



# Multrees Investor Services

## *Custody Information*

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## ABOUT MULTREES

### *What is a custodian and what do they do?*

A Custodian is a firm that “safekeeps” (looks after) investment assets and cash that your Investment Adviser manages on your behalf. Your Investment Adviser gives instructions to the custodian about the investment assets held in your investment portfolio. Your investment portfolio is held in an account in your name at the Custodian.

Custodians operate under many regulations and rules, and in particular, the “Client Money and Client Asset” (“CASS”) rules of the UK’s Financial Conduct Authority (“FCA”). These tell the custodian how to record, reconcile and protect the investment assets and cash they look after. An Investment Adviser may choose a Custodian to do this as a Custodian is a firm that specialises in this service.

The custodian records the investment assets and cash on their systems; checks and reconciles these records every day and performs all the actions on the investment assets and cash required by the Investment Adviser and the FCA rules. Custodians are also required to send regular reports and other necessary information, like about tax, about the investment assets and cash to either the Investment Adviser or the owner of the investment assets and cash.

A custodian places the cash in special protected bank accounts. Investment assets are either held by the custodian or placed with a “sub-custodian”, depending on what and where the assets are. Sub-custodians are specialist banks contracted by the Custodian to assist it in delivering a service to you and to your Investment Adviser.

### *Multrees as a Custodian*

Your Investment Adviser has on your behalf appointed Multrees Investor Services Limited (“Multrees”) as custodian of the investment assets it is managing for you.

Multrees (registered company number 07225386) is a specialist provider of custody and related administrative services. Multrees does not provide investment advice. Multrees is authorised and regulated by the Financial Conduct Authority (FCA) to provide regulated services, including the provision of global custody and trade execution (FCA firm reference number 526528). The FCA monitors Multrees and all retail financial services firms to ensure investors such as yourself have as much protection as is possible.

Multrees’ registered office is at One Carter Lane, London EC4V 5AN. Multrees’ main operations are conducted from its offices in Edinburgh and Glasgow. Please see the Multrees website for further information: [www.multrees.com](http://www.multrees.com)

The full set of terms and conditions relating to the custody services Multrees provides to you via your Investment Adviser can be found on our website [here](#).

### *What information will I be provided relating to my Investment Assets and Cash?*

In accordance with the rules, we provide valuation reports (using standard formats and processes) relating to your assets held by Multrees in safe custody on a quarterly basis. Multrees provides this information in a variety of ways, depending on what we have agreed with Your Investment Adviser.

Further detail on the various reports that Multrees can produce for you is available from your Investment Adviser.

### What are the charges for the Custody service and how are they paid?

Multrees has agreed certain fees and charges with your Investment Adviser for the custody service provided to you. Your Investment Adviser will provide you with details and worked examples of any fees and charges payable and paid by you in respect of these services.

## CUSTODY OF YOUR INVESTMENT ASSETS AND CASH

### *How will your investment assets and cash be held?*

As your custodian, Multrees hold your investments and cash under "safe custody", part of this is the record of those assets and cash, part is where they are held.

Multrees keep a separate record of your investments and cash on our books and records, easily identifiable in an account in your name only. "Books and records" means our custody platform system – this operates like a sophisticated accounting system and allows us to record your investment assets and cash, all the transactions and corporate actions and other relevant data.

### *Who will hold my investment assets and cash?*

Your investments will be held by Multrees, either with a sub-custodian appointed by Multrees, or by Multrees itself. When we hold assets, this will be using one of our "nominee" companies. A nominee company is a 100% owned by Multrees, with formal legal agreements in place with each of the nominee companies. This ensures that when investment assets are held by a nominee they are expressly held ringfenced from the assets of Multrees itself. That means they are protected in the unlikely event of Multrees becoming insolvent – they will only be held for you and not used to meet Multrees' debts.

