2 The range of investments may be restricted for certain services as explained in the relevant section of the Terms.

**Annex 2 contains information on risks in respect of a range of different investments which we may select from or advise on and investment techniques we may use when creating or recommending your Portfolio.**

## 1.14 Target market

The manufacturers of investments will typically set a target market ie the type of investors the investment is designed for. We may purchase investments on your behalf outside the target market of an investment if we decide that the investment meets your needs and objectives.

## 1.15 Legal Entity Identifier

If you are a legal entity or structure (eg a company, charity or trust), you must have a Legal Entity Identifier (LEI) and notify us of your LEI so we can execute transactions for you in respect of most types of

investments. If you do not have an LEI where one is required, we will not be able to execute transactions for you and may suspend or cease providing services to you. Individuals are usually not required to have an LEI.

## 1.16 Limitations in respect of our Services

1.16.1 There are limitations to the scope of services we provide under this Agreement. For example:

- a we will not provide any services relating to direct investment in futures, options or contracts for differences involving margin
- b we will not provide any facility which requires an investment to be sold when it reaches a certain price or falls by a certain percentage and which is designed to limit an investor's loss on an investment position. These are referred to as facilities for stop loss or stop market trading
- c we will not effect or arrange a transaction for you in relation to any investment where you may or will incur obligations as an underwriter or sub-underwriter unless you and we agree separately in writing
- d we will not sell investments for you if we know that this will result in you having a short position. A short position arises where a person has contracted to sell investments which they do not currently own
- e we will only hold shares in Rathbones Group Plc in an execution-only Portfolio in accordance with our Conflicts of Interest Policy, which forms part of your Agreement.

1.16.2 We may ask you to provide us with certain information on specific transactions to fulfil our regulatory and legal obligations. We may not be able to provide our services to you if you do not provide us with the information.

1.16.3 Each section of these Terms describes additional restrictions relevant to the specific services covered in each section.

1.16.4 Our obligations under this Agreement are limited to your Portfolio and the specific services we agree to provide. We will not act as your general investment adviser. Under these Terms we do not advise, and do not hold ourselves out as advising you on your financial affairs, pensions, taxation, offshore investments, or other matters which are not expressly agreed under these Terms. If we give you any tax advice, it will be in the context of the investment management service offered by us and you should not rely upon this to establish your tax liability. You may need to seek your own independent tax advice.

1.16.5 We and other firms within the Rathbones Group also provide a range of other services, including certain offshore services, which are subject to the specific terms applicable to those services. Please ask your Investment Manager if you would like to find out more about other services available from us and other members of the Rathbones Group.

# 1 OUR AGREEMENT AND OUR SERVICES – continued

## 1.17 Arrangements involving a third-party provider

- 1.17.1 We may be bound under a contractual agreement with a third-party provider where you are a beneficiary or policyholder of a Portfolio which is legally owned by a third-party provider (for example, your SIPP or an offshore insurance bond). Our contract with the third-party provider may prevail over this Agreement if it imposes additional terms. For example, the third-party provider or its agent(s) may:
- instruct us to act without reference to you and/ or limit your rights under section 9, term 9.8 generally
  - prevent us accepting monies or assets directly from you
  - prevent instructions from you on payments or receipts to or from third parties under section 9, term 9.8.4, or to and from any parties other than the legal owner or their nominee
  - place restrictions on the investments permitted within the Portfolio which will take precedence over your instructions or direction.
- 1.17.2 If you are a beneficiary or policyholder of a Portfolio which is legally owned by a third-party provider:
- we will provide custody, dealing and settlement services under section 6 directly to your third-party provider
  - we will provide banking services under section 8 directly to your third-party provider
  - your eligibility for, and access to, compensation under the FSCS may be different to what is set out in section 9, term 9.25. Your third-party provider can provide you with details of the compensation arrangements (if any) that apply to their product.
- 1.17.3 Please contact us if you would like to receive further information regarding our Agreement with your third-party provider.

## 1.18 Introductions to non-UK firms

We may introduce you to firms (including members of the Rathbones Group) who carry on business outside of the UK. Our Website may include links and references to websites (including websites of the Rathbones Group) located outside of the UK. The protections afforded by the UK regulatory system, including the FSCS, will normally not apply to services carried out for you outside of the UK, including the purchase of non-UK funds. Such services or funds may be completely unregulated.

## 1.19 Non-exclusive relationship

We also provide our services to other clients. We may give different advice or take different actions for other clients to those we take for you, subject to our Best Execution Policy and Conflicts of Interest Policy, which form part of this Agreement.

## 1.20 Bare Trusts

- 1.20.1 Where you are acting as the trustee(s) of a bare trust, this term 1.20 will apply. You, in this context, means the person(s) acting as the trustee(s) of the bare trust and not the beneficiary.
- 1.20.2 We publish related guides called "What is a Bare Trust?" and "Bare Trust FAQs" which explain what a bare trust is and our role as discretionary investment manager of the assets of a bare trust. These documents are available on request. We do not provide trusts advice under these Terms and the FCA does not regulate trusts advice.
- 1.20.3 When the beneficiary of a bare trust reaches age 18 they are (subject to the terms of the underlying trust instrument(s)) legally entitled to the assets of the bare trust and may take control of them. As a result, many bare trust structures are terminated at that point.
- 1.20.4 If you wish the trust structure to continue after the beneficiary reaches age 18 and up until they reach age 25 (or an earlier age), and for us to continue to act as discretionary investment manager, we may agree to do so but you and we will need to agree this in writing, and this is subject to terms 1.20.5 and 1.20.6 below.
- 1.20.5 When the beneficiary reaches the age of 25 (or such earlier age as may be agreed in writing with you), in order for us to continue to provide discretionary investment management services either:
- the beneficiary must instruct us directly to act as their discretionary investment manager in their capacity as beneficial owner of the trust proceeds, or
  - the beneficiary must instruct us to act as their discretionary investment manager but give authority to you as the former trustee(s) of the bare trust to continue to give instructions on their behalf.
- 1.20.6 If we do not receive instructions as set out in term 1.20.5 we may terminate the client relationship with you on thirty days' written notice and require the Portfolio to be transferred to another authorised investment firm. This ability to terminate the client relationship is in addition to our rights under term 9.16.

## 2 DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

This section applies where we provide you with discretionary investment management services.

### 2.1 Description of the services

- 2.1.1 We will, normally acting as your agent, and at our discretion make decisions to invest the assets in the Portfolio subject to our suitability obligations. We will also monitor your Portfolio on an ongoing basis.
- 2.1.2 Subject to applicable law and these Terms, we have full discretion to:
- a buy and sell investments and other assets on your behalf, for your Portfolio, without asking you
  - b deal with Corporate Actions and voting rights in relation to assets in your Portfolio, as set out at term 2.5
  - c enter into any kind of transaction on your behalf in respect of your Portfolio using a broker or agent if we choose (whether by way of purchase, sale, retention, exchange or other dealing, by the making of deposits or offers for sale, by the acceptance of placings, or otherwise) in respect of any investments, other assets and any markets.
- 2.1.3 We can generally buy investments for you across the whole of the relevant investment market, subject to these Terms and the Regulatory Rules. We are not limited to, and are not incentivised to, purchase particular products or investments or use particular providers.
- 2.1.4 For certain clients and to meet the requirements of some Investment Mandates, we may invest wholly, mainly, or partly in collective investment schemes or funds, including investing solely in In-House Funds.

### 2.2 Your Investment Mandate

In providing our discretionary investment management services we will have regard to the Investment Mandate (including your Investment Objective and Risk Level) for your Portfolio. We will normally assess suitability primarily by reference to the Investment Mandate and the composition of your resultant Portfolio as a whole, unless we agree otherwise with you.

### 2.3 Fund consolidation

We may consolidate all your Funds within the same Portfolio for the purposes of asset allocation if we consider it appropriate. This enables us to make decisions across all your Funds within the same Portfolio in the best interests of your Portfolio as a whole.

### 2.4 Requests in relation to specific investments

- 2.4.1 If you ask us to buy or sell specific investments for your Portfolio, we can decide whether we do or do not proceed, taking into account your Investment Mandate and our suitability obligations.
- 2.4.2 If we decide not to proceed with an investment or transaction you request, you can still ask us to do so outside of our discretionary investment management services. If we agree to do so we will set up a new Fund

as part of a separate Portfolio, to hold the separate portion of assets. We will discuss and agree with you the type of service we can provide in respect of the Fund and which other sections of these Terms apply to the specified transaction or investment.

### 2.5 Corporate Actions or voting rights

- 2.5.1 Subject to any standing written instructions you have provided to us, you authorise us (subject to our Conflicts of Interest Policy) to take such action (including no action) as we consider appropriate regarding Corporate Actions, voting rights, or any other rights or actions (which may include the exercise of shareholder rights to require investee companies to take specific actions), in our own name or jointly with others, in respect of investments in your Portfolio if we think it is in your best interests to do so.
- 2.5.2 We do not have to notify you of actions or decisions we take. You can ask us for a copy of our current Voting Policy and approach to responsible investment and stewardship.

### 2.6 Reports

- 2.6.1 We shall provide you with periodic reports in respect of your Portfolio every three months or more frequently if you request. If you have a Leveraged Portfolio, we will provide you with periodic reports at least once a month. We will normally provide you with the reports within 30 days of the end of the period to which the report relates. We will not provide you with a report if another person provides you with a periodic report, unless you specifically ask us to.
- 2.6.2 Each periodic report will include information such as a valuation of your Portfolio, details of transactions carried out in respect of your Portfolio, and a statement of monies held on any Account with us.
- 2.6.3 We will provide regular reports of how your investments meet your preferences, objectives and other characteristics.
- 2.6.4 We are not required to provide you with a notice confirming the execution of each order on a transaction-by transaction basis, however:
- a where you specifically ask to receive such information we shall promptly send you a confirmation notice
  - b we may, if we choose to, send you information about executed transactions on a transaction-by-transaction basis, with explanatory material as we think appropriate as an additional service. We do not have to send you this information within a particular timeframe.
- 2.6.5 You should check the contents of the periodic reports and confirmations we send you carefully and let us know as soon as possible of any inaccuracy.

### 2.7 Performance measurement

- 2.7.1 We will include a measure of performance in the periodic reports which can be compared against such indices or benchmarks as may be disclosed and/or agreed with you from time to time. You can ask us for more information.

## 3 NON-DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

This section applies where we provide you with non-discretionary investment management services.

### 3.1 Description of the Services

- 3.1.1 We will:
- a manage the investments within your Portfolio or Fund as per your investment mandate. We will advise you on our own initiative or when you ask us to, on the merits of you buying or selling an investment in respect of your Portfolio, or regarding a particular Fund subject to our suitability obligations. We will only carry out any subsequent purchase or sale for you if you instruct us to monitor your Portfolio (or Fund, as applicable) on an ongoing basis and review its suitability considering your Investment Mandate.
- 3.1.2 If we give you investment advice, you will be responsible for deciding whether or not to act upon that advice.
- 3.1.3 Subject to section 1, term 1.17 and your Investment Mandate, we may provide advice across the whole of the relevant investment market subject to these Terms. We are not limited to, and are not incentivised to, recommend particular products or investments or use particular products.

### 3.2 Your Investment Mandate

In giving advice we will have regard to your Investment Mandate (including your Investment Objective and Risk Level). We will normally assess suitability primarily by reference to the Investment Mandate and the composition of your resultant Portfolio as a whole, unless we agree otherwise with you.

### 3.3 Key investor documents

Where we provide advice on PRIIPs or UCITS funds we will provide to you a copy of the relevant KID or KIID, as applicable, in good time before the transaction is concluded.

### 3.4 Fund consolidation

We may consolidate all of your Funds for the purposes of advising on asset allocation if we consider it appropriate, unless you expressly ask us in writing not to. This enables us to give advice across all your Funds in the best interests of your Portfolio as a whole.

### 3.5 Non-advised services

If you ask us to buy or sell a specific investment but without us giving you advice, and we agree to do so, we may need to separate the relevant portion of assets from the rest of your Portfolio. We will set up a new Fund as part of a separate Portfolio which will hold the separate portion of assets. We will discuss and agree with you the type of service we can provide in respect of the Fund and which other sections of these Terms apply to the specific investment.

### 3.6 Corporate Actions

- 3.6.1 We will try to contact you when a Corporate Action arises. However, Corporate Actions are subject to strict timelines and our ability to contact you, provide full information and receive your instructions may be limited by circumstances not in our control.
- 3.6.2 We do not have to act in respect of a Corporate Action unless we receive your instructions in sufficient time before the relevant deadline to allow us to act. If you do not give us instructions in time or if we cannot contact you, we may take such action or not take any action as we consider appropriate taking account of the costs and benefits.

### 3.7 Voting rights

Generally we do not have to notify you or obtain your instructions in relation to voting rights in respect of investments in your Portfolio. However, we use best endeavours to notify you of your voting rights with regards to EU listed equities unless you have previously opted out of this service. We will only exercise voting rights if we receive timely instructions from you.

### 3.8 Reports

- 3.8.1 We shall promptly send you a notice confirming the execution of the order for each transaction order.
- 3.8.2 We shall provide you with periodic reports in respect of your Portfolio every three months or more frequently if you request. If you have a Leveraged Portfolio, we will provide you with periodic reports at least once a month. We will normally provide you with the reports within 30 days of the end of the period to which the report relates. We will not provide you with a report if another person provides you with a periodic report, unless you specifically ask us to.
- 3.8.3 Each periodic report will include information such as details of transactions carried out in respect of your Portfolio and a statement of sums held on any Account with us.
- 3.8.4 We will provide suitability reports whenever we provide you with advice. We will upon request provide the suitability report to you before the relevant transaction and otherwise, or if we cannot deliver it before the transaction, immediately after the relevant transaction. You agree to receiving such suitability report without undue delay after the order is made. You may ask us to delay the transaction where we cannot provide a suitability report before the relevant transaction.
- 3.8.5 You should check the contents of the periodic reports and confirmations we send you carefully and let us know as soon as possible of any inaccuracy.

### 3.9 Performance measurement

- 3.9.1 We will include a measure of performance in the periodic reports which can be compared against such indices or benchmarks as may be disclosed and/or agreed with you from time to time. You can ask us for more information.

## 4 ADVISORY SERVICES

This section applies where we provide you with advisory services.

### 4.1 Description of Services

- 4.1.1 We will provide advice to you on the merits of you buying or selling an investment in respect of your Portfolio, or in respect of a particular Fund, when requested by you, subject to our suitability obligations. We will only provide advice on the specific transaction and will not take into consideration the particular Fund or Portfolio as a whole. We will only carry out any subsequent purchase or sale for you if you ask us to.
- 4.1.2 You are responsible for deciding whether or not to act on advice we give you.
- 4.1.3 We are not responsible for:
- a advising on and/or reviewing the suitability of your Portfolio on an ongoing basis
  - b advising on and/or reviewing any individual Fund or individual securities within them
  - c monitoring the performance of your Portfolio (or a particular Fund) on an ongoing basis or otherwise.
- 4.1.4 We will not provide a periodic suitability assessment or report in respect of your Fund or Portfolio.

### 4.2 Your Investment Mandate

In giving you advice we will have regard to your Investment Mandate (including your Investment Objective and Risk Level).

### 4.3 Key investor documents

If we provide you with advice on PRIIPs or UCITS funds we will provide to you a copy of the relevant KID or KIID, as applicable, in good time before the transaction is concluded.

### 4.4 Non-advised services

If you ask us to buy or sell a specific investment, but without us giving you advice, and we agree to do so, we may need to separate the relevant portion of assets from the rest of your Portfolio. We will set up a new Fund as part of a separate Portfolio which will hold the separate portion of assets. We will discuss and agree with you the type of service we can provide in respect of the Fund and which other sections of these Terms apply to the specific investment.

### 4.5 Corporate Actions

- 4.5.1 We will try to contact you when a Corporate Action arises. However, Corporate Actions are subject to strict timelines and our ability to contact you, provide full information and receive your instructions may be limited by circumstances not in our control.

- 4.5.2 We do not have to act in respect of a Corporate Action unless we receive your instructions in sufficient time before the relevant deadline to allow us to act. If you do not give us instructions in time, or if we cannot contact you, we may take such action or not take any action as we consider appropriate taking account of the costs and benefits.

### 4.6 Voting rights

Generally, we do not have to notify you or obtain your instructions in relation to voting rights in respect of investments in your Portfolio. However, we will use best endeavours to notify you of your voting rights with regards to EU listed equities unless you have previously opted out of this service. We will only exercise voting rights if we receive timely instructions from you.

### 4.7 Reports

- 4.7.1 We shall promptly send you a notice confirming the execution of the order for each transaction order.
- 4.7.2 We shall provide you with periodic reports in respect of your Portfolio every three months. We will normally provide you with the reports within 30 days of the end of the period to which the report relates. Where another person provides such a periodic report, we will not send one unless specifically requested.
- 4.7.3 Each periodic report will include information such as a valuation of your Portfolio, details of transactions carried out in respect of your Portfolio and a statement of sums held on any Account with us.
- 4.7.4 You should check the contents of the periodic reports and confirmations we send you carefully and let us know as soon as possible of any inaccuracy.
- 4.7.5 We will provide suitability reports whenever we provide you with advice. We will upon request provide the suitability report to you before the relevant transaction and otherwise, or where prior delivery is not possible, immediately after the relevant transaction. By agreeing to these Terms, you consent to receiving such suitability report without undue delay after the order is made. You may ask for the transaction to be delayed where we cannot provide a suitability report before the relevant transaction.
- 4.7.6 You should check the confirmation carefully and let us know as soon as possible if the details differ from your instructions.



## 5 EXECUTION-ONLY SERVICES

This section applies where we provide you with execution-only services.

