

# Client Protection

Investec Wealth & Investment is committed to protecting our clients' assets and money. The following document outlines our responsibilities to you and how we hold assets and money on your behalf.

## The Company and its structure

Investec Wealth & Investment Limited (IW&I) is a wholly owned subsidiary of Investec plc, which is a listed company on the London Stock Exchange. IW&I does not undertake any principal trading on our own behalf and we do not carry out any corporate finance activity or stock lending.

## Our Approach

As an Financial Conduct Authority (FCA) regulated firm, we follow the rules prescribed by the FCA in choosing where assets or money will be held for custody or safe keeping. In relation to cash balances, the FCA Client Money rules require us to deposit Client Money in a client account with a bank or other credit institution of a type permitted under the rules.

## Client Assets

IW&I wholly owns four Nominee Companies, Ferlim Nominees Limited, Rensburg Client Nominees Limited, Hero Nominees Limited and Spring Nominees Limited, all of which are used to hold Client Assets in accordance with the Client Assets rules of the FCA, our Regulator.

A Nominee Company holds assets as the legal owner, but on behalf of clients as beneficial owners of the associated Client Assets.

In some cases where it is not possible to use our own Nominee Company for safe custody services (for example for non-UK securities), your assets may be registered, recorded or held in the name of a third party in an overseas jurisdiction, and this may mean your assets could be pooled with other clients of the third party. In the event of the insolvency of that third party, your assets may be treated differently from the manner in which they would be treated if they had been passed to an intermediate broker, settlement agent, Custodian or counterparty within the UK.

IW&I does not hold any of its own assets in our Nominee Companies, they exist purely to hold Client Assets.

Client Assets held in our Nominee Companies are registered in such a manner to clearly indicate that they do not belong to IW&I. Therefore, in the unlikely event of the insolvency of IW&I, a liquidator would be legally prevented from using clients' assets to settle the firm's liabilities.

Our Nominee Companies operate as pooled nominees; pooling your assets with those of other clients means that your individual entitlement may not be identifiable by separate certificates, physical documents or entries on the register. All of our clients who hold their assets in our Nominee Companies have a claim in the event of the insolvency of IW&I.

In the event of our insolvency or other such default event, as your holding is pooled with other clients, you will have a general claim on the assets alongside other clients, which in the event of any shortfall, may result in a proportionate distribution of such assets to you that are less than your recorded holdings.

If you choose to hold your assets in an individually segregated account, your assets will be held separately from the assets of other clients. In the event of our insolvency or other such default event, as your holding is held separately from other clients, you may be entitled to all of the assets. However in the event of any shortfall in the individually segregated account, the whole of this shortfall may be attributed to you. More detailed information is contained in the CSDR disclosure document.

Not all of your assets can be held via a CSD, and therefore this level of segregation may not apply across your whole portfolio.

The actual treatment of any assets will be subject to any local applicable insolvency laws.

Please refer to the Compensation Schemes and Compensation Limits sections of this document for further information about compensation you may be able to claim, in the event of our insolvency.

## Client Money

Client Money is held on your behalf in trust within a bank or approved credit institution as permitted by the FCA Rules in an account which is designated as Client Money and covered by an FCA Acknowledgment Letter. The letter sets out the legal terms that apply to the protection and segregation of that money and clearly differentiates it from the firm's money. In the unlikely event of an IW&I insolvency, this means the Client Money accounts would be held separate to the firm's money and be available to the insolvency practitioner to distribute to the respective clients who have a valid claim on the balance.

We may hold money on your behalf in a Client Money Bank Account at an Authorised Bank or CRD Credit Institution situated outside the UK, provided that the overseas bank is governed by the rules of another country which specifically regulates and supervises the safekeeping of Client Money and/or Client Assets.

If you have elected for an offshore portfolio, your Client Money is held in a bank account in an offshore location, but forms part of our overall general pool of Client Money.

For any type of portfolio, because we operate a general Client Money pool, in the event of our insolvency any claim by you is against the Client Money pool in general. This means the balance on all of our Client Money Bank Accounts will be divided proportionately to all clients who have a valid claim against the sum held in the general pool and this may be less than the individual sum you hold in your client portfolio.

## Diversification

We split deposits between multiple banking relationships to restrict the exposure at any single bank or group of banks operating with a single banking licence. Although this may not entirely eliminate any risk of loss to you in the event of a bank default situation, we feel it is a beneficial control to assist in mitigation of the risk.

## Due Diligence

In appointing and using a third party to provide banking or custody services in relation to Client Money and/or Client Assets, we exercise all due skill, care and diligence in the election, appointment and periodic review of the third party taking into account the standing, expertise and market reputation of the third party; we ensure compliance with the FCA CASS rules by conducting regular due diligence on our banks and custodians.