Multrees appoint sub-custodians to as part of providing the custody service. Before Multrees appoints a sub-custodian, we carry out extensive due diligence to ensure that it is the right organisation to be a part of the custody service to you. We check they are financially robust and able to deliver high quality service levels by looking at how they operate and their controls and processes meet the high standards needed to service your Investment Assets and Cash. This is the same that your Investment Adviser will do when they appoint Multrees.

While we may use a sub-custodian to hold your investment assets and a bank to hold your cash, Multrees is your authorised and regulated custodian responsible for the safekeeping of your assets in accordance with applicable laws and regulations. You will not have direct contact with any sub-custodian or bank.

Multrees is not a bank or deposit taking organisation, so we do not hold your cash ourselves. We place it with a network of high-quality banks.

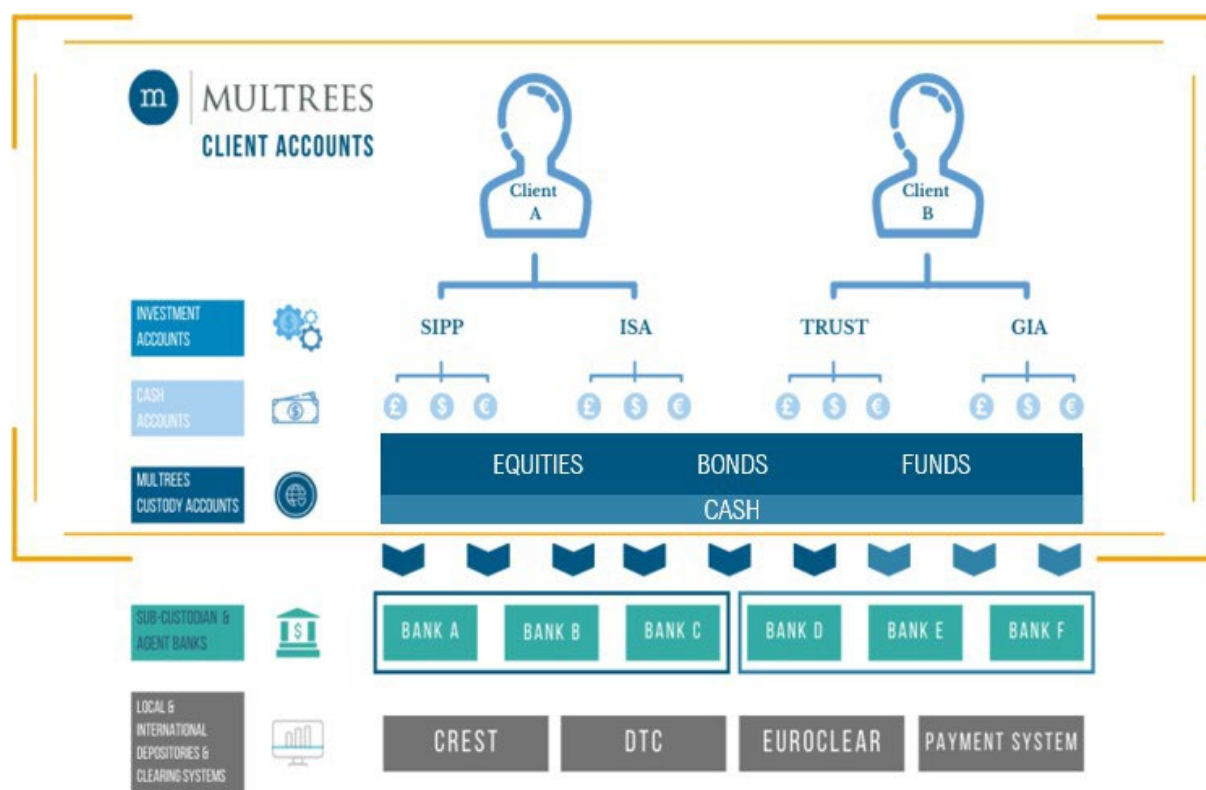
Before we place your money with the bank – we open special "client money" bank accounts, and we go through a process to get the bank to acknowledge in writing that these accounts and the cash in them are held in trust on behalf of our custody clients and cannot be used to settle any debts owed by Multrees itself.