### 5.1 Description of services

- 5.1.1 Execution-only services are relevant for you when you are making your own investment decisions and you do not need advice. We will only provide you with execution-only services where we provide custody services in relation to your Portfolio, but not otherwise.
- 5.1.2 Our execution-only services involve us arranging the purchase, or sale of certain investments (for example certain listed shares, bonds and investment funds) following instructions from you. Our execution-only services only cover a limited range of investments since our main business is discretionary investment management. Please contact your Investment Manager for more information on the range of investments covered.
- 5.1.3 We may, on reasonable grounds, refuse an instruction to execute a transaction, or restrict you from making a purchase. This may be the case, for example, where:
- a we do not provide execution-only services in relation to the investment or product
  - b the investment is subject to legal restrictions (such as sanctions)
  - c the investment does not align with our responsible investment policy and we have categorised it as an excluded investment (see further in term 1.8.2).
- 5.1.4 If we accept your instructions, we will use reasonable endeavours to arrange for the execution of the transaction as soon as practicable, however we cannot guarantee that your instructions will be carried out or that they will be carried out immediately as transactions will be subject to market conditions. Subject to our legal obligations we will notify you if we are unable to execute an accepted instruction or if there will be a material delay in doing so.
- 5.1.5 If we give you a price for buying or selling an investment, you acknowledge that this will be an indicative price, and we cannot guarantee that this will be the price at which we execute the transaction as market prices move continuously. For certain investment funds, due to how these funds are priced, prices are not normally available in advance of the transaction.
- 5.1.6 We will hold investments bought, and proceeds received, in the course of our execution-only services for you in a separate Account.
- 5.1.7 For execution-only services in respect of Non-Complex Instruments (for example, shares traded on a regulated market such as the London Stock Exchange and some UCITS funds) we are not required to assess the appropriateness of the investment.
- 5.1.8 Where execution-only services relate to a Complex Instrument (for example, a warrant, some types of investment trust, or a structured UCITS fund):

- a we shall owe you a duty under the Regulatory Rules to assess the appropriateness of the transaction by reference to your experience, knowledge, and understanding of the risks involved
  - b if we consider, based on information that we hold about you, that the execution-only transaction is not appropriate for you, we will warn you about this
  - c if you ask us to proceed with the transaction even after our warning, we reserve the right not to do so having regard to the circumstances.
- 5.1.9 We will not owe you a duty to advise on the merits or suitability of any execution-only transaction you enter into, contemplate or request us to carry out. You agree that you will rely on your own judgment for all decisions as regards execution-only services.

### 5.2 Compliance with laws on market abuse and insider dealing

- 5.2.1 You are responsible for ensuring that your instructions do not breach the UK market abuse regime or involve insider dealing. The UK market abuse regime is a civil regime which bans insider dealing, unlawful disclosure, market manipulation and attempted manipulation. Insider dealing and market manipulation are criminal offences in the UK.
- 5.2.2 If you have any doubts about compliance with the UK laws on market abuse and insider dealing you should seek legal advice.

### 5.3 Corporate Actions

- 5.3.1 We will try to contact you when a Corporate Action arises. However, Corporate Actions are subject to strict timelines and our ability to contact you, provide full information and receive your instructions may be limited by circumstances not in our control.
- 5.3.2 We do not have to act in respect of a Corporate Action unless we receive your instructions in sufficient time before the relevant deadline to allow us to act. If you do not give us timely instructions, we may take such action or not take any action as we consider appropriate taking account of the costs and benefits.

### 5.4 Voting rights

Generally we do not have to notify you or obtain your instructions in relation to voting rights in respect of investments in your Portfolio. However we will try to notify you of your voting rights with regards to EU listed equities unless you have previously opted out of this service. We will only exercise voting rights on receipt of and in accordance with your instructions.

### 5.5 Key investor documents

If we arrange for the purchase on your behalf of a PRIIP or UCITS fund, we will provide to you a copy of the relevant KID or KIID, as applicable, in good time before the transaction is concluded.

## 5 EXECUTION-ONLY SERVICES – continued

### 5.6 Reports

- 5.6.1 In respect of each transaction order completed, we shall promptly send you a notice confirming the execution of the order.
- 5.6.2 We shall provide you with periodic reports in respect of your Portfolio every three months. We will normally provide you with the reports within 30 days of the end of the period to which the report relates. Where such a periodic report is provided by another person, we will not send one unless you specifically ask us to.
- 5.6.3 Each periodic report will include information such as a valuation of your Portfolio, details of transactions carried out in respect of your Portfolio and a statement of sums held on any Account with us.
- 5.6.4 You should check the contents of the periodic reports and confirmations we send you carefully and let us know as soon as possible of any inaccuracy.

## 6 CUSTODY, DEALING AND SETTLEMENT SERVICES

This section applies where we provide you with custody, dealing and settlement services, which is the case for most clients.

### 6.1 Description

- 6.1.1 We will provide our custody, dealing and settlement services in accordance with the FCA Rules (including the FCA client assets sourcebook).
- 6.1.2 We will provide custody services for you in respect of your Portfolio at Fund level, unless otherwise agreed with you.
- 6.1.3 Our custody, dealing and settlement services comprise:
  - a safekeeping investments within your Fund
  - b arranging for the registration of your investments
  - c settling transactions in respect of your Fund
  - d collecting income in relation to your Fund
  - e carrying out of other administrative actions in relation to your Fund.
- 6.1.4 We will take appropriate steps, in accordance with the FCA Rules, to seek to protect your investments and have policies and procedures in place to prevent your assets from being used wrongfully, including close monitoring of transactions and prompt follow up if securities are not delivered on the settlement date and beyond. We will maintain records to show that the investments which we hold for you are held on your behalf.

### 6.2 How your investments are held and registered

- 6.2.1 Registration of your investments
  - a We will usually appoint a third party to hold your investments for you. We may also hold your investments and if we do, we will hold them in accordance with the Regulatory Rules.
  - b Investments in your Fund will normally be registered or otherwise recorded in the name of a nominee company that is controlled by us or a Rathbones Group company, a third-party custodian selected by us, or a recognised investment exchange. Investments may also be registered in your name.
  - c In some circumstances, legal title to your investments may be registered or recorded in the name of a third-party or in our name. This would be the case if the investment is subject to the law or market practice outside the UK and, because of this, legal title to your investment cannot be registered or recorded as described above.
  - d Where your investments are held or recorded in the same name as our assets, we will ensure that your investments are separately identified in our records from our own assets.
  - e Where you instruct us, and we agree to arrange for your investments to be held in the name of any

person other than those specified in this term 6.2, we do not accept any responsibility for the acts or omissions of that person and you do so entirely at your own risk.

### 6.2.2 Third party custodians

- a We may deposit your investments into an account or accounts opened with third party custodians appointed by us. We will conduct an appropriate risk assessment and exercise all due skill, care and diligence in the selection, appointment, and periodic review of custodians we may use to hold your investments and in agreeing the terms on which each custodian may appoint its own sub-custodian. However, we will not be responsible for any acts, omissions or default of any custodian we deposit your investments with except where such a default is caused by the negligence, fraud or wilful default of us or a Rathbones Group company.
- b Although we will try to ensure that adequate arrangements are made to safeguard your rights, particularly in insolvency, your investments may be at risk if the custodian defaults or becomes insolvent.
- c We may deposit your investments with a third-party custodian outside the UK which does not regulate the activity of holding and safekeeping of investments if this is required under local laws or because of the nature of the investments or the services connected with them.
- d Unless this is not possible because of local law, we will take reasonable steps to ensure that the third-party custodian records investments separately from any assets belonging to the third-party custodian or us.
- e We have appointed a global custodian to perform custody services, our global custodian may appoint sub-custodians. We may change our global custodian or appoint other delegates during the term of our Agreement.

### 6.2.3 Holding your investments with other clients' investments

- a Your investments may be held together with those of other clients in an omnibus account, which is an account that holds the investments for multiple investors. This is also sometimes referred to as pooling investments. We maintain internal records to identify your investments.
- b Holding investments in omnibus accounts has certain risks. For example:
  - i your entitlement to specific investments may not be identifiable by separate certificates, physical documents of title or equivalent electronic records
  - ii if we or a sub-custodian that holds your investments becomes insolvent or defaults, any shortfall may be shared pro rata among all clients whose investments are registered or held in the same name and you may not receive your full entitlement



## 6 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

- iii your entitlement arising out of shares, income and Corporate Actions will be distributed, pro rata, in proportion to the amount you hold or as we see fit
- iv it also means we will use investments from the pool of investments to settle transactions.
- c You can ask us about holding your investments in an individually designated account if you do not want your investments to be held on a pooled basis. Additional terms and fees will apply. Please contact your Investment Manager for further information.

#### 6.3 Documents of title

- 6.3.1 We will hold all documents of title to investments held in your Fund in accordance with term 6.2, or we may appoint a third party to hold the documents for you. We will ensure that when evidence of title to your investments is in uncertificated form or otherwise transferable by book entry transfer, or where title passes by delivery, evidence of title will be maintained in such a way that your investments are separately identifiable from investments held in the same way for our accounts or for any member of the Rathbones Group.
- 6.3.2 We will ensure that any documents we hold for you in bearer form are kept separately from documents of title to our own assets in bearer form.

#### 6.4 Shortfalls in investments

An investment shortfall is where the investments held by us, or a third party, on your behalf fall short of the amount we are obliged to hold for you. If we identify a shortfall and have not yet resolved it:

- 6.4.1 and we conclude that another person is responsible for the discrepancy or the discrepancy is due to a timing difference between the accounting system of that other person and us, we will take all reasonable steps to resolve the situation with the other person without undue delay, and may take appropriate steps as referred to below
- 6.4.2 and we are responsible for the shortfall or where we are investigating the matter and consider it appropriate to do so, we may take appropriate steps under the Regulatory Rules until we resolve the shortfall which may include:
  - a appropriating a sufficient number of our own assets to cover the value of the shortfall and holding them under the Regulatory Rules in such a way that they will be available to the relevant clients in the event of our failure
  - b appropriating a sufficient amount of our own money to cover the value of the shortfall and holding it as client money under the FCA client money rules
  - c a combination of (a) and (b) above which in aggregate is sufficient to cover the value of the shortfall.

#### 6.5 Best execution

- 6.5.1 We will take all sufficient steps to obtain the best possible result for you when we execute orders on your behalf or receive and transmit orders to other entities for your Fund taking relevant factors into account. This is known as “best execution”. We have a Best Execution Policy to comply with our best execution obligations. We review our Best Execution Policy annually and whenever a material change occurs that affects our ability to continue to provide best execution. We will notify you of any material changes to our Best Execution Policy. We have provided you with a copy of our Best Execution Policy.
- 6.5.2 If we pass an order to another party for execution, that other party may execute the trade outside a Trading Venue.
- 6.5.3 We may not be able to take all sufficient steps to obtain the best possible result for you where you provide us with specific instructions in relation to the execution of an order, or part of an order (for example instructions as to execution venue, price, or timing).
- 6.5.4 We must assess the compatibility of financial instruments with your needs to ensure that financial instruments are delivered to you only when this is in your best interests. This means that we may be delayed in executing your order or we may decline to execute an order for you.
- 6.5.5 Certain transactions we execute may be subject to transaction reporting requirements. You must provide promptly us with all information we may reasonably request and take timely action as we may reasonably request, so we can fulfil any applicable transaction reporting requirements. We may be delayed in executing the transaction or we may not execute the transaction if you do not promptly provide the information we request. We may be required to report certain information about affected transactions to the FCA, which we may do via third parties.

#### 6.6 Carrying out client orders, combining orders and order allocation

- 6.6.1 We will carry out other comparable client orders sequentially and promptly, when we receive the order, irrespective of the client service level. However, this may not be possible if the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client require otherwise. You can ask us for a copy of our policy on carrying out client orders.
- 6.6.2 We may trade transactions in respect of your Fund together with those of other clients and of our employees, and companies within the Rathbones Group and their employees, without asking you first. This is called “aggregation”. Aggregation may work on some occasions to your advantage, and on other occasions to your disadvantage.

## 6 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

6.6.3 We will allocate any of your transactions we combined with others in accordance with our order allocation policy. Where we cannot fill the combined order, we will generally allocate the order to all participants proportionately, unless we consider that it is not in your interest to receive a reduced allocation or we are otherwise unable to do so.

#### 6.7 Limit orders

We may accept limit orders. Limit orders are instructions from you to buy or sell an investment at a specified price limit or better and for a specified size of up to one month's duration. If your limit order is in respect of shares admitted to trading on a Trading Venue, and your order is not immediately executed under prevailing market conditions, we will seek to require those executing an order to make the limit order public, unless you expressly instruct otherwise. We may not always make limit orders public.

#### 6.8 Securities depositories etc

We may use securities depositories, clearing and settlement houses and similar security systems in providing the services to you.

#### 6.9 Market and exchange rules and practice

6.9.1 We will carry out transactions in investments on your behalf in accordance with the rules and regulations of the relevant market or exchange. We can take any steps to comply with the rules, regulations and with market practice.

6.9.2 You allow us to carry out your instructions or transfer funds by any way we consider suitable, including banking channels, electronic or manual funds transfer systems, mail, courier, or telecommunications services and other methods. We can use the services of any institution, exchange, or correspondent bank in carrying out your instructions and we may pass their charges on to you without giving you prior notice.

6.9.3 You will be bound by the rules and regulations that govern the applicable exchanges, funds transfer systems, or institutions and must accept their normal charges. We are not responsible for the acts or omissions or any delay or suspension of the exchanges, funds transfer systems or institutions we use.

#### 6.10 Dealing and settlement

6.10.1 We will settle all transactions undertaken by us for you in accordance with applicable market practice as long as we hold or receive all necessary documents or assets. Delivery or payment by the other party to any such transaction will be at your risk and our obligation to account to you for any investment or the proceeds of sale of any investment will be conditional upon receipt by us of the relevant documents or sale proceeds (as applicable) from the other party. We will not charge you any settlement fines we receive if we accept your dealing instruction and it fails to settle.

6.10.2 We may conditionally debit the purchase costs from your Fund or credit the proceeds of sale from your Fund on the usual settlement (or subscription) days for the market concerned until we settle the transaction. This may result in a benefit or loss if we settle the transaction other than on the usual settlement days. You may make or lose money if we do not settle the transaction on a usual settlement date. This means that you cannot rely on any debit or credit until the transaction is settled.

6.10.3 If we encounter any difficulties or issues in settling a transaction for you we may cancel any debit or credit to you or correct errors made in any documents without giving you prior notice. However, we will try to let you know if this happens.

6.10.4 You agree to pay us back fully and be responsible for any debts, costs or losses that arise if you ask us to debit your Account against investments or funds which do not clear.

6.10.5 Where we can effect transactions or take steps to do this for you we may agree such reasonable terms as we think fit with the counterparty or other person involved (which may be a member of the Rathbones Group). For example, we may:

- a give representations and warranties on your behalf
- b execute agreements, confirmations, terms, master documentation and enter into other contractual arrangements binding on you
- c take any steps in accordance with market practice or custom as we see fit to effect or settle those transactions, and you will be bound by these.

#### 6.11 Delivery versus payment transactions

6.11.1 We may place or settle delivery versus payment (DvP) transactions as your agent. Delivery vs payment is a securities settlement process that requires that payment is made either before or at the same time as the delivery of securities.

6.11.2 You agree that where we settle transactions through commercial settlement systems for you:

- a where you instruct us to purchase assets on your behalf and we intend for the assets to be due to you within one day of you paying us, we will not treat the sums allocated for payment as client money under the FCA client money rules, unless the trade has not settled by the end of the third business day after you pay us. We will treat the assets we receive on your behalf in accordance with this section 6
- b where you instruct us to sell assets on your behalf and we intend that the proceeds from such sale(s) will be due to you within one business day of you delivering the assets to us, we will not treat the assets to be sold as client assets under the Regulatory Rules unless the trade has not settled by the end of the third business day after you deliver the assets to us. We will treat the monies we receive upon settlement in accordance with section 9, term 9.6.

## 6 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

#### 6.12 Collection of income

- 6.12.1 We will claim and receive dividends, interest payments and other entitlements in respect of investments within your Fund. You will normally receive dividends in cash.
- 6.12.2 We will credit such income to your Fund promptly (and in any event within ten Business Days) as follows:
- a for dividends and distributions on UK investments, after we receive funds that are available to use
  - b for dividends and distributions on non-UK investments, after we receive notification that the custodian has received the funds or, if later, after receipt of cleared funds following any necessary currency conversion (which shall be carried out promptly)
  - c for all other income, after the date we receive funds that are available to use.
- 6.12.3 We may pay income net of local taxes (ie deducted tax at source), as long as we are acting in the best interests of our clients as a whole. If we do so, this will apply to you and all other clients regardless of your personal tax circumstances (unless we have agreed with you alternative arrangements). This is to manage costs and because we operate a pooled nominee.

#### 6.13 Corporate Actions and voting rights

- 6.13.1 How we exercise Corporate Actions or voting rights for investments in your Portfolio depends on the investment service we provide you with. Further information is contained in sections 2, 3, 4 and 5.

#### 6.14 Annual reports etc

Please contact us in writing if you would like to receive a copy of the annual report and accounts, vote at meetings, exercise voting rights for investments in your Portfolio and/or receive other documents for any company, entity or fund in your Fund. We will try to facilitate any such request, subject to time constraints. We do not have to provide you with such documentation on an ongoing basis.

#### 6.15 Litigation

We do not have to participate in or process class action litigation claims or similar matters, but may participate if we see fit. If we do participate we will try to provide the input requested, subject to time constraints. If you are paid any money in settlement, we will deduct any associated costs that we have incurred in participating. We do not have to inform you about any litigation claims which come to our notice.