## Direct Financial Loss (Crime) insurance

In order to protect our clients, we have an insurance policy in place that covers clients for a Direct Financial Loss of up to £365m in any one loss and in all caused by:-

- Fidelity
- Forgery
- Counterfeit Currency
- Computer Fraud
- Loss of Property



## Professional Indemnity (Civil Liability) insurance

Insurance is maintained against IW&I's possible negligence of up to £365m for any one claim and in all.

## Compensation Schemes

There are financial compensation schemes in operation that cover deposits with banks that are licensed under the schemes, or investments made with appropriately authorised firms.

In the UK, we have the Financial Services Compensation Scheme ("FSCS") which is an independent body created under the Financial Services and Markets Act 2000.

The FSCS may pay compensation equal to all or some of the claim if a firm is unable, or likely to be unable, to pay claims against it. This will generally be because the firm has stopped trading and has insufficient assets to meet claims, or is in insolvency – otherwise known as default.

There are similar schemes in other jurisdictions and you may be eligible for cover under these compensation schemes in the event of an insolvency situation.

It is also possible that you may be able to claim under a scheme if IW&I is not in default, but a third party with whom Client Money or Client Assets are held is in default.

However there is no guarantee that you will be eligible under these compensation schemes and it will be at the discretion of the independent body operating such schemes to decide on eligibility.

Certain deposits may be placed with banks that are not covered under financial compensation schemes. This is where a bank is based outside the UK.

There are limits for all compensation schemes and they may not cover the entire balance of your Client Money or Client Assets held.

## Compensation Limits

The actual level of compensation you receive will depend on the basis of your claim.

For example, the FSCS only pays compensation for financial loss.

Compensation limits are per person per firm, and per claim category (listed below).

The maximum levels of compensation are:

- Deposits (Client Money): £85,000 per person per authorised bank or building society for claims against firms declared in default on or after 30 January 2017. £170,000 for joint accounts. Any cash balances held within an IW&I portfolio at an authorised bank will count towards your overall FSCS limit.
- Investments (Client Assets): £85,000 per person per firm for claims against firms declared in default from 1 April 2019.

Further information can be found at the FSCS website at <http://www.fscs.org.uk>.

In the event of the insolvency of IW&I, insolvency practitioners may charge clients for the reconciliation process and administration required to return Client Assets and Client Money to clients by deducting a sum from the final distribution payable to clients. These costs are subject to approval as set out in the insolvency legislation and ultimately under the jurisdiction of the Court. Costs incurred for the general wind down of the company will not be passed on to the client.

## Internal Controls

IW&I prepares an annual internal control report (referred to as an AAF 01/06 report). The report is independently reviewed by our auditors and available on request through your usual contact.

## The Financial Conduct Authority

IW&I is authorised and regulated by the FCA one of whose prime functions is to ensure investor protection through the regulation of financial services markets, exchanges and firms.

When IW&I provides services to our clients, it does so subject to rules on the conduct of its business set by the FCA and designed to protect the interests of clients. These rules include an obligation to ensure that assets belonging to clients (such as investments and cash) when under the control of IW&I are clearly segregated from assets of IW&I itself.

## Complaints

We take complaints very seriously and have established procedures in accordance with the FCA's requirements for the consideration and handling of complaints which ensures that they are dealt with fairly and promptly. Our written complaints policy is available upon request.

If in the future you would like to make a complaint you can either speak to your usual point of contact at IW&I or contact our Compliance Officer at 30 Gresham Street, London EC2V 7QN or email [complaints@investecwin.co.uk](mailto:complaints@investecwin.co.uk).

For most individuals and some small businesses, we are required to provide you with a final response within eight weeks from the date we received your complaint.

However, if you do not agree with our response or are dissatisfied with the outcome, you have the right to refer your complaint to the Financial Ombudsman Service (FOS) which is an independent dispute resolution service. The FOS website address is [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk), but you may contact them directly by email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or by telephone (0300 123 9123).

<b>Belfast</b>	02890 321 002	<b>Edinburgh</b>	0131 226 5000	<b>Liverpool</b>	0151 227 2030
<b>Birmingham</b>	0121 232 0700	<b>Exeter</b>	01392 204 404	<b>London</b>	020 7597 1234
<b>Bournemouth</b>	01202 208 100	<b>Glasgow</b>	0141 333 9323	<b>Manchester</b>	0161 832 6868
<b>Bristol</b>	01172 444 860	<b>Guildford</b>	01483 304 707	<b>Sheffield</b>	0114 275 5100
<b>Cheltenham</b>	01242 514 756	<b>Leeds</b>	0113 245 4488		

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[investecwin.co.uk](http://investecwin.co.uk)

Member firm of the London Stock Exchange.

Authorised and regulated by the Financial Conduct Authority.

Investec Wealth & Investment Limited is registered in England.

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