Multrees will pool the client money it holds for you and other Customers in these client bank accounts in accordance with standard market practice and as we do with investment assets.

Your Investment Adviser may ask Multrees to hold your investment assets or cash with a particular sub-custodian, bank or entity in a particular jurisdiction. In this case, we will rely on their selection and management of that sub-custodian. Multrees will continue to treat such cash as client money in accordance with FCA Rules, but will rely on your Investment Advisers choice and not provide any assurance about the legal, regulatory or tax treatment of holding the cash in that jurisdiction

### *How do investment assets and cash get recorded?*

Your investment assets, recorded as yours on our books and records in an account in your name, will be held in accounts expressly identified as 'client accounts' under English trust law. Trust law dictates that assets client cannot be mixed with assets of Multrees or its sub-custodian and cash banking partners.



The diagram shows two client examples, each with two types of investment accounts and three cash accounts of varying currencies. Your Investment Adviser may set up investment accounts to hold your portfolio of Investment Assets – the accounts will represent your holdings in different tax-efficient wrappers – e.g. an ISA or a SIPP, or to show other account structures, like a “General Investment Account” (GIA) or a Trust. Multrees allows the set up of several different Investment Accounts You might hold different cash accounts across currencies, to allow you to hold US Dollars, or Euros as well as British Pounds. Our books and records detail exactly what you hold and where. The Custody accounts “pool” all of the Investments Assets and Cash that Multrees Custody customers own and hold these across our panel of sub-custodians and banks. Your investment assets and cash may also be temporarily held as they pass through depositories and clearing systems. These are the institutions that facilitate financial transactions, the purchase and sale of investment assets and the processing of corporate actions, like dividend payments.

*Will I earn interest on my cash?*

Yes. Further details of any interest earned on your cash can be obtained from your Investment Adviser. If Multrees incurs negative interest for holding your cash in a particular currency then this charge may be passed on to you.

*Can I have direct control of payments out?*

To the extent of payments made to the account beneficiary – i.e., you – yes. Your Investment Adviser can process a payment to you at any time or set up regular payments to you. Multrees complies with the Payments Service Directives (PSD) and our policy reflects these requirements. Acceptable Beneficiaries are those we allow payments to be made to. This is limited to the account beneficiary/ies, i.e. the custody customer, and limited additional beneficiaries directly related to the investment service, e.g. HMRC. Payments to other parties are not possible except in the case of Grant of Probate.

## IF THINGS GO WRONG

### *What happens if Multrees becomes Insolvent?*

FCA Rules require that all client money is protected from creditors by the trust established over the client money bank accounts. All client money held by Multrees will be pooled and distributed to Customers pro rata to their entitlements. This means that if there is a shortfall of client money compared to customers' entitlements, you will bear a pro rata share of that shortfall. Multrees retains a surplus over required regulatory capital to minimise the risk of insolvency.

### *What is a "Resolution Pack"*

In order to fully comply with regulatory requirements and as part of our robust procedures Multrees maintains a thorough and detailed "Resolution Pack", in effect a 'living will'. This would, in the unlikely event of Multrees' insolvency, enable an insolvency administrator to quickly and efficiently ensure that your investment assets and cash are returned to you promptly. The FCA can ask to see this pack at any time, and has done so in the past. We keep this up to date at all times with information including where we hold all of our investment assets and cash and which investment assets and cash belong to each custody client.

### *What happens if one of the banks or sub-custodians becomes insolvent?*

In the event of the insolvency of a bank or other financial institution with whom Multrees has placed client money in a pooled account, all client money held in all those pooled accounts will be treated as pooled and any shortfall that arises will be allocated across the entitlements of all relevant Customers in accordance with FCA Rules. Broadly, this means that if there is a shortfall of client money held in pooled accounts, you will bear a pro rata share of that shortfall.