#### 6.16 Costs

The costs of the provision of our custody services are included in our general fees and charges for our services as provided for in section 9, terms 9.11 and 9.12.

#### 6.17 Foreign currency

- 6.17.1 We may carry out any foreign exchange transactions we deem necessary or reasonably incidental to carry out your instructions or protect our rights under this Agreement. You agree to assume all risks associated with foreign exchange and currency conversion. We may, for example:
- a convert any of your assets or monies held in another currency to settle any of your debts due to us in one currency
  - b convert money we receive that is in a different currency from the currency of the Fund into the currency of the Fund.
- 6.17.2 Where we carry out foreign exchange transactions we will act as Principal (i.e we will be the buyer or the seller of foreign currency from or to you). We will use our Reference Exchange Rate to carry out foreign exchange transactions unless we have agreed a fixed rate with you for a particular transaction.

#### 6.18 Tax repayment

We will not ordinarily make or assist in making any tax repayment claims to which the Fund may be entitled.

#### 6.19 Fractional rights

- 6.19.1 Where your investments are held in a pooled account and affected by a Corporate Action, your entitlement will be allocated amongst several clients. Your fractional share of that pooled entitlement will be rounded down to the nearest whole number.
- 6.19.2 Subject to the Regulatory Rules, we will retain fractional entitlements or rights in respect of investments you have a right to receive where the aggregate credit which would result to you is less than £5 (or if applicable £5 in value of the relevant currency of the Fund).

#### 6.20 Liens and security interests

- 6.20.1 We, or a third-party custodian, may take a security interest, lien (a right of retention or sale), or a right of set-off over your investments. Subject to term 6.20.2, any such lien or right granted to us or a third-party custodian will only extend to properly incurred charges and liabilities arising from the provision of custody services in respect of your investments held in that account.
- 6.20.2 If your investments are held outside the UK your investments may be subject to a security interest, lien (a right of retention or sale) or a right of set-off. We may agree for your investments to be subject to such a security interest, lien or right of set-off if:
- a the security interest, lien or right is required by applicable law in that area
  - b we have taken reasonable steps to determine that holding your assets subject to a security interest, lien or right is in your best interests.

## 6 CUSTODY, DEALING AND SETTLEMENT SERVICES

### – continued

6.20.3 We cannot lend, pledge or use your investments for our own purposes or those of any other person, except as otherwise provided in this Agreement or agreed in writing.

#### 6.21 Unclaimed investments

- 6.21.1 You agree that we may sell any unclaimed investments (other than client money) in your Fund and pay the proceeds to a registered charity of our choice if:
- a we have held that investment for at least 12 years and you have not given us any instructions relating to the investment during the last 12 years
  - b we have taken reasonable steps to trace you and return your investment to you
  - c we comply with the applicable Regulatory Rules.
- 6.21.2 If you contact us after we have paid away the proceeds of sale from your investments, we will reimburse you with a sum equal to the value of the investments when we sold them.

## 7 ISAS, JISAS AND EISS

This section applies if we provide you with services:

- as ISA Manager, in connection with the management of your investments held within a Rathbones stocks and shares ISA or Rathbones stocks and shares junior ISA (JISA)
- in respect of a discretionary managed fund invested wholly or mainly in Enterprise Investment Scheme (EIS) shares.

### 7.1 Right to cancel

- 7.1.1 Where you open an ISA, JISA or EIS with us or transfer an ISA or JISA to us, you can cancel this within 14 calendar days from the date we receive your signed application form, or, if later, the date you receive the details of your cancellation rights.
- 7.1.2 Where you cancel an ISA or JISA, your cancelled subscription will not count as a subscription to an ISA or JISA for that tax year.
- 7.1.3 If you ask us to provide services to you before the cancellation period and later decide to cancel, your investments may fall in value and you may get back less than you put in.
- 7.1.4 If you would like to cancel your ISA, JISA or EIS please write to us, before the end of the 14 calendar day cancellation period, at the office which we have notified to you deals with your Portfolio or to our registered office detailed in section 1, term 1.1.5.
- 7.1.5 You can also terminate our Agreement in accordance with section 9, term 9.16.

### 7.2 Subscriptions to ISAs and JISAs

- 7.2.1 You can only make subscriptions to ISAs or JISAs if you are eligible and as permitted by the ISA Regulations, including any subscription limits set out in the ISA Regulations.
- 7.2.2 We will only accept applications to subscribe to ISAs or JISAs when we have received a signed and completed Client Agreement, any other information we notify you of and, if applicable, a form to make any additional permitted subscription.
- 7.2.3 If you would like to open an ISA or JISA, you must provide us with any of the following:
- a your instructions to transfer from an account any amount up to the subscription limit
  - b a cheque
  - c an electronic transfer of funds.

### 7.3 Flexible ISAs

- 7.3.1 We offer flexible ISAs. A flexible ISA is an ISA that you can take cash out of, and put cash back in (either altogether, or in part), in the same tax year, without this affecting your annual ISA limit for new subscriptions. We may use this flexibility to manage the investments within your ISA.

- 7.3.2 In some limited circumstances, due to HMRC's rules, cash taken out of an ISA cannot be put back in without counting towards your annual subscription limit. If you would like more information on this, please let us know. We will accept replacement funds for any withdrawals made by non-UK residents within the same tax year.
- 7.3.3 We only offer flexibility for cash held in a stocks and shares ISA (including from the sale of investments). We do not offer flexibility for JISAs.

### 7.4 General provisions concerning ISAs and JISAs

- 7.4.1 In this section, where we refer to an ISA or JISA, this includes all subscriptions or transfers you make to such an ISA or JISA where we are the ISA Manager.
- 7.4.2 For an ISA, you will be the beneficial owner of the investments and cash held within your ISA. For a JISA, the child on whose behalf the JISA is held will be the beneficial owner of the underlying investments and cash held within the JISA.
- 7.4.3 You may not use an ISA or a JISA as security for a loan. We will not retain any lien or security interest over the ISA or JISA.
- 7.4.4 We can provide HMRC with all relevant information about the ISA or JISA and the investments within it.
- 7.4.5 We will make claims and conduct appeals in respect of ISA and JISA liabilities including reliefs from tax in respect of the ISA or JISA (as applicable).
- 7.4.6 We will let you know if the ISA or JISA has, or will become, void because of any failure to satisfy the ISA Regulations.
- 7.4.7 We will hold any cash held within your ISA or a JISA as Banker and not in accordance with the FCA client money rules unless we are required to. This means that, if we fail, the client money distribution and transfer rules will not apply to this sum and you will not be entitled to share in any distribution and transfer under the client money distribution rules.
- 7.4.8 Interest earned on cash balances held within an ISA or a JISA will remain within the ISA or JISA.
- 7.4.9 We will register your ISA or JISA investments in the name of our nominee company, in our name or in the name of a custodian appointed by us. See section 6, term 6.2 for further details.
- 7.4.10 Share certificates or other documents evidencing title to ISA or JISA investments will be held by us or as we may direct.
- 7.4.11 The following applies where securities arising from rights issues and takeovers are incorporated in your ISA or JISA:
- a if they are eligible investments under the ISA Regulations, we will take up or accept the issue or offer of investments within the ISA or JISA to the extent that funds are available within the ISA or JISA, and in respect of ISAs only will take up the remainder (if any) with monies (if available) in a Fund outside the ISA

## 7 ISAS, JISAS AND EISS – continued

- b if they are not eligible investments under the ISA Regulations we may, in relation to ISAs and JISAs, sell the investments within 30 calendar days and retain the proceeds within the ISA or JISA
  - c in relation to ISAs only, alternatively, we may hold the investments as custodian outside the ISA.
- 7.4.12 If you ask us in writing, we will arrange for you to:
- a receive a copy of the annual reports, accounts and any other information issued to shareholders, securities holders or unit holders issued by each company or other entity directly held within your ISA or a JISA
  - b attend shareholders', securities holders' or unit holders' meetings, to exercise voting rights in respect of investments in your ISA or JISA.
- 7.4.13 We may charge you for the arrangements we make under term 7.4.12 as set out in our Schedule of Charges.

### 7.5 Transferring your ISA or JISA to us

- 7.5.1 You can, if you are eligible, transfer an ISA or JISA that are held with another manager to us.
- 7.5.2 To transfer an ISA or JISA to us, you must send us an ISA transfer request or a JISA transfer request (as applicable).
- 7.5.3 We may decide not to accept particular investments and we can ask your previous ISA manager to sell those investments and transfer the cash to us. The value of assets may go up or down during the transfer.

### 7.6 Transferring your ISA to another manager

- 7.6.1 You can request to transfer all or part of your ISA. We will try to complete the transfer by your chosen date if you give us at least 30 days. We may need more time to transfer your ISA if your ISA holds units in an FCA regulated collective investment scheme (or the equivalent investment in another jurisdiction) and you request a transfer when the scheme has suspended trading.
- 7.6.2 You must ensure that all monies that are withdrawn from your ISA, and which you wish to have replaced, have been replaced before you request a transfer of your ISA.

### 7.7 Withdrawing your ISA

- 7.7.1 You can request to withdraw all or part of your ISA. We will try to complete the withdrawal by your chosen date if you give us at least 30 days. We may need more time to withdraw your ISA if your ISA holds units in an FCA regulated collective investment scheme (or the equivalent investment in another jurisdiction) and you request a withdrawal when the scheme has suspended trading.
- 7.7.2 If you withdraw funds from your ISA you may lose the ISA benefits for the withdrawn funds. If you intend to invest such funds in an ISA with another ISA manager, you should not request a withdrawal but should instead request an ISA transfer.

### 7.8 Termination of your ISA

- 7.8.1 We may terminate your ISA by giving you 30 calendar days' written notice as long as we offer you the ability to transfer the ISA to another approved ISA manager before the notice takes effect.
- 7.8.2 Where you or we close your ISA, you cannot replace any funds from previous years that have been withdrawn but not replaced in the current year unless we choose to re-open the ISA.

### 7.9 Termination of your ISA upon death

- 7.9.1 If you die, your ISA will become a "continuing account."
- 7.9.2 We will close the continuing account when we receive instructions from your executors to close it, when the administration of your estate is complete or on the third anniversary of your death (whichever comes first).
- 7.9.3 No subscriptions or transfers may be made into, or out of, your continuing account from the date of your death until the date of closure. However, we may continue to provide discretionary investment management services in relation to the investments held in the ISA (please refer to section 9, term 9.30 for further details). Funds held within the ISA continue to benefit from ISA tax advantages, and any interest, dividends, or gains attributable to a continuing account after the date of death until the date of closure are exempt from tax.
- 7.9.4 When your ISA terminates on death or if your continuing account terminates (as applicable) we will pay or transfer the cash and investments (less any applicable charges and expenses) to your personal representatives after we have received the grant of representation (please refer to section 9, term 9.30 for details). After we transfer the assets and cash from a continuing account, we will close the ISA.
- 7.9.5 We will produce a statement for the ISA or continuing account (as applicable) at the date of closure.
- 7.9.6 Upon your death, your ISA benefits may be passed on to your spouse or civil partner via an additional permitted subscription allowance either in cash or using non-cash assets (ie in specie). Your spouse or civil partner may, in addition to their own ISA allowance, be allowed to invest into their own ISA additional subscriptions to the higher value of the cash and investments held in:
- a your ISA at the date of your death
  - b the continuing account upon the date of closure pursuant to term 7.9.1.
- 7.9.7 Additional permitted subscriptions:
- a in cash must be made within three years of the date of death, or if later, within 180 days of the completion of the administration of the estate of the deceased ISA holder
  - b using non-cash assets (ie in specie) must be made within 180 days of the beneficial ownership of the assets transferring to the surviving spouse or civil partner.



## 7 ISAS, JISAS AND EISS – continued

### 7.10 Terms applicable to JISAs

#### 7.10.1 Opening a JISA:

- a you can open a JISA for a child who is under 18 and a UK resident and who satisfies any other eligibility requirements in the ISA Regulations
- b we normally only offer to open a JISA where the person opening the JISA is either:
  - i an existing client of ours with a Portfolio managed by us
  - ii a new client of ours who opens a Portfolio (whether in their own or joint names) which we will manage and wishes to open a JISA for a child at the same time
- c we do not normally accept applications to open JISAs from persons aged 16 or 17.

#### 7.10.2 Registered contact

- a The registered contact will be the person who completes and signs the JISA Client Agreement and can give instructions on managing the investments in the JISA. We will not accept instructions in relation to the management of the investments in the JISA from any person other than the registered contact. A JISA may only have one registered contact at any time
- b The registered contact must be a person with parental responsibility for the child until the child's 16th birthday. Another person with parental responsibility for the child may replace the then current registered contact at any time. To change the registered contact both the existing registered contact and the new registered contact must complete the relevant form and declaration provided by us. There are some exemptions to this, such as, where the existing registered contact has died
- c The child on whose behalf the JISA is held may opt to become the registered contact at any time on or after their 16th birthday by applying to us. If the child exercises this option, they may not later be replaced as registered contact by anyone else. If the child does not apply to us to become the registered contact, the person acting as the registered contact immediately before the child's 16th birthday will continue in this position.

#### 7.10.3 Investments and subscriptions:

- a the child's interest in any investment assets held in the JISA can only be sold via us
- b all subscriptions to JISAs are gifts to the child and are non-refundable
- c once the Fund has been opened, we may accept subscriptions to the JISA from any person and need not obtain your consent before doing so. We will invest any subscriptions to the JISA in accordance with the relevant Investment Mandate.

#### 7.10.4 Transferring the JISA to another manager:

- a you may request to transfer either the whole or a part of your JISA to another JISA manager approved under the ISA Regulations. We will try to complete the transfer by your chosen date if you give us at least 30 days
- b a child cannot have more than one JISA of each type at any one time. This means that if a JISA is transferred to a stocks and shares JISA with another provider the whole amount must be transferred. The JISA can be transferred entirely or in part to a new or existing cash JISA if, at the end of the transfer, the child does not have more than one JISA of each type.

#### 7.10.5 Withdrawals:

- a withdrawals cannot be made from the JISA until the child has reached the age of 18 except in the following cases:
  - i if the child becomes terminally ill before their 18th birthday, you can apply to HMRC to withdraw money from the JISA. We will allow you to withdraw money from the JISA if we receive confirmation from HMRC. We may terminate the JISA if you withdraw all the assets in the JISA
  - ii cash and investments may be withdrawn from a JISA:
    - aa by the registered contact when the JISA is closed
    - bb by us to meet our fees and expenses.

#### 7.10.6 Terminating the JISA:

- a we may terminate the JISA where:
  - i all the assets in the JISA are transferred to another provider under term 7.10.4
  - ii the child dies
  - iii the fees and expenses we charge on the JISA reduce the balance of the JISA to zero
  - iv upon the child's 18th birthday
  - v termination is permitted by the ISA Regulations.

#### 7.10.7 What happens when the child turns 18:

- a the child may apply to withdraw the total value of the JISA. If the child does not withdraw the value of the JISA on their 18th birthday, we will treat the JISA as an adult stocks and shares ISA from that date and the provisions in this section 7 on ISAs will apply instead of the JISA provisions
- b if we do not obtain the information we need from the child before their 18th birthday for an adult stocks and shares ISA, all cash and investments will remain in the ISA. We will manage the ISA on a temporary basis in accordance with the relevant Investment Mandate until we are provided with the relevant information

## 7 ISAS, JISAS AND EISS – continued

- c if we do not obtain the information we need, (including in order to undertake a suitability assessment) within a reasonable period of the child's 18th birthday, we may cease to provide our services (other than custody and execution-only services). No further Subscriptions will be permitted to the ISA until we receive the information we need.

### 7.11 Fees for ISAs and JISAs

- 7.11.1 Our Schedule of Charges contains details of our fees.
- 7.11.2 Our fees in respect of your ISA will normally be debited from the non-ISA part of your Portfolio. However, if you only hold an ISA as your Portfolio, or you do not have enough money to meet the fees, we will debit our fees from your ISA or from any other investment held by us, our nominees or agents on your behalf. If you do not have enough money in your Portfolio to pay our ISA fees, we will invoice you separately and you will be required to pay the fees within 30 calendar days of the date of invoice.
- 7.11.3 Where we debit our fees from your ISA, these monies cannot be replaced within your ISA without counting towards your annual Subscription limit.
- 7.11.4 We will debit our fees in respect of a JISA from such Account within your Portfolio as agreed between us.



## 8 BANKING SERVICES

This section applies where we provide you with banking services which is the case for most clients.

### 8.1 Introduction

- 8.1.1 We will provide you with limited banking services on your Accounts. Your Accounts are designed to be ancillary to your Portfolio and to service your Portfolio. You can use your Accounts to collect dividends, facilitate the settlement of security transactions and to hold cash within your Portfolio for investment. We do not provide you with many of the day-to-day services a high street retail bank providing a payment account would offer such as cheque books, bank cards or the ability to withdraw physical cash. Your Accounts are not payment accounts.
- 8.1.2 Money held in accounts is held by us as Banker and not as trustee.
- 8.1.3 Details of our charges for banking and account services are set out in our Schedule of Interest Rates. In addition, information on our charges are available on our website and from your Investment Manager, upon request.

### 8.2 Our banking services

- 8.2.1 The limited banking services we provide are:
- a the accounts
  - b services related to the accounts including, executing electronic payments from your Account subject to the limitations set out in this section 8
  - c the receipt of electronic payments into your Accounts
  - d the receipt of payments into your Account via cheques subject to the restrictions set out in this section 8.
- 8.2.2 We will not:
- a accept physical cash deposits or allow physical cash withdrawals from your Accounts
  - b provide cheque books
  - c provide you with debit or credit cards
  - d allow you to make mobile phone payments.
- 8.2.3 We may agree to make third party payments for you by cheque or electronically as set out in Terms 8.8.5 and 8.9.2(b). We may require you to provide us with five Business Days' notice to make a third party payment so we can ensure there is sufficient cash within your Portfolio to make the payment. We may also need to take other actions (such as sell investments) to make the payment, depending on the circumstances. We may need to discuss any changes to your Portfolio to make the payment.

