



For your protection

LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom. We have summarised below some specific aspects of our FCA authorisation, and other important arrangements, which are designed for your protection.

Key Features

Our details include the categories of activity we are permitted to engage in as part of our authorisation. Our FCA reference number is 471048 and you can access our registration details on the FCA's website at www.fca.org.uk.

Client Assets

As a client you want to have reassurance from us about the physical security of your assets, where we hold them, or arrange for them to be held, on your behalf.

One of the activities we are permitted by our FCA authorisation to undertake is the Safeguarding and Administration of Assets. We are required to adhere to the FCA's Client Assets rules which state that your assets must be segregated from LGT Wealth Management's own assets. The single objective, however, is to ensure that there is clarity, particularly in law, as to who owns which assets.

Any investments which are capable of being registered and are purchased through, or transferred to, us will – wherever practicable and unless otherwise agreed – be registered or otherwise recorded in your own name. Or in the name of our nominee company or a nominee controlled by an FCA recognised or designated investment exchange, or an eligible custodian selected by us in accordance with the rules of the FCA. Where your assets are registered in a nominee name, you remain the beneficial owner.

These arrangements are especially important in the event of the insolvency of an investment firm which holds clients' assets. Assets held in the name of the client will be accessible immediately. Where they are held through a nominee, they will be 'ringfenced', protected from the claims of general creditors of the firm and released after a client's legal entitlement to the assets had been established.

How our client assets are custodied

LGTWM LLP does not trade as principal so all assets held at our custodians on behalf of LGTWM LLP will belong to our underlying clients. Our two custodians are currently BONY and Allfunds. Asset reconciliations are completed on a daily (Allfunds and CREST) or monthly basis (BONY and directly held unit trusts and hedge funds). Assets held in physical form are reconciled every six months. The frequency of the reconciliations is reviewed annually and is based on the volume of trading and ability to receive the information from the third parties.

Client Money

A similar principle applies where we hold money belonging to you. It will be segregated from LGT Wealth Management's money and held by us on your behalf in a client bank account. Your money will be pooled with other LGT Wealth Management clients' money but clearly identifiable in our records.

The client bank account will be with an approved bank or other institution meeting criteria specified by the FCA. It will include in its title a description to distinguish the money in the account from LGT Wealth Management's money. The bank must formally acknowledge that all money standing to the credit of the account is held by LGT Wealth Management as trustee.

In an insolvency situation, client money will be 'ring-fenced' and protected from the claims of general creditors of the firm. It will

be released after clients' legal entitlements to the share of the pooled monies held on trust for them have been confirmed. LGT Wealth Management's governance arrangements and underlying procedures are vital in protecting your assets.

We spread deposits across a number of banks

Within the FCA Client Asset rules (CASS) we are required to diversify across a number of banks which we use to hold client money. This spreads the risk should one of the banks we use fail. New bank selection is approved by the Credit Counterparty Committee, the CASS team also perform initial due diligence before signing with a new bank. Each bank is regularly monitored by the Client Asset Committee and by a third party, JCAP Treasury Services. LGTWM set internal limits as to how much client money we are comfortable holding per institution. These limits are based on a variety of factors and financial ratios such as credit rating, CET1 ratio and whether they are a GSIB (Globally System Important Bank). The CASS team also perform annual due diligence on each bank used to hold client money as per the FCA CASS rules.

Our custodians follow a similar review process, annual due diligence is performed on each custodian, and the Controls team review each custodians ISAE 3402 reports on an annual basis. All new custodians also need approval by the Board.

Allfunds

Allfunds provide a one stop shop for the majority of our unit trust holdings. This allows us to make one payment to, or receive one payment from Allfunds each day, as opposed to circa 50 separate payments to each individual unit trust manager. This also reduces the amount of time and resource required to reconcile our unit trust holdings.

The service received from Allfunds helps to mitigate risk via the reduction of manual trading, simplified payments and reconciliations.

Systems and Controls

Our control philosophy is founded on ensuring the separation of duties between staff to avoid conflicts of interest, having clear authority levels, a significant level of process automation, monitoring of activities and scrutiny of management reports. Some examples of specific controls are:

- All payments from an account will require one individual to initiate and one to authorise and will only be made to designated accounts identified and authorised by the client.
- Where a request is made to make a payment to a third party or to make stock transfers, our procedure requires us to call back, or write to, the client to confirm the instruction.