### *What happens if my Investment Adviser becomes Insolvent?*

In the unlikely event your Investment Adviser becomes insolvent an insolvency administrator would be appointed, Multrees would continue to service your assets. We would work closely with the Administrator to ensure your wishes in respect of your investment assets and cash are met. In this situation, you should communicate with the insolvency administrator.

### *Does Custody with Multrees include protection under the Financial Services Compensation Scheme?*

Multrees is covered by the Financial Services Compensation Scheme (FSCS) and diversifies cash in your accounts across a number of world class banks. This means that in certain circumstances, and provided you are an eligible claimant, you may be entitled to compensation if Multrees is in default and unable to meet its financial obligations to you. The maximum amount of compensation available to you under the FSCS for "protected investment business" is £120,000 per bank.

Under the FSCS rules, in the event of a bank or sub-custodian's insolvency, if there is a relevant connection between the bank or sub-custodian and the UK, it may be covered.

UK regulated banks holding client money are all covered by the FSCS: provided a Customer is an eligible claimant then they would be entitled to compensation.

As noted above, a compensation limit of £120,000 will apply for "protected investment business" and a compensation limit of £120,000 currently applies to "protected deposits" (these limits may be subject to further change under the FSCS).

For further information about the scheme (including what services are protected, the amounts covered and eligibility to claim), please contact your Investment Adviser or refer to the FSCS website: [www.FSCS.org.uk](http://www.FSCS.org.uk)

### *What are the “certain circumstances” mentioned and how does this operate with “pooled” client money?*

In “certain circumstances”, subject to the customer being an eligible claimant, they might be entitled to compensation if Multrees is in default and unable to meet its financial obligations.

In the case of a primary event (i.e. Multrees fails), Client money is protected in Client Money bank accounts at panel banks. Multrees CASS records, including the CASS10 Resolution Pack would be used by administrators to manage return of funds to customers. Multrees regulatory capital surplus, including required liquidity requirements surplus reduce the risk of this occurrence. If a secondary event occurs (i.e. a client money panel bank of Multrees fails), FSCS protection applies to the amount of £120,000 per person, per bank. Multrees can submit such application on behalf of clients.

### *How can I make a complaint?*

If you have a complaint, you should notify your Investment Adviser in the first instance.

If your complaint concerns an aspect of a service provided to you by Multrees, you can raise it with Multrees at <https://www.multrees.com/complaints>

### *What is the standard of care Multrees provide?*

Multrees will exercise reasonable care as can reasonably be expected of a professional custodian in providing its safe custody services to you and shall provide its services in accordance with FCA Rules and good industry practice.

### *What limits are there on the standard of care and liability that Multrees accepts?*

Multrees will be liable for losses incurred by you that have been caused by Multrees' breach of this duty of care to you, its fraud, its 'wilful' (i.e. intentional or reckless) default, its breach of applicable law or FCA Rules, or its breach of contract.

Multrees will not be liable for certain kinds of losses you may incur under the Custody Agreement, such as indirect losses that were not a reasonably foreseeable result of Multrees' breach, or losses representing any profit or savings you expected to make but for Multrees' breach.

Multrees' liability for any investments held for you, or any failure to acquire an investment will be limited to the amount of your actual loss based on that investment's market value at the date of your loss (or if there is no market, its fair value as reasonably determined by Multrees) and any interest since that date at the prevailing deposit rate.

In addition to the above, Multrees will not be liable for any losses which:

- (i) are caused by your Investment Adviser or another agent acting on your behalf; or
- (ii) arise from any investments received in your account being stolen, fraudulent or defective.

You and your Investment Adviser bear the risks for chosen investments, for example the failure of a counterparty or issuer or any specific risks associated with a particular investment Neither Multrees



nor any sub-custodian shall have a duty to assess the risks inherent in your investments, or to provide investment advice for such investments.

Multrees and our sub-custodians may rely on instructions received from your Investment Adviser and information (such as pricing information) derived from reputable published sources or reasonably determined by them in their professional judgement.