### 8.3 Types of Account

- 8.3.1 We may support your Portfolio by using any of the following types of Account:

#### a Income Account

This Account supports the collection of dividends and other income in respect of your Portfolio. Depending on your requirements, we will pay the balance of this Account quarterly to you or your Capital Account for further investment. We do not pay interest on this Account.

#### b Capital Account

This Account facilitates the purchase and sale of investments in respect of your Portfolio and any payment or receipts you make to or from your Portfolio. This Account may become overdrawn if, for example, you request a payment before investments can be sold to fund it. We pay interest on this Account in accordance with term 8.6.

#### c Fixed Time Deposit Account

This is a deposit account with a fixed interest rate for a predetermined length of time of 28 days or longer. Please see term 8.7 below for provisions applicable specifically to Fixed Time Deposit Accounts.

### 8.4 Operation of the Accounts

- 8.4.1 We will credit your Accounts with:
- a any funds received from or held on your behalf in respect of your Portfolio to Accounts held or maintained in your name. This includes dividends and interest due to you, after applicable tax is deducted
  - b any funds received from selling investments in accordance with this Agreement.
- 8.4.2 We will debit your Accounts with:
- a the fees and expenses as provided for in this Agreement and set out in our Schedule of Charges and/or Schedule of Interest Rates
  - b interest on outstanding balances, in accordance with our Schedule of Interest Rates
  - c any other payments owed by you in connection with the services we provide you under this Agreement, such as the cost of purchasing investments.
- 8.4.3 You will be responsible for paying any tax due, including any tax on your dividend and interest income. Your tax treatment depends upon your personal circumstances and may change.

### 8.5 Overdrafts

- 8.5.1 We may manage your Portfolio in such a way that your Accounts with us may become temporarily overdrawn. The overdraft will not normally be more than 10% of the total value of your Portfolio or such other value that we may agree with you. We will not normally grant you an overdraft without your prior approval and within limits agreed by us, except in the following situations:

## 8 BANKING SERVICES – continued

- a where we need a temporary overdraft to switch investments in the Portfolio
  - b to allow us to pay cash to you before we have received the income or sales proceeds
  - c to meet fees due to us
  - d to facilitate applications for new issues of securities.
- 8.5.2 We can ask you to repay the amount of any overdraft and accrued interest in full at any time.
- 8.5.3 You will have to pay interest on any overdraft in accordance with term 8.6.6. You may also have to pay other charges, as set out in our Schedule of Interest Rates.

### 8.6 Interest rates

- 8.6.1 We will pay interest on balances held in interest-bearing Accounts in accordance with our Schedule of Interest Rates, which is available on our Website and upon request.
- 8.6.2 We calculate interest on a tiered basis using a rate set by us for sterling and currency. The amount of interest we offer depends on how much uninvested cash you have in your Account.
- 8.6.3 We may make changes to interest rates, including interest rates on overdrafts and interest bands immediately and without notice where such changes are:
- a more favourable to you
  - b based on changes to the Reference Interest Rate.
- 8.6.4 You can find the interest rates we offer on our Website, published in all our offices or in your periodic reports. You can also ask your Investment Manager for our interest rates.
- 8.6.5 We charge overdraft interest to your Accounts in accordance with our Schedule of Interest Rates.
- 8.6.6 Interest will accrue on the balance of interest-paying Accounts on a day-to-day basis and will normally be applied quarterly in arrears. Where your Account is overdrawn during a quarterly period any debit interest due from you (see term 8.4.2(b)) will be deducted from the credit interest due to you prior to application.
- 8.6.7 Interest will accrue on the basis that there are 365 days in a year on applicable sterling Accounts. In respect of any other currency, interest will usually accrue on the basis that there are 360 days in a year.
- 8.6.8 We may deduct tax from credit interest and other payments due to you where required by applicable law unless you have provided appropriate certificates to enable us to make payments gross. We will deduct tax on joint Accounts unless all joint holders have provided such certification.
- 8.6.9 Interest on Accounts held within ISAs or JISAs will be subject to the ISA Regulations.

### 8.7 Fixed Time Deposit Accounts

- 8.7.1 We may offer Fixed Time Deposit Accounts, in respect of fixed deposits for fixed periods as agreed between us. The following terms apply to Fixed Time Deposit Accounts:
- a we will not change the interest rate until the deposit matures. We normally pay interest on fixed time deposits at maturity, except where a fixed time deposit lasts for more than 12 months when we will pay interest annually and on maturity
  - b you must provide us with instructions to renew or withdraw the money in your fixed time deposits no later than 10.30am on the maturity date. We will pay the deposit plus any interest into your Capital Account if you do not give us any instructions or if your instructions are late
  - c you cannot make withdrawals part way through the term of the deposit. If funds are required, we may allow you to break the deposit in accordance with 8.7.1(d)
  - d we may allow you to break a Fixed Time Deposit before its maturity under certain circumstances. If we do allow you to do so, we will charge you an amount equal to the difference in interest payable on the fixed time deposit and the interest payable on our Capital Accounts for the whole period of the fixed term.

### 8.8 Cheques

- 8.8.1 When a cheque is paid into your Account, we must collect the payment from the person who gave you the cheque. This process is known as the cheque clearing cycle.
- 8.8.2 We process all pounds sterling cheques from a bank in the UK as images. An imaged cheque is a scanned digital image of a paper cheque, which allows it to be processed electronically instead of by paper. The clearing cycle for cheques in pounds sterling from a UK bank will be as follows:
- a the day we receive a cheque is known as day one (provided this is before 1.00pm on a Business Day)
  - b you can usually access funds in respect of the cheque and, in addition, you can be certain that the cheque has cleared (except in the case of deliberate fraud) one Business Day after day one (this is known as day two). Interest will begin to accrue from day two.
- 8.8.3 Cheques that are in a foreign currency will take longer to clear.
- 8.8.4 We will issue a cheque to you upon your verbal instruction. However, we may ask you to confirm a request for a cheque in writing if the cheque is above our applicable limits.
- 8.8.5 Subject to term 8.2.3, we will only accept your instructions to issue a payment to a third party recipient where the instructions themselves are in writing. We may need to obtain additional information from you such as verifying the recipient's details and confirming your instructions.

## 8 BANKING SERVICES – continued

- 8.8.6 We will try to stop a cheque at your request where we have issued a cheque on your behalf.
- 8.8.7 Where a cheque is drawn on your Account, the amount will be debited immediately and will stop earning interest from that point.
- 8.8.8 Where we issue a cheque on your behalf, it will remain valid for six months from its date.

### 8.9 Electronic payments

- 8.9.1 Receiving money into your Account:
- a where electronic payments are received into your Account, funds will be available to you and, if the Account is an Account where interest is payable, be eligible for the calculation of interest on credit balances on the Business Day that such funds are received by us.
- 8.9.2 paying money from your Account:
- a you must provide us with certain information so we can make an electronic payment for you, as set out below:
- i for all payment requests, you must specify which Account you wish the payment to be debited from - if you do not specify an Account, we will make all payments from your Capital Account
- ii to make a payment in sterling to another UK bank, you must give us the recipient's name, address and account number, bank sort code and reference where relevant (for example a building society roll number)
- iii to make a payment to a bank within the EEA (in any currency we allow), you must give us the recipient's name, address and account number, and the payee bank's name and address. International Bank Account Number (IBAN) and SWIFT Bank Identifier Code (BIC)
- iv to make a payment to a bank outside the EEA (in any currency we allow), you must give us the recipient's name, and account number/ International Bank Account Number (IBAN) and SWIFT Bank Identifier Code (BIC) and/or local routing code
- b we will assume that you have given us permission to make an electronic payment or series of electronic payment transactions where you have provided us with instructions in accordance with section 9, term 9.8 or if you have provided us with instructions to make a payment using the MyRathbones Service and subject to term 8.12. However:
- i we will accept your verbal instruction to make a payment if:
- aa the payment is from your Accounts to another related client's Account (eg husband and wife) if the payment is below any limit previously agreed in writing with us
- bb the payment is to an account held by you with another bank, as long as you have previously notified us of the account in writing

- ii you must provide us instructions in writing to make a payment to a third party or an account that you have not previously notified to us. We will only make the payment subject to term 8.2.3 and 8.12. We may also need to speak to you to verify your instructions
- c the following cut-off times are the latest times we process payment instructions:
- i to make a payment to an international bank on a Business Day outside the UK, you must provide us with instructions by 11.00am
- ii to make a non-sterling payment to a bank in the UK, you must provide us with instructions by 11.00am
- iii to make a same day payment, you must provide us with instructions by 12 noon
- iv to make a BACS payment, you must provide us with instructions by 2.00pm
- d if you give us instructions after these cut-off times or on a non-Business Day, we will treat your instruction as received on the next Business Day
- e the table below gives you information on when the recipient's financial institution will receive the payment if you send us instructions before the cut-off time:

Type of payment	When the recipient's financial institution will receive the payment
A same day payment in sterling to a UK financial institution	Same Business Day
A BACS payment in sterling to a UK financial institution	Three Business Days
A payment in sterling or euro to a UK or EEA financial institution	One Business Day if the instructions are not on paper. If you give us instructions by paper, two Business Days
A payment in a currency that is not sterling or euro to a UK or EEA financial institution	Four Business Days
Payments made to financial institutions outside the UK and EEA	This depends on the currency and the country you are sending the money to. You can contact us to ask us when the recipient will receive the payment
Payments between your Accounts with us	Immediately except where we use an external clearing system, in which case the execution times set out in the rows above would apply

## 8 BANKING SERVICES – continued

- f we may refuse to make a payment where we have reasonable grounds to do so. For example:
  - i you have provided us with incorrect, insufficient or ambiguous details for a payment
  - ii you do not have sufficient funds in the Account
  - iii if we have concerns about a possible breach of the law
  - iv if we have concerns about security, unauthorised or fraudulent use of the Account or other legitimate concerns
  - v the payment is over any internal limits
  - vi the payment exceeds our risk appetite
- g pursuant to our internal controls, we reserve the right to refuse to execute a payment transaction to a bank or other account where the account details are not already held by us
- h we will normally tell you why we have refused to make a payment and what you need to do so we can make the payment, unless telling you would be unlawful
- i you generally cannot cancel a payment once we have received the instruction. However, you can ask us to cancel a payment you have asked us to make on a future date up until the end of the Business Day before the agreed date for payment. We will try to cancel your payment if we receive your request before the relevant cut-off time (see term 8.9.2(c)). However, we may not always be able to cancel the payment. If you want to cancel or amend a payment instruction you should notify us as soon as possible during office hours on a Business Day by telephoning your Investment Manager. You must include all details of the payment instruction provided with the instruction (as set out in term 8.9.2(a)) if you send us a request to cancel a payment.

### 8.10 Foreign currency

- 8.10.1 If we receive money that is different to the currency of your Account, we will use our Reference Exchange Rate to convert it at the time we receive it.
- 8.10.2 If you ask us to make a payment transaction in a currency different to the currency of your Account, we will act as principal in the foreign exchange transaction (ie we will be the buyer or the seller of foreign currency from or to you) and unless we have agreed a fixed or different rate with you for a particular transaction, the exchange rate we will use is our Reference Exchange Rate.
- 8.10.3 Where an instruction for a payment transaction involves a currency conversion to be carried out by another party, we will have no control over the exchange rate used.
- 8.10.4 We may make changes to exchange rates immediately and without notice where such changes are:
  - a more favourable to you
  - b based on changes to our Reference Exchange Rate.

### 8.11 Periodic reports

- 8.11.1 We will send you a three monthly periodic report (or at such other frequency agreed between us) in respect of your Account which will include a statement of transactions. Daily account statements are also available via our MyRathbones Service and your online statement will be updated at the end of each Business Day.
- 8.11.2 It is very important that you check each periodic report and inform us as soon as possible if it shows any transactions which are incorrect or unauthorised. Failure to tell us about incorrect or unauthorised transactions may mean that you will not be entitled to any redress. Please see term 8.13 for details about our liability for incorrect or unauthorised transactions.

### 8.12 Security

- 8.12.1 You must not disclose your Account details or security information to anyone. Please take care when storing or disposing of information about your Account. You should shred copies of documents which include your signature to avoid fraud, including faxes or photocopies of your signature.
- 8.12.2 If you think that someone has obtained any of your Account details or is using or attempting to use your security information or your signature, please let us know as soon as possible (in accordance with section 9, term 9.8). We will deal with such notification once received by us.
- 8.12.3 If you request us to request an outgoing electronic payment, we may apply certain security measures (for example via a call back check) before we accept your instruction.
- 8.12.4 From 31 October 2024, for some payments, we will ask the receiving bank to check that the payee's name matches the payment details you have given us. This is called "Confirmation of Payee". Where we apply Confirmation of Payee, the receiving bank should tell us whether the payee's name is a match, a close match, no match, or that a check was not possible. We will provide this information to you. You must then confirm that you wish to go ahead with the payment.

### 8.13 Liability for unauthorised transactions

- 8.13.1 You must notify us as soon as possible (in accordance with section 9, term 9.8) of any suspected unauthorised or incorrectly executed transactions. Other than transactions involving cheques or Fixed Time Deposits, you must notify us within 13 months of becoming aware of the unauthorised or incorrectly executed transaction. If you do not notify us within this time period you will not be entitled to redress.
- 8.13.2 You will be liable for all losses in respect of unauthorised transactions where you have acted fraudulently.
- 8.13.3 If we are liable in respect of an unauthorised or incorrectly executed transaction we will refund the amount of the unauthorised payment to you in

## 8 BANKING SERVICES – continued

accordance with the Regulatory Rules and where applicable return the Account to the state it would have been in had the unauthorised transaction not taken place (for example, by refunding any charges or interest that you have paid as a result). If we have reasonable grounds to suspect that there has been fraud or you have been grossly negligent we may investigate the matter before effecting a refund. We will carry out any investigation as quickly as practicable in the circumstances.

- 8.13.4 If we claim you have acted fraudulently or failed with gross negligence to comply with these terms, we will, subject to our legal obligations, provide you with supporting evidence of this.

### 8.14 Cancellation

You can cancel your Accounts (except a Fixed Time Deposit Account). Details of how to exercise your cancellation rights are set out in section 1, term 1.10.

### 8.15 Set-Off

- 8.15.1 If you owe us money (such as fees for carrying out a transaction) and do not pay it on time, we may take this money from any Account you hold with us to reduce the amount you owe us. This is called our 'right of set-off'. We will inform you in writing at least 14 calendar days' notice before we use our right of set-off. We will only use this right where we consider it reasonable to do so and if the law allows us to.
- 8.15.2 If you owe us money in different currencies, we may convert the amount you owe us using a market rate of exchange which we reasonably select.
- 8.15.3 Where your Account is a joint Account, our right of set off allows us to take money in your Account to pay:
- a a debt owed to us by one or more of the Account holders
  - b a debt owed to us by one or more of the Account holders and someone else together.

### 8.16 Amendment

- 8.16.1 We will normally give you at least two months written notice in respect of changes we proposed to this section relating to our banking services unless we make a change to our interest or exchange rates, which we may make immediately without notice to you.
- 8.16.2 If we give you notice of changes and have not heard from you we will treat you as having accepted the changes. If you do not accept the changes you may also end the Agreement by notice before the changes come into effect.

### 8.17 Use of the MyRathbones Service for requesting payments

- 8.17.1 This term 8.17 applies when we have provided you with access to the MyRathbones Service. You can send requests to us via the MyRathbones Service requesting that we make electronic payments out of your Account and between your Accounts. However the MyRathbones Service does not allow you to initiate an automated payment transaction. Your Investment Manager will consider your request for a payment transaction received via the MyRathbones Service and deal with such request in accordance and subject to these Terms. Full online terms can be found when you log on to the MyRathbones Service.
- 8.17.2 If you or anyone else granted access to the MyRathbones Service becomes aware of, or suspects any unlawful or unauthorised use of, the MyRathbones Service, or suspects that someone knows their password or any other security information, please contact the Helpdesk as soon as possible on 0800 151 3355 during Business Days or by email at [onlinehelp@rathbones.com](mailto:onlinehelp@rathbones.com) at any time.

### 8.18 General

- 8.18.1 We will not provide banker's references to other parties without your written consent.
- 8.18.2 We will not open an Account for you unless you have provided us with appropriate information by which we can verify your identity. Full details of the documentation required are available from us.
- 8.18.3 Where your Account has been superseded because, for example, that type of account is no longer being actively promoted, we will inform you in appropriate cases.

### 8.19 Dormant Accounts

We may, if we participate in the UK Government's dormant accounts scheme, close an Account that has had no transactions for 15 years and we have lost contact with the Account holder despite making reasonable attempts to find them. We can transfer the balance to the UK's central reclaim fund. If the Account holder is subsequently identified and seeks repayment, we may reclaim this money back from the reclaim fund on the Account holder's behalf.