- A similar control exists where requests are made to change client details such as contact numbers, addresses and bank accounts.
- Any non-standard instructions will require a written request which will be subject to signature verification against original client documentation.
- There will be regular automated reconciliations of stock and cash records to corresponding accounts. This will be performed by a team independent of cash and stock processing.
- Processes to authorise or complete a payment or transfer are system-controlled.
- LGT Wealth Management operates screening controls over the people it employs including CRB disclosures and credit checks. This is particularly important where functions are performed which involve authorising and transferring money or investments.

Capital and Insurance

LGT Wealth Management sets aside a significant amount of its own capital as a contingency for unforeseen events, as we are required to do by the FCA.

We aim for this to be in excess of the minimum specified by the FCA. We also hold professional indemnity insurance of GBP 25m to cover losses which may arise through fraud or negligence. The policy includes cover for directors and officers, and crime. It is underwritten by a Lloyd's of London syndicate. As our business grows, we will seek to increase the capital base and the amount of professional indemnity cover to ensure they are in proportion to the size of the business.

Compensation Scheme

As a last resort, LGT Wealth Management's clients may have recourse to the Financial Services Compensation Scheme (FSCS). This is the UK's statutory fund of last resort for customers of financial services firms. The FSCS can pay compensation if a firm is unable, or likely to be unable, to pay claims against it. For investment business the upper individual limit for compensation is 100% of the first GBP 85 000 per person, therefore if it is for a joint account it would be GBP 85 000 each. However, there are conditions to such compensation.

Suitability and appropriateness

Aside from the physical protection of your assets, another significant factor to consider is your exposure to investment risk. This is the risk associated with the fact that investments may fall in value as well as rise, both because of the way markets behave and influences that are specific to an underlying company or investment issuer.

Our brochures and website are designed to give you an overview of LGT Wealth Management and its services. We recommend that you take time with your investment manager so that your individual circumstances, requirements and risk preferences can be reviewed fully. We will then make a suitability assessment.

Even for clients who choose a dealing-only service from LGT Wealth Management, there may be certain types of products or investments which we could not execute for you until we were satisfied as to their appropriateness.

Treating our clients fairly

The controls LGT Wealth Management has in place to protect you and your assets are an essential part of our commitment to treating our clients fairly. We want you to be confident that when you deal with LGT Wealth Management, this commitment is central to the way we do things in all areas. In practice, this means:

- Doing our best to understand the needs of our clients - current and prospective - when we design services and products.
- Providing you with clear information and keeping you informed.
- Advising you or managing your investments to suit your individual circumstances.
- Making sure we deliver what we have led you to expect.
- Ensuring you don't face unreasonable barriers in your dealings with LGT Wealth Management. We will ensure any request, query or concern is dealt with promptly and fairly.
- If you have any concerns, contact details for our Compliance Officer are available on our website.

Important information

LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority Registered in England and Wales: OC329392. Registered office: 14 Cornhill, London, EC3V 3NR.

LGT Wealth Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in Scotland: SC317950. Registered office: Capital Square, 58 Morrison Street, Edinburgh EH3 8BP.

LGT Wealth Management Jersey Limited is incorporated in Jersey and is regulated by the Jersey Financial Services Commission in the conduct of Investment Business and Funds Service Business: 102243. Registered office: 30-32 New Street, St Helier, Jersey, JE2 3TE.

LGT Wealth Management International Limited is registered in Jersey and is regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998 (as amended) for the conduct of investment business and fund services business: 38918. Registered Office: 1st Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey JE2 3QB.

LGT Wealth Management (CI) Limited is registered in Jersey and is regulated by the Jersey Financial Services Commission: 5769. Registered Office: at 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB.

LGT Wealth Management US Limited is authorised and regulated by the Financial Conduct Authority and is a Registered Investment Adviser with the

CASS framework and governance

As per the FCA requirements, we undergo an annual external CASS audit, currently performed by a big four. This should give comfort that we are complying with the CASS rules as expected.

There are numerous internal committees to oversee our CASS arrangements:

- The Client Asset Committee who meet on a monthly basis. The committee discuss all things CASS related, from breaches, FCA reporting, training, bank oversight and audits.
- Client Assets Breach working group – meets monthly to review CASS breaches in detail and analyse breach MI and trend analysis.
- Credit Counterparty – meet on an ad-hoc basis to approve new client money banks, or to discuss significant market events which may affect our clients money or banks we use to hold client money such as SVB/Credit Suisse failures.

US Securities & Exchange Commission ("SEC"). Registered in England and Wales: 06455240. Registered Office: 14 Cornhill, London, EC3V 3NR.

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Investors should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.