## 9 GENERAL TERMS

### 9.1 Material interests and conflicts of interest

- 9.1.1 When we provide our services, we, a member of the Rathbones Group or an affiliate, may have an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned.
- 9.1.2 We take all appropriate steps to maintain effective internal arrangements to identify, and to prevent or manage, conflicts or potential conflicts of interest which may damage the interests of clients. We maintain a Conflicts of Interest Policy in relation to these arrangements, a copy of which is available on request.
- 9.1.3 We also maintain a conflicts of interest register (which details individual conflicts) and conflicts of interest log (which records high level conflict themes). We shall promptly disclose to you conflicts which arise that we cannot prevent or manage effectively. We will periodically change the conflicts of interest register and log when our business activities vary. We also conduct an annual review to ensure such changes are captured.
- 9.1.4 We take steps to manage conflicts, some of which we have listed below:
- a any gifts or benefits offered or received by our employees, to or from, clients or financial services companies they deal with must adhere to internal reporting and pre-clearance policies, regulatory and legal requirements
  - b employees can undertake deals in financial instruments on their own behalf, which can create a conflict with the duties we owe to clients. All of our employees and connected parties are required to comply with our Personal Account Dealing Policy which amongst other matters prohibits:
    - i dealing ahead of client orders
    - ii dealing in an investment where they know, or should know, that a written recommendation, or a piece of research or analysis, in respect of that investment or any related investment is due to be published
  - c we are structured to operate independently with limited intervention from our Rathbones Group affiliates. This is to limit the probability of group conflicts arising
  - d from time to time, we may want to market services to clients of another business within the Rathbones Group. In such instances we will disclose our relationship with the other relevant entity in the Rathbones Group to those clients and ensure the services are appropriate and suitable in line with our policies and procedures.
- 9.1.5 Subject to the rest of these Terms, neither we nor another business within the Rathbones Group shall be responsible to account to you for any profit or other remuneration received from or by reason of such transactions or connected transactions or to disclose the name or the identity of any other party involved in such transaction nor will our fees be reduced.

### 9.2 Risk Warnings

- 9.2.1 We generally look to build portfolios invested across a full range of asset classes; however, there are risks involved in relation to any investment.
- 9.2.2 We have set out below some general risk warnings you should be aware of:
- a you may not get back the full amount you originally invested as the value of investments, and the income from them, may go up and down
  - b levels of income may fluctuate
  - c past performance is not an indication of future performance
  - d where an investment is denominated in a currency other than your usual currency, changes in exchange rates may cause the value of your investment and/or income to go down or up
  - e the tax treatment applicable to investments depends on individual circumstances and may change over time
  - f investments in your Portfolio may become illiquid or unrealisable as a result of market activity or other circumstances beyond our control
  - g investing in investment funds which themselves primarily invest in other collective investment funds, can result in higher fees due to the layering of fees charged by each collective investment fund
  - h investment funds which are not regulated by the FCA may not be subject to equivalent levels of regulation and compensation schemes which apply to most FCA regulated investment funds.
- 9.2.3 We may purchase on your behalf investments or deal in certain markets to which certain specific risks apply. It is important that you are aware of and understand the nature of these risks. Annex 2 contains information on certain types of investment and investment techniques and the risks associated with the types of assets which may be purchased for you. Please read this Annex carefully. Please contact your Investment Manager if there is anything you do not understand or you have any questions.

### 9.3 No investment management during withdrawal or transfer periods

- 9.3.1 There will be times when it is neither appropriate nor possible to invest your money or assets in (or, where applicable, withdraw your money or assets from) the markets. This will be the case where:
- a withdrawal periods apply (for example, in relation to an ISA arranged on a face to face basis)
  - b we are to act as plan manager (for example, in relation to a personal pension plan) and there is a period before that appointment is effective
  - c cash and/or investments are being transferred to us to be managed and there is a period before that transfer is effective or we are in the process of

## 9 GENERAL TERMS – continued

investing money or assets for the first time in the market so that the Portfolio will be aligned with the Investment Mandate.

- 9.3.2 In the circumstances described in term 9.3.1, there is a risk that the markets move against you during the period that your money or assets are not invested in, or disinvested from, the markets. We will not be responsible for the consequences of market movements or events.

### 9.4 Income

- 9.4.1 We will agree with you how your income on investments will be paid or reinvested. For example, we could agree to pay out the income, reinvest it, or part pay it out and part reinvest it on a regular basis.
- 9.4.2 Where you elect to receive monthly payments of income we may in some cases estimate the likely income available in respect of your investments over the year and pay out a proportion of such estimated amount each month. If the actual income available in respect of your investments is less than we have estimated, we may repay you capital and income in a monthly distribution.

### 9.5 Holding your money as Banker

- 9.5.1 We will, from time to time, hold money in respect of your Portfolio or other services that we provide to you.
- 9.5.2 Where you are a beneficiary or policyholder in respect of a Portfolio which is legally owned by a third-party provider (for example, your SIPP or an offshore insurance bond) this term 9.5 will apply in respect of services provided directly to your third-party provider as legal owner of the Portfolio.
- 9.5.3 We will hold your money as Banker and not as trustee under the client money rules. If we fail as a firm this means that the client money distribution and transfer rules will not apply and you will not be entitled to share in any distribution and transfer under the client money distribution and transfer rules.
- 9.5.4 Money received by us on your behalf will normally be transferred as soon as possible to an Account of yours, operated in accordance with the terms set out in section 8, usually on the same day as receipt (if on a Business Day) or on the next Business Day.
- 9.5.5 We also operate pooled bank accounts holding your money as Banker in certain situations including:
- a for a limited period, when we receive funds that have not yet been allocated or when we are opening an Account in your name
  - b when you have applied for a placing or new issue and before the allocation is confirmed
  - c for a limited time only when we receive funds but your Account has recently been closed.
- 9.5.6 Money held by us as Banker is not client money. We shall not be responsible to account to you for any profits or remuneration we receive in our capacity as Banker.

### 9.6 Limited circumstances when your money is held as client money

- 9.6.1 In providing investment services to you we will sometimes stop holding your money as Banker and instead, hold it as trustee in accordance with the FCA client money rules. This means that if we as a firm fail, the client money distribution and transfer rules will apply to the client money we hold. We will hold client money in a client account separate from our own money and from any money we hold for you as Banker.
- 9.6.2 Where you are a beneficiary or policyholder in respect of a Portfolio which is legally owned by a third-party provider (for example, your SIPP or an offshore insurance bond) this term 9.6 will apply in respect of services provided directly to your third-party provider as legal owner of the Portfolio.
- 9.6.3 We may hold your money as client money in the following circumstances:
- a where we have received funds from you and the funds have not been allocated to an Account within ten Business Days of receipt
  - b on the sale of a unit or units in a unit trust where we have received the proceeds on your behalf but the transaction has not yet been confirmed
  - c where we hold unclaimed funds on your behalf which have not been paid to your Account or an external bank account. For example, where you are no longer our client and we have not been able to pay you funds that we are still receiving for you (such as dividends)
  - d where we identify a discrepancy as a result of, or that reveals, a shortfall in assets, which we have not yet resolved. In such circumstances we may appropriate a sufficient amount of our own money to cover the value of the shortfall and hold it as client money
  - e on the purchase of an asset where we have debited your Account for the purposes of settlement, but the transaction has not yet settled
  - f where we have received funds relating to entitlements (e.g. dividends) that have not been allocated to an Account within ten business days of receipt.
- 9.6.4 When we receive client money we will promptly place it into one or more client bank accounts with a regulated bank or credit institution as permitted by the FCA client money rules. We may use a member of the Rathbones Group to hold your money (subject to a limit of 20% of the total client money we hold). We do not pay interest on money held as client money.
- 9.6.5 We will use all due skill care and diligence on the selection, appointment and periodic review of the regulated bank(s) or credit institution(s), where your client money will be deposited and the arrangements for holding this money.
- 9.6.6 Client money accounts are established only with banking counterparties which we consider suitable for the purpose and who acknowledge that the funds are held by us as trustee and that the accounts are separate

## 9 GENERAL TERMS – continued

- from and may not be combined with any other accounts of ours held by them.
- 9.6.7 We shall not be responsible for any credit institution or bank that holds your client money. Your money may be pooled with money belonging to other clients which means that your claim will not be for a specific account but for money in the general client money pool.
- 9.6.8 We may allow another person such as an exchange, clearing house, or an intermediate broker to hold or control your money for the purpose of a transaction for you through or with that person, or to meet your obligation to provide collateral for a transaction. If the third party fails or becomes insolvent and your money is pooled with other clients, you may not receive the full entitlement and may share proportionately with other clients whose money is held in this way.
- 9.6.9 In addition, we may:
- a hold your money at a bank or credit institution outside the UK. The names of such banks or institutions are available on request
  - b transact business for you which involves your money being passed to an intermediate broker or settlement agent or over-the-counter counterparty outside the UK.
- 9.6.10 The legal and regulatory regime applying to the overseas institution will be different from that of the UK and in the event of the institution's default, your money may be treated differently from the position which would apply if it were held in the UK. Where your money is held outside of the UK, your rights in the event of a default or insolvency of the third party holding your money may be different and may be reduced.
- 9.6.11 If we lose contact with you and where there has been no movement on your client money cash balance for a period of at least six years (disregarding any payment or receipt of interest charges or similar items), we will act in accordance with our internal procedure for allocated but unclaimed client money, which:
- a requires us to take certain steps to trace you and return your money to you
  - b allows us, where you cannot be traced, to pay away any allocated but unclaimed client money balances, as permitted by the FCA Rules.
- 9.6.12 Where an unallocated client money balance in excess of £25 (in the case of a retail client) or £100 (in the case of other clients) is paid away, we (or a company in our group) will undertake to pay to you a sum equal to the balance paid away in the event of you seeking to claim the balance in future.
- 9.6.13 In the event of a Primary Pooling Event, you agree that we may opt to transfer some or all of your client money to another entity for safekeeping on your behalf. Please contact your Investment Manager if you have any questions about how your client money is treated in the case of a Primary Pooling Event.
- 9.7 Re-Denomination**
- We may change the currency of your Portfolio into another currency, if required to do so by law or prevailing market practice and we will inform you accordingly.
- 9.8 Instructions and communications**
- 9.8.1 You may give us instructions orally, in writing, or by email subject to the remaining provisions of this term 9.8. If you give us instructions given orally, or by email we may require you to confirm such instructions in writing. We will not accept or act on instructions given to us by SMS text message, social media or any other non-recorded means.
- 9.8.2 Where you have agreed to receive communications from us by email, via the MyRathbones Service or otherwise using one or more means of distance communication, or where you have chosen to communicate with us using those media/technologies, we may send you periodic reports, any notices, information about Corporate Actions or any other required or requested information or communication, including updates to these Terms, using one or more of those media/technologies and not by post.
- 9.8.3 If you have been given access to the MyRathbones Service where any information or confirmation is required to be given "in writing" in these Terms, we may provide such confirmation via the MyRathbones Service.
- 9.8.4 You will have to give us your prior instructions in writing to make a payment or transfer to a third party or to an account that you have not previously notified us of except where:
- a we receive a request from a third party via an asset transfer platform to transfer assets in your Portfolio to a third party, we will effect the transfer where you have consented, either orally or in writing
  - b we make such payments or transfers in the normal course of settling transactions or the payments or transfers fall below agreed limits (please see section 8 for further details).
- 9.8.5 We are not responsible for any inconsistency between instructions you give us by telephone, and any subsequent confirmation in writing and the latter shall always prevail.
- 9.8.6 You may give us instructions by email in accordance with procedures (including security procedures and the use of passwords) for giving such instructions which we may notify to you from time to time. You agree and acknowledge that:
- a you should not send urgent, time sensitive or confidential communications by email
  - b there are risks inherent in email communications, including the risk of unauthorised interception, mis-delivery, malfunction, viruses or delay (if, for example, the recipient at our office is not available)



## 9 GENERAL TERMS – continued

- c we will receive email instructions (including instructions contained in any attachment) when they are accessed by us. This means there may be a delay in processing instructions received via email (including instructions contained in any attachment) as we may not process them until after we receive the email
  - d we may require you to confirm email instructions by other means.
- 9.8.7 Although you can give us instructions outside normal office hours (9.00am to 5.00pm on Business Days), we will only receive the instructions during normal office hours on a Business Day and in relation to emails (including instructions contained in any attachment) when manually accessed by us during such time. For our banking services, cut-off times for receipt of instructions apply as set out in section 8.
- 9.8.8 We may rely and act on any instructions transmitted by any means which we reasonably believe appear or seem to be sent by you or a third party authorised by you.
- 9.8.9 We will act on instructions that we receive and access unless:
- a doing so may involve us or you breaching legal, regulatory or contractual requirements, for example, where the service or product you request is not available for retail clients
  - b we reasonably believe that doing so would be impracticable or against your interests, for example, it would result in an illiquid holding which may be difficult to sell
  - c we reasonably believe that the instructions are fraudulent or unauthorised
  - d we would run the risk of suffering financial loss
  - e you are not the legal owner of the Portfolio.
- 9.8.10 In normal circumstances you should write to or otherwise contact your Investment Manager at the office which deals with your Portfolio.
- 9.8.11 Where you are a beneficiary or policyholder in respect of a Portfolio which is legally owned by a third-party provider (for example, your SIPP or an offshore insurance bond) the third-party provider may be able to instruct us without asking you and your rights to instruct us under this term 9.8 may be limited. You should consult with your third-party provider for details.

### 9.9 Third party authority and powers of attorney

- 9.9.1 You can authorise us to accept the instructions of a third party by completing our Delegated Authority form (or as otherwise agreed between you and us). A third party authorised by you can instruct us as you would, obtain information about your Accounts and provide us with information on your behalf. For example, a third party authorised by you could:
- a give us instructions to carry out transactions
  - b provide us with information relating to you, including information we request in order to carry out a suitability assessment
  - c agree a change to your Risk Level(s), Investment Objective or time horizon
  - d give us instructions to make payments from your Account(s) including third party payments in accordance with term 8.2.3
  - e obtain information about your Accounts.

- 9.9.2 You will be responsible for any instructions and information provided by a person you have authorised to act on your behalf. We will continue to accept instructions and information from an authorised third party until we receive written notice from you that they are no longer authorised to do so.
- 9.9.3 A third party that is not acting under a power of attorney will not be authorised to make a change to the service you receive (for example, a change from discretionary investment management services to execution-only services), open a new Fund or agree to subscribe or resume subscription to an ISA.
- 9.9.4 Where you have granted a third party a lasting or enduring power of attorney we may assume that you have capacity to act until notified to the contrary by the person(s) granted authority. We may not act on instructions received from the person(s) granted authority under the lasting or enduring power of attorney unless we are satisfied, in our absolute discretion, that the lasting or enduring power of attorney allows for us to be instructed.
- 9.9.5 Subject to the Terms in this term 9.9, the same Terms in term 9.8 apply to oral, written or emailed instructions received by us from a third party as they do to instructions received from you, and you must ensure that your authorised third party complies with these provisions.
- 9.9.6 We may disclose Account balances and any other details about your Accounts to your appointed attorneys and to third parties authorised by you. If one or more of your appointed attorneys or authorised persons dies, loses their legal capacity or renounces the powers granted to them, we will assume the remaining attorneys or authorised persons continue to be authorised unless you tell us otherwise in writing.
- 9.9.7 We will write to you and as appropriate any third party (including any Connected Person) authorised by you, at the address(es) notified to us in writing. We may communicate to you and any authorised person (including any Connected Person) by post, telephone or email, as appropriate. We may also provide information on our Website where we consider it appropriate to do so.

### 9.10 Reports

- 9.10.1 We will supply you with regular periodic reports for our services as set out in the relevant section of these Terms.

## 9 GENERAL TERMS – continued

- 9.10.2 We will also provide an extended periodic report to you on an annual basis which will also include information relating to your Portfolio such as aggregated information on any costs and charges incurred in respect of your Portfolio over the course of the previous calendar year.
- 9.10.3 In addition to our valuation and reporting obligations currently specified in the Terms, you may also request that we provide you with a report relating to the deposits, client money or investments which we hold for you at any time. Details of any fees are contained in our Schedule of Charges.
- 9.10.4 Any valuations we prepare and which are included in our periodic reports will be based on prices obtained from exchanges and other pricing services which we consider appropriate. We will try to verify the accuracy of such valuations, but we are not responsible for inaccurate valuations. We may, if we choose to, provide ad hoc valuations outside of the regular periodic reports. We are not responsible for the accuracy of ad hoc valuations.
- 9.10.5 Each year when required, we will send you a set of UK tax papers in respect of a Fund, which includes:
- a a certificate of declaration of tax
  - b details of interest and other items
  - c a consolidated tax certificate and information regarding capital gains tax (excluding ISA Funds and/or Funds where taxation papers have not been requested).
- 9.10.6 Whilst we try to ensure the information provided is correct, we cannot guarantee the accuracy of all aspects of the tax papers.
- 9.10.7 Where you have more than one Fund, we may consolidate these for reporting purposes unless you expressly ask us in writing not to.
- 9.11 Fees, charges and expenses**
- 9.11.1 You agree to pay our fees and charges (plus any applicable VAT) as set out in:
- a the Schedule of Charges, in relation to the investment services that we provide you
  - b the Schedule of Interest Rates, in relation to the banking and Account services we provide you.
- 9.11.2 If there are any fees, charges or costs that are not included in the Schedule of Charges or Schedule of Interest Rates, we will provide the fees to you separately and in good time before we provide the relevant service to you. This may be the case, for example, if we agree to provide you with additional services in relation to a specific transaction or investment and we incur any fees, charges or costs for this.
- 9.11.3 In addition, subject to term 9.14, you agree to reimburse us for all the costs and expenses we incur in providing you with our services. The costs will include, but not be limited to:
- a transaction costs
  - b commissions, taxes and similar liabilities and costs
  - c additional charges that other banks may deduct when processing payments
  - d other reasonable costs and expenses we incur in providing you with our services.
- 9.11.4 Other taxes or costs may arise which are not paid via us or imposed by us.
- 9.11.5 Any fees, costs and charges that we charge you in providing you with the services under these Terms will be included in the periodic reports we send to you in respect of your Portfolio.
- 9.11.6 We may need to provide you with reasonable estimates and assumptions if the actual costs for fees, costs and charges are not available. While we take care to ensure our estimates are reasonable and review any assumptions used on an ongoing basis, fees, costs and charges incurred may vary from the information initially provided due to reasons beyond our control, such as changes in the market which are hard to predict.
- 9.11.7 We normally calculate our fees in arrears at the end of each quarter by reference to the value of your Portfolio at the end of each quarter (and in the event of termination the date of termination). We do not calculate and accrue fees on a daily basis. You will have to pay pro rata fees and charges for any part of a quarter with respect to material additions to or withdrawals from your Portfolio taking into consideration the time that assets are held in your Portfolio. The amount of fees you will have to pay will depend on fluctuations in the financial markets on which investments in your Portfolio are traded. We do not have any control over these fluctuations. If we calculate fees as a percentage of your Portfolio, the amount you have to pay to us will increase or decrease as the value of your Portfolio goes up or down.
- 9.11.8 We may deduct the following costs, fees, charges and expenses due (plus VAT if applicable) from your Fund:
- a all charges and expenses that we incur in providing you with services under this Agreement at the times and frequency set out in the Schedule of Charges
  - b ad hoc charges and expenses after we notify you of these
  - c any tax, duty or other charge levied on your Fund by any tax authority or other governmental or regulatory authority (including any amount which you owe to any tax authority which we are required to pay to such authority on your behalf).
- 9.11.9 We will invoice you separately if you do not have sufficient money in your Fund to pay our costs, fees, charges and expenses. You will be required to pay us within 30 calendar days of the date of invoice.
- 9.11.10 We may change our fees and charges from time to time. We will give you:

## 9 GENERAL TERMS – continued

- a at least 30 calendar days' notice before we make any change to our Schedule of Charges
  - b at least two months notice before we make changes to the charges in the Schedule of Interest Rates.
- 9.11.11 Our fees are currently chargeable to VAT and in accordance with this term 9.11 you agree to pay our fees plus the applicable VAT (and any VAT payable in respect of other charges and expenses due to us). In the event that HMRC determines that our fees are no longer chargeable to VAT and are VAT exempt we will cease to charge VAT on our fees from the date at which such determination applies. Following an HMRC determination that our fees are VAT exempt, if in our reasonable opinion it appears that VAT has been paid to HMRC in error we will seek to make a recovery from HMRC. You agree to provide us with such assistance as we may reasonably request in order to make such a claim. To the extent that we recover money from HMRC in respect of VAT paid in error by you we will pay this money to you. For the avoidance of doubt we shall not be required to reimburse you any amount in excess of any amount which has been credited to us by HMRC.
- 9.11.12 Where we provide you with banking services under term 8, you can also ask us for a full list of our sterling and currency equivalent charges.
- 9.11.13 You can request information about charges from your Investment Manager, and details are also available via our Website.

### 9.12 Third party benefits

- 9.12.1 We may receive and retain minor non-monetary benefits from other persons in providing our services to you. For example, participation in conferences, seminars and other training events and hospitality of a reasonable de minimis value such as food and drink at such events.
- 9.12.2 The fund manager of a fund will charge fees such as an annual management fee for managing the fund when you invest in a unit or share in a collective investment scheme such as a unit trust. You will usually not be able to see these fees as they are deducted from the fund itself and can vary significantly. We try to source the cheapest unit/share classes available for you. We do not receive any commission paid by fund managers to us.
- 9.12.3 We will automatically convert your existing units/shares into a cheaper unit if we can negotiate this. This will be shown in the non-market transaction page of your periodic valuation. We will not charge you any fees or charges for these conversions and they do not change the charging arrangements which you have previously agreed with us. If you would like to opt out our policy of automatically switching clients to cheaper unit/share classes or if you have any concerns or questions about this policy please contact your Investment Manager.

- 9.12.4 If you have been introduced to us by an intermediary, you will agree any fees or charges paid to the intermediary with them and not us. If you would like the intermediary's fees (plus VAT as applicable) to be deducted from your Portfolio you must notify us of the intermediary's fees and authorise us to pay such fees (plus VAT as applicable) from your Portfolio. If an intermediary transfers its business to a third party, when we receive a copy of the duly executed transfer agreement, we will continue to make such payments but to the third party rather than the original intermediary.

### 9.13 Research

We may receive research material or services in return for direct payments made by us out of our own resources.

### 9.14 Your responsibilities

- 9.14.1 You must comply with these Terms and this Agreement. You, and any person authorised by you, has full power and authority to enter into and instruct us, on the terms of this Agreement.
- 9.14.2 You have the following responsibilities regarding information:
- a you must ensure that any information you have provided to us and (where relevant) any competent authority is complete and accurate
  - b you must notify us and (where relevant) any competent authority promptly if there is any material change to the information provided by you (including, but not limited to, notifying us if your country of residence or nationality changes, for example if you marry a citizen of another country and thereby acquire dual nationality)
  - c you must provide us with all information and documentation that we may require and request you to provide us to allow us to carry out our Portfolio opening procedures and to comply with our legal, regulatory, tax compliance and contractual obligations.
- 9.14.3 You have the following responsibilities in relation to investments:
- a unless you are acting as trustee or agent or we have provided you with a JISA, you are always acting as principal for your own account and the investments and cash within your Portfolio belong to you
  - b except for security interests provided for in this Agreement, the investments and cash within your Portfolio are and will remain free from all liens, charges and other security interests unless we expressly agree otherwise
  - c you will not, either directly or indirectly, cause us to be responsible to any third party which is not expressly anticipated by these Terms

## 9 GENERAL TERMS – continued

- d you will not, except through us, deal, or authorise anyone else to deal, in the investments in your Fund.
- 9.14.4 You will be responsible for any reasonably foreseeable loss or liability we incur in providing any services to you under or in connection with this Agreement. You will also be responsible for any loss or liability we incur if we act on any instruction purporting to be given by you by telephone or by email (including instructions contained in any attachment), whether or not such instruction was in fact given by or authorised by you, as long we have tried to establish whether such instruction was in fact given or authorised by you. However, you will not be responsible for any loss or liability:
- which arises out of our own fraud, negligence or breach of this Agreement
  - which is unreasonably or improperly incurred
  - where a regulatory body or court of law subsequently finds our actions or omissions to be the cause of that loss or liability.
- 9.14.5 Term 9.14.4 shall not apply to any banking service that we provide you with under term 8.
- 9.15 Our responsibilities**
- 9.15.1 We will carry out our duties with reasonable skill, care and diligence and in accordance with the instructions and authority you have given us. As long as we do this, we do not accept any responsibility for loss (or the loss of an opportunity to gain) which arises from the provision of services to you.
- 9.15.2 We are responsible for the acts or omissions of any nominee company controlled by us or a Rathbones Group company in respect of this Agreement.
- 9.15.3 We will exercise reasonable skill, care and diligence in our selection and use of nominees, custodians or agents. As long as we do this (and as long as the losses do not arise directly from our fraud, negligence or wilful default) we are not responsible for loss arising from the default of a nominee, a custodian or agent whether the loss arises from loss of funds, investments, title documents or otherwise.
- 9.15.4 We are not responsible for losses you suffer if we (or our agents, nominees, custodians or others appointed by us) do not comply with this Agreement because of circumstances outside our or their reasonable control. These circumstances would include, for example: acts or regulations of any government, regulatory or supranational bodies or authorities; currency restrictions, devaluations or restructuring; the interruption, breakdown, failure, suspension or malfunction of any communications or computer service; the failure of any exchange, clearing house, market maker, dealer, broker or counterparty to perform its obligations; or acts of God, war, revolution, civil disorder, pandemic, terrorist attack, strikes or industrial disputes.
- 9.15.5 We shall not be responsible for any losses you may suffer if we suspend or delay performing our obligations if we become aware that:
- you are unable to pay your debts when they become due (within the meaning of section 123 or 268 of the Insolvency Act 1986)
  - any step, application or proceeding has been taken by you or against you in respect of your bankruptcy or individual voluntary arrangement.
- 9.15.6 We are not responsible for any losses you may suffer if we are required to comply with the terms of an applicable court order in respect of your Fund, or any of your Accounts.
- 9.15.7 This Agreement does not exclude or restrict our duties or liabilities to you under the Financial Services and Markets Act 2000 or the regulatory system.
- 9.15.8 We will do our best not to prejudice any tax status of yours based on the tax considerations which you have notified to us in writing. However, you or your other professional advisers must remain responsible for the management of your own tax affairs.
- 9.15.9 We will normally act as your agent, which means that you will be bound by the actions we take for you in accordance with this Agreement. Nevertheless nothing in this Agreement, none of the services we are to provide nor any other matter shall give rise to any fiduciary or equitable duties which would prevent or hinder us or any company within the Rathbones Group or affiliate from performing our services or entering into transactions with or for you.
- 9.16 Ending the Agreement or a particular service**
- 9.16.1 Our Agreement has no minimum duration. You may end the Agreement or a particular service by giving us written notice at any time. The Agreement will end when we receive your notice. You are responsible for any losses and tax consequences you may incur if you end the Agreement or a particular service. For example, if you give us notice to end the Agreement or a particular service with immediate effect, and ask us to sell your investments, you may get less than what the investment was originally purchased for.
- 9.16.2 We may end the Agreement, or can stop providing you with a particular service, by giving you 30 calendar days' written notice at any time, save that in respect of our banking services we are required to give you not less than two months' prior written notice.
- 9.16.3 We may also end the Agreement, or suspend the services we provide you, with immediate effect by giving you written notice if:
- you do not pay us when we ask you to
  - you act fraudulently
  - you breach any of the terms of the Agreement and do not fix this within a reasonable time after we write to you

## 9 GENERAL TERMS – continued

- d without affecting the rest of this term 9.16.3 you do not provide, when requested by us, information which we may reasonably require in order to continue the provision of services to you or any information that we may reasonably require under this Agreement or in order to satisfy our legal or regulatory obligations including under international tax compliance laws (as further specified in term 9.20.2)
  - e if we reasonably believe that you are, or are likely to be, unable to pay your debts when they become due (within the meaning of section 123 or 268 of the Insolvency Act 1986), or any step, application or proceeding has been taken by you or against you in respect of your bankruptcy or individual voluntary arrangement
  - f we need to do so for regulatory or operational reasons, including where we are required to do so by law (for example, where we a governmental or tax authority requires us to freeze all or part of your Portfolio or Account), or where we suspect fraud, money laundering or other crime
  - g we reasonably believe that maintaining all or part of your Portfolio or Account might expose us (or an Associate) to action or censure from any government, regulator or law enforcement agency
  - h we reasonably believe that maintaining all or part of your Portfolio or Account might damage our reputation
  - i we are instructed to do so by a third party provider under our contract with that third party provider where all or part of your Portfolio is legally owned by a third party provider (as described in term 1.19).
- 9.16.4 If you provide us with written notice by email to close the Account, the notice will not take effect until we have confirmed the closure with you. We will either do this face to face, by telephone, or in writing with a signature as we may require.

### 9.17 Consequences of ending the Agreement

- 9.17.1 When the Agreement ends we may charge you for:
  - a periodic fees, charges and expenses which have accrued and are due
  - b any additional expenses we or our agents necessarily incur on termination of the Agreement
  - c any losses we incur in settling or concluding outstanding obligations; but we will not ask you for any additional payment.
- 9.17.2 When the Agreement ends, we will promptly account to you for investments in your Fund and ask nominees and custodians holding your investments to do the same.
- 9.17.3 Once the Agreement ends, it will not affect any legal rights, obligations or commitments (such as in-flight transactions) that either you or we have that may already have arisen. For example, we will complete any transactions already initiated that we or our agents have committed to. You will also be required to pay any outstanding fees even after the Agreement or a particular service ends. After the Agreement ends, you and we will keep any rights each of us has under, or as a matter of, general law.

### 9.18 Default remedies

- 9.18.1 We shall retain a lien and security interest over any assets within your Portfolio to the extent that any charges, costs, losses or claims for which you are responsible to us remain unpaid. You also agree subject to section 6, term 6.20 that assets within a Fund within your Portfolio may be subject to a lien in favour of any custodian, nominee or agent appointed by us in respect of properly incurred charges and liabilities relating to the administration and safekeeping of such assets or facilitating the settlement of trades of any depository or settlement system.
- 9.18.2 We may dispose of an investment of yours if you fail to make a payment when it is due to us. We will notify you of any disposal of investments of yours pursuant to rights under a lien or security interest. The lien or security interest will apply in respect of each asset or type of asset or class of asset held within your Fund, or the cash within your Account, from time to time to the extent of your indebtedness to us.
- 9.18.3 If you fail to pay any sum due to us under this Agreement when due we may charge you interest at a rate determined by reference to the Bank of England base rate, or its successors, plus a margin as disclosed in our Schedule of Interest Rates. In the case of non-sterling amounts, we will determine overdraft interest by reference to the applicable currency base rate, plus a margin as disclosed in our Schedule of Interest Rates. Such interest will accrue on a day-to-day basis. Further details are available on request.
- 9.18.4 We may appoint an agent to recover any sums you have not paid us. You will be responsible for paying any reasonable fees and expenses for this, including the agent's fees and expenses and any legal fees.

### 9.19 Confidentiality

- 9.19.1 We will treat any information you give us and information about your Portfolio, your Fund and any Accounts as confidential. However, we may share or disclose your information (confidential or not):
  - a to our employees (or employees of our agents, nominees or custodians or other persons appointed by or used by us in connection with our services) on a need to know basis
  - b to the FCA, PRA and any other regulatory authority, to the extent that they are entitled to the information sought or to the extent that may be required in order to assist you in complying with any obligations under applicable law in relation to the services we provide to you under this Agreement



## 9 GENERAL TERMS – continued

- c to HMRC and any other revenue service or tax authority, to the extent that they are entitled to the information sought
- d otherwise as may be required by law, best banking or designated investment business practice, industry regulations or codes of practice
- e to our professional advisers where reasonably necessary for the performance of such professional services
- f to any member of the Rathbones Group where reasonably necessary to assist in the performance of obligations in connection with this Agreement or other legitimate business purposes
- g where you are a beneficiary or policyholder in respect of a Portfolio, Fund or Account which is legally owned by a third-party provider, to such third-party provider
- h in the circumstances described in term 9.20 or term 9.21 (whether or not the information consists of Personal Data).

### 9.20 International tax compliance laws

- 9.20.1 International tax compliance laws require us to collect and disclose certain information about our clients. This may include, for example, undertaking due diligence on you and collecting information such as tax residency status.
- 9.20.2 We may be required to provide information about you, including your tax residency status, to HMRC and they may share this information with other tax authorities or governments.
- 9.20.3 We may ask you to provide additional information so we can satisfy these obligations. You must fully and accurately disclose such information when requested by us. If you do not provide such information when requested, we may end the Agreement with immediate effect by written notice in accordance with term 9.16.3.

### 9.21 Use of your personal data

We will use your personal data in accordance with our Privacy Notice for Clients, as may be amended from time to time, a copy of which is available on our Website at [rathbones.com/privacy](http://rathbones.com/privacy) or by writing to our registered office: Rathbones Investment Management Limited, Port of Liverpool Building, Pier Head, Liverpool L3 1NW.

### 9.22 Delegation and use of Rathbones Group members/agents

- 9.22.1 We may delegate any of our critical or important functions or services provided under this Agreement to any member of the Rathbones Group provided we are satisfied that such person is competent to carry out such responsibilities and has all relevant licences. We will still be responsible to you for matters we delegate. We will give you prior written notice if we delegate the exercise of our discretionary investment management services.

- 9.22.2 We may, where reasonable, employ agents (including members of the Rathbones Group) to carry out administrative, dealing, and/or ancillary services (not covered by term 9.22.1) necessary to enable us to perform our obligations under this Agreement. We will act in good faith and with reasonable skill and care in our choice, use and monitoring of such agents.

### 9.23 Money laundering compliance

- 9.23.1 We are required by law to operate procedures pursuant to the money laundering rules, which will include requesting that you or the controllers of the entity (trustees, beneficiaries, directors, settlors and in certain circumstances shareholders) provide us, if required, with proof of identity, proof of address, source of funds and/or source of wealth. You must comply with any such requests promptly. We will not accept new monies if you do not comply.
- 9.23.2 We may receive and retain proof required by the money laundering rules and can disclose it to any government, regulatory or law enforcement authority that is legally entitled to request it. You agree that we may carry out identity checks on you electronically.

### 9.24 Bribery, corruption and tax evasion

- 9.24.1 We do not tolerate instances of bribery or corruption. We will not take any action on behalf of a client or connected party which may facilitate tax evasion.
- 9.24.2 We have implemented and will maintain suitable procedures which comply with the Bribery Act 2010 and the Criminal Finances Act 2017. These procedures cover all aspects of our business.

### 9.25 Compensation under FSCS

- 9.25.1 We are covered by the Financial Services Compensation Scheme which considers compensation for investment business and eligible deposits separately. You may be entitled to make a claim to the FSCS in the event of our default. The amount the FSCS will pay depends on the services that we provide you with under these Terms:
  - a the FSCS can pay compensation to an eligible complainant in respect of investment business if we, as an investment firm, are unable to meet our financial obligations to you
  - b the FSCS can pay compensation to eligible depositors if we, as the firm which accepted the eligible deposit, are unable to meet our financial obligations to you.
- 9.25.2 More detailed information about compensation provided by the FSCS in relation to eligible deposits (including the scope of the FSCS in relation to eligible deposits, the amounts of cover offered and eligibility to claim) is included in our notice Basic Information About The Protection Of Your Eligible Deposits. Compensation limits may be subject to change by the FSCS. Any changes to FSCS limits will be detailed on our Website and are available on request.

## 9 GENERAL TERMS – continued

9.25.3 Where you are a beneficiary or policyholder in respect of a Portfolio, Fund or Account which is legally owned by a third-party provider (for example, your SIPP or an offshore insurance bond) your eligibility for, and access to, compensation under the FSCS may be otherwise than as set out in this term 9.25. You should consult your third-party provider for details of the compensation arrangements that apply to their product. Please also see section 1, term 1.19 for further Terms which apply to such arrangements.

9.25.4 You may also find further information on our Website and the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk). You can also call the FSCS on 020 7741 4100 or 0800 678 1100.

### 9.26 Complaints

9.26.1 If you have a complaint in respect of any of our services you should write to the Compliance Manager at our head office. Details of our internal complaints management policy are available on request. If you are unhappy with how we deal with your complaint you may be able to complain to the Financial Ombudsman Service.

9.26.2 You may contact the Financial Ombudsman Service by:

- a post at Financial Ombudsman Service, Exchange Tower, London E14 9SR
- b telephone at 0800 023 4567 or 0300 123 9123
- c email to [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)
- d visiting their website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

### 9.27 Telephone calls and electronic communications

9.27.1 We may record telephone calls and electronic communications (such as emails and SMS) between you and us and use these as evidence of your instructions and/or if there is a dispute. We can provide you with such records on request and an administration fee may be applied. These records will be available for a period of five years (or where requested by the FCA for a period of up to seven years) from the date the record is made.

9.27.2 Subject to term 9.21, we may telephone (or, where you have provided relevant details, contact you via electronic means) to discuss investment opportunities or further investment services which we may be able to provide to you.

### 9.28 Joint clients

9.28.1 If you are more than one person, unless agreed otherwise in writing the following additional terms apply:

- a our Agreement is with each of you and your responsibility is joint and several. This means that you and any persons are liable together, but also individually for all money due

b where you have more than one Fund we may, where we consider it appropriate, consolidate all Funds for the purposes of reporting unless you expressly instruct us in writing to do otherwise

c we will only send periodic reports to the first named party in the Client Agreement, unless you request and we agree otherwise

d each of you accepts that we may disclose/share your personal data to/with each of you.

9.28.2 If you are more than one person, we may accept instructions from any of you but we will require consent from both of you if:

- a we have agreed this with you in the Client Agreement, or otherwise in writing
- b we become aware of a dispute between you and the other clients
- c you wish to make any material changes to our Agreement, such as:
  - i amending your residential address
  - ii amending any of your external bank account details held by us
  - iii making a third party payment
  - iv transferring out assets in specie to another custodian
  - v changing a delegated authority
  - vi adding any new Connected Person(s)
  - vii changing your Investment Mandate.

### 9.29 Trustees

9.29.1 Where you have entered this Agreement as a trustee and there is a change in trustee, we may choose to continue this Agreement and any successor trustee will also be bound by this Agreement.

### 9.30 Death

9.30.1 In the event of your death (or if there is more than one of you the death of either or both of you) we will require a certified copy of the death certificate(s).

9.30.2 If you are a joint client, and only one of you dies, this Agreement will continue. We will treat the survivor(s) as our client and the person(s) entitled the Portfolio. Please let us know in writing if you would like us to make alternative arrangements.

9.30.3 Subject to term 9.30.2, if you die and you are the sole client, Rathbones will continue to manage your portfolio in line with the Investment Mandate agreed prior to death until such time as a grant of representation has been provided. We will not provide ongoing non-discretionary investment management, or advisory services but our custody and banking services will continue. Our Estate Schedule of Charges will apply to the services we provide. Any ISAs will become a continuing account in accordance with term 7.9.1 and HMRCs requirements.

## 9 GENERAL TERMS – continued

9.30.4 We will ask your estate for reasonable evidence of your death (typically a certified copy of the death certificate) and evidence of authority (typically the grant of representation and any Will or Codicil(s)) of your personal representatives.

9.30.5 Prior to the grant of representation:

- a we will send correspondence and any documentation related to the Agreement to your personal representatives or (if thought fit) to the person who has notified us of your death;
- b if your personal representatives wish us to liquidate or pay out money, we will normally only agree to this where funds are required to pay certain liabilities (for example funeral charges, inheritance tax, court fees and other related expenses) and where your personal representatives have given us an indemnity.

### 9.31 Incapacity

9.31.1 Where you have granted a third party a lasting (or enduring) power of attorney and we subsequently receive notice that you no longer have capacity, we will require a certified copy of the appropriate notice of incapacity from the person(s) granted authority under the lasting (or enduring) power of attorney.

9.31.2 Upon receipt by us of written notification of your incapacity and subject to the remainder of this term we may suspend the provision of services (other than our custody and banking services) in respect of the Portfolio unless:

- a we are satisfied (in our absolute discretion) that the lasting (or enduring) power of attorney allows for us to be instructed in the provision of discretionary investment management services if applicable
- b the person(s) granted authority under the lasting (or enduring) power of Attorney takes on the responsibility to fully reimburse us against any and all costs, claims, demands, expenses, damages and liabilities (including tax liabilities) for which we, our directors and employees may become responsible as a result of our agreeing to provide, or continue with the provision of, discretionary investment management services in relation to the Portfolio
- c there is more than one of you, and one individual retains capacity we may take instructions from the individual who retains capacity, as we choose.

9.31.3 Where you have not granted a third party a lasting (or enduring) power of attorney and we subsequently receive notice that you have lost capacity, subject to term 9.31.4:

- a we shall use all reasonable efforts to contact an appropriate person such as a family member
- b we shall assist during any relevant discussions and proceedings with the Court of Protection with regard to your loss of capacity as we may consider reasonable
- c we may, if we choose, give at least one month's written notice (which will be deemed to be received

on your behalf by the relevant appropriate person) of suspension of the provision to you of our services other than custody and banking services until receipt of a valid order issued by the Court of Protection appointing a person to take charge of your financial affairs, or equivalent order.

9.31.4 Where you have not granted a third party a lasting (or enduring) power of attorney and we subsequently receive notice that you have lost capacity on a temporary basis, we may, if we choose, continue to provide our services to you. Where you recover capacity we will as soon as practical discuss with you our continuing provisions of services. However, if you do not recover capacity within a reasonable timeframe, term 9.31.3 will apply.

### 9.32 Foreign Powers of Attorney

9.32.1 Within these Terms, the references to lasting power(s) of attorney and enduring power(s) of attorney, are to power(s) of attorney validly drawn up under and/or governed by English law.

9.32.2 If you provide us with a Power of Attorney, or equivalent, that is governed by a law other than English law (a Foreign Power of Attorney), we may charge you for costs we reasonably incur to establish the validity of the Foreign Power of Attorney and the scope of its authority, including reasonable legal costs. For the avoidance of doubt a power of attorney validly drawn up under Scottish law will be accepted.

9.32.3 We do not have to accept instructions from an attorney who is appointed under a Foreign Power of Attorney. Where we accept such instructions, then the provisions in the Terms which apply to powers of attorney shall include and apply to the respective Foreign Power of Attorney, as appropriate.

### 9.33 Amendments

9.33.1 We may need to amend this Agreement from time to time for several reasons such as:

- a to comply with applicable law or regulation
- b to reflect industry guidance, standards or codes of practice
- c because of how the Rathbones Group is structured, authorised or does business
- d to introduce new services or features
- e to correct any mistake in this Agreement or to make this Agreement clearer or fairer to you
- f to reflect changes in the cost of providing our services to you, including any direct costs or changes in market conditions.

9.33.2 We will give you normally give you 30 calendar days' written notice of the changes we propose to make to this Agreement unless a specific Section specifies otherwise or circumstances (such as legal or regulatory requirements) dictate a shorter or longer period.



## 9 GENERAL TERMS – continued

- 9.33.3 Any amendments we make will take effect on the date set out in any notice of amendments. If we give you notice of amendments to the Agreement and do not hear from you, we will treat you as having accepted the change.
- 9.33.4 If you have chosen to receive amendments to the Terms via email or other electronic means, we may provide the amended version of the Terms to you as you have chosen. Further information in relation to receiving amended copies of the Terms via email is available on request.
- 9.33.5 You must notify us if you wish to make any amendments to the Agreement. We will notify you in writing if we accept your proposed amendments. Any amendments you propose will only come into effect if they are accepted by us.

### 9.34 Language

This Agreement is in English. We will only write to you and communicate with you in English.

### 9.35 Transfer

- 9.35.1 The Agreement is personal to you and you cannot transfer any of your rights or responsibilities under it.
- 9.35.2 We may transfer, in whole or in part, any of our rights and responsibilities under the Agreement at any time upon giving you written notice, to any other member of the Rathbones Group provided that such member is competent to perform such rights and responsibilities and has all relevant licences. When the assignment or transfer becomes effective, all references in these Terms to “we”, “our” or “us” will be to the person we have transferred the Agreement to and not us.

### 9.36 Third party rights

This Agreement does not create any right or benefit enforceable by any other person other than you and us, except members of the Rathbones Group may enforce rights expressed in the Agreement.

### 9.37 Enforcing the Agreement

We may choose not to enforce our rights under this Agreement. If we choose not to enforce this Agreement, delay enforcing it, or only partially enforce our rights this will not affect our rights under this Agreement, and we may choose to enforce later.

### 9.38 Severability

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Term shall not affect the validity and enforceability of the rest of this Agreement.

### 9.39 The law and courts that apply to our Agreement

English law governs the Agreement and the relationship between you and us (including non-contractual claims or disputes and any relations before the Agreement is concluded). If you bring a claim against us in the courts, you must use the courts of England and Wales.

# ANNEX 1 – DEFINITIONS AND INTERPRETATION

In these Terms, unless the context otherwise requires, the following words and phrases have the following meanings:

**Account** means an account we provide you with that is in your name which is used to hold your cash including Income Accounts, Capital Accounts and Fixed Time Deposit Accounts (and other deposit accounts). If you have more than one Account, reference to Account means each Account or the relevant Account as the context may require.

**Agreement** means the Agreement between us which is made up of the Agreement Pack and the Contractual Pack as may be amended from time to time, together with such additional terms which we may agree in writing shall form part of the Agreement.

**Agreement Pack** means the following documents:

- a Client Agreement
- b Understanding Investment Risk and Return document
- c Schedule of Charges
- d Schedule of Interest Rates.

**BACS** means a scheme for the electronic processing of financial transactions in the UK.

**Banker** means acting as a deposit-taking institution.

**Basic Information About The Protection Of Your Eligible Deposits** means an information sheet setting out details of FSCS coverage for banking deposits, including which types of deposits are excluded from protection.

**Best Execution Policy** means our Best Execution Policy, as amended from time to time.

**Business Day** means a weekday, excluding public and bank holidays in England, when banks in London are open for business.

**Capital Account** means an Account in your name which is used to hold cash to facilitate the purchase and sale of investments in respect of your Portfolio, as further described in section 8, term 8.3.1(b).

**CHAPS** means an automated same day high value payment system for processing payments within the UK.

**Client Agreement** means the Client Agreement document or the Client Profile document, as applicable.

**Complex Instrument** with complex mechanisms to determine or calculate the return. Any investment carries risk, but the risks associated with complex financial instruments are usually significantly greater than those associated with non-complex financial instruments and the risk of loss can be substantial. Investment in a complex financial instrument may trigger obligations regarding appropriateness in accordance with the Regulatory Rules. Examples of the type of financial instruments considered as complex products include derivatives and warrants. Structured products and units in some Collective Investment

Schemes may also be deemed complex financial instruments. The below list provides some further examples but is not deemed exhaustive:

- Currency Swaps and Currency Forward with physical delivery of the underlying asset
- Investment certificates of closed-end investment funds
- Other investment certificates of investment funds, funds not included in UCITS funds
- Interest rate swaps (IRS)
- Non deliverable forwards (NDF)
- Marginal Currency Transactions (MCT)
- FOREX (Currency Exchange, Transactions with Precious Metals BULLION) on SPOT and FORWARD
- Marginal transactions - transactions with stock derivative financial instruments (futures and options for futures)
- OTC transactions - over the counter derivative transactions. Over the counter swaps - OTC swaps
- REPO transactions, REVERSE REPO transactions
- Transactions with the granting of broker's credit (margin loan) - short positions opening
- Options transactions
- Financial Contracts for Difference (CFD)
- Structured financial products with a principal repayment guarantee
- All other investment funds - hedge funds, etc
- FI short selling

**Conflicts of Interest Policy** means the Rathbones Group conflicts policy, as amended from time to time.

**Connected Person** means a person or persons specified by you in the Client Agreement (or otherwise notified by you to us in writing) who has the authority to administer your Portfolio.

**Contractual Pack** means the contractual pack which comprises:

- a these Terms
- b Conflicts of Interest Policy
- c Best Execution Policy
- d Basic Information About The Protection Of Your Eligible Deposits
- e Pre-Contract Consumer Credit Information (Overdrafts).

**Corporate Actions** means rights or events which arise in respect of companies (excluding collective investment schemes) which impact shareholders, such as dividends, share splits, bonus offers and take overs.

**EEA** means the European Economic Area.

**Effective Date** means the Effective Date of our Agreement as determined in accordance with section 1, term 1.9.

# ANNEX 1 – DEFINITIONS AND INTERPRETATION

## – continued

**FCA** means the Financial Conduct Authority or its successor.

**FCA Rules** means the FCA Handbook of rules and guidance.

**Fixed Time Deposit Account** means an Account in respect of a fixed time deposit, as described in section 8, term 8.3.1(c) and 8.7.

**FOS** means the Financial Ombudsman Service.

**FSCS** means the Financial Services Compensation Scheme.

**Fund** means a separately identified portion of assets within your Portfolio. If you have more than one Fund, reference to Fund should be taken to mean each Fund or relevant Fund as the context may require.

**HMRC** means HM Revenue & Customs.

**Income Account** means an Account in your name which is used to collect dividends and other income in respect of your Portfolio, as further described in 8, term 8.3.1.

**In-House Funds** means a collective investment scheme which is managed by a company in the Rathbones Group.

**Investment Manager** means the individual who is appointed by us as your Investment Manager in relation to your Portfolio.

**Investment Mandate** means the agreed parameters to be applied to each Portfolio, as described in term 1.6. If you have more than one Portfolio, reference to Investment Mandate should be taken to mean “each Investment Mandate” or “the relevant Investment Mandate” as the context may require.

**Investment Objective** means your Investment Objective in respect of your Portfolio or a particular Fund (as the context requires), as selected by you in the Client Agreement (or otherwise as agreed between you and us) from the options offered by us.

**ISA** means a flexible Individual Savings Account under the ISA Regulations.

**ISA Application Form** means a request to apply for a new ISA in the form required by the ISA Regulations.

**ISA Manager** means acting as the manager of an ISA, including, if applicable, a JISA.

**ISA Regulations** means the Individual Savings Account Regulations 1998.

**JISA** means a stocks and shares Junior Individual Savings Account, established in accordance with the ISA Regulations.

**JISA Application Form** means a request to apply for a new JISA in respect of an Eligible Child in the form required by the ISA Regulations.

**KID** means a key investor document for a PRIIP that sets out specific relevant information about the PRIIP, such as the nature of the product, the risks, the costs, the duration of the investment and the complaints procedure.

**KIID** means a key investor information document for a UCITS that sets out specific information about the fund such as its name, a short description of its investment objectives and policy, information relating to performance, costs and associated charges and information on risk with appropriate guidance and warnings.

**Legal Entity Identifier or LEI** means the unique code given to a legal entity or structure to facilitate certain transaction reporting obligations applying to investment firms.

**Leveraged Portfolio** means a Portfolio which includes investments purchased using funds borrowed by us on your behalf (where expressly agreed with you) and/or derivatives or structured products that create a leveraged Portfolio, provided that this does not include:

- a Portfolio which may experience short term overdraft positions as a result of the dealing and settlement process;
- b overdrafts on Accounts provided in the course of our banking services.

**Non-Complex Instrument** means a financial instrument can be traded without a vast amount of specialist knowledge. Examples of these type of financial instruments can include:

- shares in companies that are admitted to trading on a regulated market or multilateral trading facility (MTF);
- bonds traded on a regulated market or MTF (except certain complicated bonds);
- money market instruments;
- shares or units in UCITS;
- structured deposits (except certain complicated structured deposits).

**MyRathbones Service** means the online facility provided by us and which is available via a secure portal which enables:

- a a person who has access to the MyRathbones Service to access information in relation to a Portfolio which belongs to them or to which they are connected
- b you to send us instructions and information regarding you and your Portfolio, and to receive messages from us.

**PRIIP** means an investment where the amount repayable to the retail investor is subject to market fluctuations because of its exposure to certain reference values. A list of the types of retail products which are considered to be PRIIPS (and for which you can expect a KID) is available from us upon request.

**Portfolio** means each Portfolio of your assets in respect of which we provide investment services under these Terms under a single Investment Mandate, including any relevant Funds and Accounts where applicable. If you have more than one Portfolio, reference to Portfolio should be taken to mean each Portfolio or the relevant Portfolio as the context may require.

# ANNEX 1 – DEFINITIONS AND INTERPRETATION

## – continued

**PRA** means the Prudential Regulation Authority or its successor.

**PRA Rules** means the PRA Rulebook of rules and guidance.

**Primary Pooling Event** has the meaning given to it in the FCA Rules and includes the failure of a firm or a regulatory instruction for a firm to cease holding client money.

**Privacy Notice for Clients** means the Privacy Notice for Clients available on our website at rathbones.com/privacy as amended from time to time.

**Rathbones Group** means the group of companies comprising Rathbones Group Plc and any direct or indirect subsidiary of Rathbones Group Plc from time to time.

**Reference Exchange Rate** means the exchange rate that we use to buy or sell foreign currency for you.

**Reference Interest Rate** means the interest rate which is used as the basis for calculating any interest to be applied and which comes from a publicly available source.

**Regulatory Rules** means the FCA Rules and/or the PRA Rules as the context shall require.

**Risk Level** means the Risk Level in respect of your Portfolio or a particular Fund (as the context requires) as selected by you in the Client Agreement (or otherwise as agreed between you and us) from the options offered by us.

**Schedule of Charges** means our Schedule of Charges, as amended from time to time.

**Schedule of Interest Rates** means our Schedule of Interest Rates, which includes details of our bank charges, as amended from time to time.

**SIPP** means a Self-Invested Personal Pension.

**Terms** means these Terms of Business, including the Annex, as amended from time to time.

**Trading Venue** is a defined regulatory term meaning a regulated market, an EU regulated market, a multilateral trading facility or an organised trading facility. Should you seek further explanation please refer to your Investment Manager.

**UCITS** means a UCITS scheme or an EEA UCITS scheme as defined in the glossary to the FCA Rules.

**UK** means the United Kingdom.

**VAT** means value added tax.

**We** means Rathbones Investment Management Limited (and our and us shall have appropriate meanings accordingly).

**Website** means our Website at rathbones.com or such other alternative or additional address as we may notify to you from time to time.

**You** means you the client, and where you have opened a Portfolio, Fund or Account jointly with another person, you and that other person (and you shall have an appropriate meaning accordingly) and in relation to a JISA, the Registered Contact.

### 1 In these Terms, unless the Terms state otherwise:

- 1.1.1 use of the singular shall include the plural and vice versa;
- 1.1.2 use of any gender or neuter includes the other genders;
- 1.1.3 headings are used for reference only;
- 1.1.4 references to any legislation, handbook or rule include any successor, amended or replacement legislation, handbook or rule (including those laws or rules enacted or re-enacted for the purpose of bringing European Union law and regulation into domestic law and regulation prior to the UK's exit from the European Union), and are to UK legislation, handbook or rules unless expressed otherwise;
- 1.1.5 a time of day shall be construed as a reference to London, UK time;
- 1.1.6 any phrase introduced by the terms including, include, in particular or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms;
- 1.1.7 terms which are defined in the Regulatory Rules, but which are not defined in these Terms, shall have the meaning set out in the glossary of the Regulatory Rules;
- 1.1.8 a reference to investment when used in the Terms includes both investments and financial products.
- 1.1.9 a lien means a legal right to retain property (such as cash or securities) until an obligation (such as a debt) has been discharged.

## ANNEX 2 – RISK WARNINGS

**This Annex is an important document.**

**It describes some of the risks of investments, as well as risks associated with certain investment techniques and more general risks associated with financial markets. This list is not exhaustive and we do not list all potential risks.**

**[Risk is a part of investing and cannot be avoided but it can be mitigated by using an experienced investment professional who will carry out due diligence, research and recommend a spread of investments. Generally taking some risk gives you the opportunity to generate greater returns than would otherwise be the case.]**

**If you have any questions regarding the types of investments or risks disclosed in this Annex you should ask your Investment Manager.**

**The tax treatment for investors for any investments can change at any time.**

### 1 Risks in certain types of investments

#### 1.1 Equity Securities

Equity securities are typically known as “shares”. Purchasing shares makes you a part owner in the company in which you own shares. A company’s share price can be impacted by a variety of factors, including the market in which the company operates, general economic conditions, and the financial performance of the company. Companies often pay dividends however the level and extent of dividends typically depends on how well the company is doing.

Shares can offer greater growth potential than other investment types, but they are a volatile asset class since their value can go up and down more than other investment types.

#### 1.2 Small company shares

Shares in small and very small companies, including penny shares, have particular risks. The term penny shares is used to describe shares which have speculative appeal because of their low value. There is an extra risk of losing money if you invest in such shares. There is often a significant difference between the buying and selling price of these shares, and if you need to sell immediately, you may receive much less than the purchase cost. The price may also change quickly.

#### 1.3 Fixed income securities

Fixed income securities include bonds and treasury bills. They are loans that are usually issued by governments or companies and typically promise to pay a specified rate of interest as well as the return of the principal sum at a future stated date. Fixed income securities do not have to satisfy any minimum rating standard.

The issuer of the fixed income securities could default and stop making promised payments or be unable to repay the principal and/or interest.

The price of fixed income securities are sensitive to changes in interest rates. In general, as interest rates rise, the price of fixed income securities tend to fall. Changes in the credit ratings of a fixed income security or in the perceived ability of the issuer to make payments of principal and/or interest also may affect the market value of the fixed income security.

### 2 Cash

Cash, although it keeps its nominal value, is subject to the negative effect of inflation.

### 3 Collective investment schemes or funds

A collective investment scheme (CIS) (often referred to as a fund) involves investors pooling their money with other investors, with the money then invested in underlying assets which are professionally managed by a third party, who seeks to achieve a return from investing and managing those underlying assets. A CIS may be structured in a number of ways, for example, in the form of a company, partnership or trust.

As an investor, you buy shares, partnership interests or units in the CIS in the hope that the value rises over time. The CIS’s investment performance depends on how the underlying assets perform.

Some CISs are “open-ended” as the number of shares, partnership interests or units in issue increases as more invest and decreases as investors take their money out. “Closed-ended” CISs are CISs in which investors are either unable to withdraw their investments until the CIS is wound up or can only do so in very restricted circumstances.

Normally, there is no established secondary market in CISs which means that your investment in them cannot usually be sold to third parties or outside of the redemption terms governed by the constitutional documents of the CIS. The constitutional documents of an open ended CIS normally allow you to redeem your investment in the CIS at a fair value price or “authorised quoted price at valuation point”.

How often you can buy and sell units in a CIS and how often prices are published will depend on the terms of the CIS constitutional documents. A CIS may suspend dealing or postpone redemptions in certain circumstances, for example difficult or extreme market conditions or where there is not enough liquidity to meet all redemption requests. These provisions are in place to ensure that all investors are treated fairly and to ensure that the portfolio of investments within the CIS can be managed in an orderly manner.

The level of risk of an investment in a CIS will depend on the underlying assets of the CIS and how well diversified it is. For example, a fund which invests only in one industrial sector, such as technology, will typically be riskier than a fund that invests across the whole range of companies in a market.



## ANNEX 2 – RISK WARNINGS – continued

We are not responsible for the contents of material published by third party CIS managers.

Some CISs are regulated which means that there are rules about (and limits on) diversification of the underlying assets, the types of underlying investments in which the CIS can invest, and the frequency of dealing in the CIS. Regulated CISs include UK authorised unit trusts, and OEICs (open-ended investment companies).

Unregulated CISs referred to as include Unregulated Collective Investment Schemes (UCISs) or Non-Mainstream Pooled Investments (NMPs). may include certain hedge funds, private equity funds, property funds and other pooled investments which are not regulated by the FCA. Unregulated CIS may sometimes be called “alternative investments”. Such investments are often complex, are not as liquid as regulated CIS meaning it can sometimes take a long time to realise your investment. Unregulated CISs have few or no rules about the types of investments in which they can invest or the frequency at which they can be redeemed. However, a manager of UCIS who is based in the UK must be regulated by the FCA.

### 3.1 Hedge Funds

Hedge funds can profit from falling as well as rising asset prices by using a range of investment techniques such as leverage, short selling and the use of derivatives that are unavailable to, or generally are restricted within UK authorised funds. Some hedge funds are run as small boutiques and investors are not compensated for taking on operational risk.

Hedge funds often have long redemption terms, with notice periods and lock in periods. Hedge funds generally cannot be traded on the secondary market.

Funds of hedge funds are funds (sometimes quoted investment trusts), which invest across a number of underlying hedge fund strategies. Funds of hedge funds aim to offer investors diversification across manager styles and therefore attempt to lower the degree of hedge fund specific risk. However, the level of fees charged can be high, given fees charged at both the manager level and in respect of the underlying funds. Funds of hedge fund managers are responsible for evaluating hedge fund strategies, identifying and selecting managers and performing due diligence and the ongoing monitoring of funds.

### 3.2 Private equity funds

Private equity funds are funds that invest exclusively or almost entirely in unlisted companies (or that are publicly listed companies with a view to delisting them). Investment in private equity funds is typically by way of commitment (ie where an investor agrees to commit to invest a certain amount in the fund and this amount is drawn down by the fund as and when it is needed to make private equity investments).

Private equity funds tend to be closed-ended and to have a finite lifespan. During the life of the fund, it is usually not possible for you to redeem your investment. Therefore, if you invest in a private equity fund, it may be several years before you see any sort of return on the investment.

Whilst returns can be higher than standard investments, investments in private equity funds involve a high degree of risk and are only suitable for investors who fully understand and are willing to assume the risks involved. The returns are dependent on the performance of the companies in which the fund invests and, in turn therefore, largely dependent on the fund manager’s expertise to identify opportunities and manage the investments. Investors in private equity funds are exposed to potential loss which could involve a complete loss of the investment.

### 3.3 Property funds

Property funds invest in real property and land. These underlying assets can be difficult to sell and so you may not be able to sell/cash in this investment when you want to.

In times of difficult or uncertain market conditions (for example as seen after the Brexit referendum) property funds may suspend dealings in the fund or limit how much investors can redeem. Some property funds use gearing as part of their strategy which means they are exposed to interest rate increases.

The value of property is often a matter of a valuer’s assumptions rather than fact.

### 3.4 Structured products

Structured products are investment vehicles designed to produce a tailored risk return objective, generally over a fixed term. The risks and returns of structured products depend on the performance of a specific market (such as the FTSE 100) or specific assets (such as shares in individual companies), as set out in the structured product.

Some structured investments offer a degree of capital protection, whilst others do not. Income or growth is usually not guaranteed and there may be no return on the investment. You should be prepared and able to sustain the loss of some or all of the capital invested. Even where your capital is protected, you may still incur a loss where fees and charges are deducted.

The value of a structured product is subject to the credit risk of its issuer and may decline if the issuer’s creditworthiness goes down. If the investment bank issuing the structured product becomes insolvent, this could lead to a partial or total loss of your capital invested.

Structured products are designed to be held until redemption, typically five to seven years. There may be no secondary market for them and you may not be able to readily sell them.



## ANNEX 2 – RISK WARNINGS – continued

Your investment may be affected by exchange rate movements if the structured product involves exposure to foreign currencies.

You should only consider an investment in structured products if you are experienced with respect to investments in structured products and the underlying securities or obtain professional advice.

### 3.5 Structured capital at risk products

Structured capital at risk products typically provide a specified level of income or growth over a fixed investment period but do not provide a guarantee on the return of initial capital. These products are only appropriate if you accept that you may lose some or all of the money to be invested.

You should be aware of the following risks in structured capital at risk products:

- 3.5.1 you may get back less than the original investment as there is no guarantee that you will get the initial capital that you invested back at the end of the investment period;
- 3.5.2 the amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount that is paid out;
- 3.5.3 if the product advertises a maximum benefit, this may only be available after a set period;
- 3.5.4 if you redeem the product early, you may have to pay redemption penalties or this may provide you with a poor return;
- 3.5.5 the initial capital invested may be placed into high risk investments, such as non-investment grade bonds; and
- 3.5.6 if the product advertises the rate of income or growth, this may depend on specific conditions being met.

### 3.6 Warrants

A warrant is a time limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. Although warrants can be used for the management of investment risk, these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

A relatively small movement in the price of the underlying security may result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. The right to subscribe which a warrant confers is limited in time. This means that if you fail to exercise this right within the predetermined time scale then the investment becomes worthless. 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 other transaction charges.

Some other instruments are also called warrants but are actually options (e.g. a right to acquire securities which is exercisable against someone other than the original issuer of the securities is often called a "covered warrant").

Transactions in off-exchange warrants may involve greater risk than dealing in exchange-traded warrants because there is no exchange market to sell the investment, to assess the value of the warrant or the exposure to risk. It may be difficult to establish what is a fair price as bid and offer prices do not have to be quoted, and even where they are, they will be set by dealers in warrants.

### 3.7 Commodities

A commodity is a basic physical asset, often used as a raw material in the production of goods or services. Investments in commodities whether by CISs or via companies substantially involved with them may expose you to risks not typical of other investments. Companies associated with commodities and the funds invested in them may have assets in less developed countries which have less stable political, legal and social systems than those of developed countries or markets. The assets of the companies, the commodities and derivatives associated with them may be subject to or affected by conditions such as drought, flood, weather, disease, trade embargo, war or political unrest etc which may substantially affect their value.

Commodity funds may hold physical assets which may not be insured and subject to risks associated with high value items.

### 3.8 Exchange traded funds

Exchange traded funds (ETFs) are investment vehicles which are traded on a stock exchange. ETFs are similar to equities and bonds. ETFs are generally a low cost means of investing in a diversified pool of assets with the advantage that they are more liquid than a unit trust as they can be traded during exchange hours.

Although ETFs are generally simple, transparent and low cost, they can vary in their structure and complexity. In their simplest form, they attempt to track an index or benchmark by physically holding the constituents of the index or benchmark. However, in their more complex form they may use derivatives to replicate an index or benchmark's price movement. This increases counterparty risk, which is the risk that the other party to the relevant derivative may not meet its commitments. It also increases leverage risk, which is where gains and losses on certain ETFs are magnified using derivatives, or where the ETF uses derivatives to perform inversely to its underlying index or benchmark. Some ETFs that use derivatives may use collateral by setting aside a pool of assets that you can claim on if the issuer defaults. You should pay attention to the quality of the collateral to establish whether it would continue to hold its value if the issuer defaults. Collateral may be lent to third parties and there may be delays in recovering these assets. Investment in certain ETFs may expose you to currency risk.

## ANNEX 2 – RISK WARNINGS – continued

ETFs which attempt to track the value of a commodity (such as gold) may back their investments by physically holding that commodity with a custodian. Although the custodian may hold the asset there is a risk of theft or fire which may not be insured against.

Most ETFs are offshore vehicles so specific taxation rules apply.

### 4 Risks in certain investment techniques

#### 4.1 Gearing

Gearing is a technique with a view to enhancing the return for, or the value of, a security without increasing the amount invested by the holders of the security. Gearing may involve one or more of the following:

- 4.1.1 borrowing money;
- 4.1.2 investing in one or more instruments, such as warrants or derivatives, where a relatively small favourable or adverse movement in the value or price of the underlying rights or assets to which the instrument relates results in a larger movement in the value or the price of the instrument;
- 4.1.3 structuring the rights of holders of a security so that a relatively small favourable or adverse movement in the price or value of the underlying rights or assets results in a larger movement in the price or value of the security.

Where issuers of securities use or propose to use gearing, this you may see:

- 4.1.4 more volatile movements in the price of the securities compared to the price of the underlying investments; or
- 4.1.5 sudden and large falls in value in the investments.

You may not get anything back if there is a sufficiently large fall in value in the investment.

### 5 General risks in investment markets

#### 5.1 Illiquid investments

Illiquid investments are investments which may be difficult to sell at a reasonable price and, sometimes, at any price. These are sometimes referred to as non readily realisable investments. It may also be difficult to assess how much these are worth on a market. Further examples of such investments are available on request.

#### 5.2 Emerging markets

Investments in emerging markets may expose you to risks not typically associated with similar investments in more developed markets. A country is generally classified as an “emerging market” based on the relative economic, political and social development and this is subjective. Some of the risks associated with emerging markets are similar to those affecting more developed economies but the undeveloped nature of an emerging economy may mean they are more pronounced or have a longer and deeper effect.

Factors such as natural disasters may have a greater effect on the economy and financial systems of an emerging market. Financial instability may also be more common and exaggerated both by internal factors such as inflation and external factors such as changes in currency values. There is an increased chance of political and economic instability with less reliable custody, dealing and settlement arrangements. Emerging companies may not be as economically stable as companies in more developed countries and there is an increased risk that they may fail to meet their obligations.

#### 5.3 Investments affected by stabilisation

Stabilisation 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 the price of the new issue and the price of other securities relating to it. The FCA and PRA Rules allow stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is carried out by a “stabilisation manager” (normally the firm chiefly responsible for bringing a new issue to the market). As long as the stabilising manager follows a strict set of rules, they are 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 be during the period of stabilisation.

The fact that a new issue or a related security is being stabilised should not be taken as any indication on the level of interest from investors, nor of the price at which they are prepared to buy the securities.

#### 5.4 Suspension of trading

Under certain trading conditions it may be difficult or impossible to sell an investment. For example, a relevant exchange may suspend trading under its rules at times of rapid price movement.

#### 5.5 Counterparty risk

When providing our services to you, we may:

- 5.5.1 enter into securities transactions with other financial institutions; or
- 5.5.2 invest the assets in your Portfolio in structured products, the value of which depends upon the solvency of the financial institution that is providing the underlying assets that the structured product is based upon.

In each case, the correspondent financial institution is known as “the counterparty”. Counterparty risk is the risk that you as an investor bear that the other party in an investment or trading transaction may not fulfil its part of the deal and default on their contractual obligations.

## **ANNEX 2 – RISK WARNINGS** – continued

If this happens in a securities transaction, you may not receive delivery of securities which the counterparty has purchased and/or not receive payment in respect of securities which the counterparty has sold.

If this happens in an investment in a structured product, all or part of your capital and any income potential could be at risk.

Additionally, any assets making up part of your Portfolio, whether directly held or underlying a structured product, may be held by a third party custodian or depositary. If the third party custodian or depositary defaults or becomes insolvent, you may not have any direct legal interest in such assets or any direct rights against the counterparty.







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