Nothing in our Terms will limit or exclude any liability that Multrees owes to you under FCA Rules or which cannot otherwise be limited or excluded under applicable laws.

### *Does Multrees have any liability for acts or omissions of third parties?*

Where a sub-custodian or other third party is chosen and appointed by Multrees, Multrees will be liable for any losses you suffer as a result of that sub-custodian's fraud, negligence, or 'wilful' (i.e. intentional or reckless) default to the extent that Multrees has failed to exercise reasonable skill and care in the selection, appointment, supervision or continuing use of that entity. Multrees shall use commercial reasonable steps to recover any other losses you suffer from the sub-custodian or delegate, but it cannot guarantee that it will be able to do so.

Multrees shall not be liable for the acts or omissions of any sub-custodian or delegate not directly appointed by Multrees, or which have not been selected by Multrees (for example, because your Investment Adviser has instructed Multrees to use a particular sub-custodian).

Multrees will not be liable for the network of clearing houses, brokers and other securities depositories that support it and its agents in the provision of a custody service to you, unless the entity is an affiliate of Multrees.

What steps will Multrees take to recover losses and damages caused by a third party?

Multrees will take commercially reasonable steps to recover any losses or damages arising in connection with your assets were caused by the negligence, fraud or wilful default of a third party, but it cannot guarantee that it will be able to do so. Other than in relation to third parties whom Multrees has appointed directly, Multrees is entitled to be reimbursed for its reasonable costs and expenses incurred in taking such steps.

### *What is the Custody Customer's liability?*

If an act or omission of Multrees has caused a loss being suffered, then Multrees will not be able to recover those losses from you. Your indemnity does not cover any indirect or consequential loss that may be suffered by Multrees.

Under the Custody Terms you agree to indemnify and reimburse Multrees for any direct losses it incurs in carrying out its custody services for you. This indemnity is subject to the important proviso that it will not be available to Multrees in the event that the relevant losses arise from any material breach of contract, negligence, fraud or wilful default on the part of Multrees (or certain persons it directly appoints to assist with the provision of the services).

### *How do you treat custody clients under the rules?*

For our custody services, Multrees will treat you as its client for regulatory purposes and has classified you as a 'retail client'. This provides you with the highest level of protection available under FCA Rules. You may, through your Investment Adviser request to be treated as a 'professional client' if you meet the conditions under FCA Rules. Multrees is not obliged to accept this request, which would reduce the protections available to you under FCA Rules.

Through your Investment Adviser, Multrees will communicate separate regulatory disclosures and risk warnings to you and obtain regulatory consents from you. In doing so Multrees understands that you have authorised your Investment Adviser to act in this way for you.

If such a request is accepted, Multrees may require the Investment Adviser to enter into a separate agreement on behalf of the relevant client and the services Multrees provides to such client will be under the terms of that separate agreement and the custody agreement/the Custody terms and conditions.

Does Multrees classification of customers as retail clients mean the Investment Adviser has to treat otherwise professional clients as retail?

Multrees classify all custody clients as retail. Multrees classification does not impact the Investment Adviser's classification of clients. However, at request, Multrees can classify a custody client as "professional".

## DATA PROTECTION

### *How will you use my data and information?*

Multrees may process your personal data as a data controller and/or a data processor. This will be done in accordance with all applicable laws and regulations. These include the European General Data Protection Regulation ("GDPR") as implemented in the UK under the Data Protection Act 2018) – this is known as "UK GDPR".

Multrees will process your personal data as necessary to deliver custody services to you and your Investment Adviser, and as required for Multrees' compliance with applicable law and regulations.

Multrees employs sub-custodians to facilitate the provision of your safe custody service. Multrees shall provide such personal data to sub-custodians, banks and other service providers as reasonably required. Each of these parties will process your personal data on Multrees' behalf and may retain this information in such form and for such duration as may be required to perform these duties.

Multrees and such other parties may be required to transmit personal data to any country in which you hold investments or from where you derive income or profits. Multrees will ensure that any such transfers are safeguarded to the fullest extent possible.

Data protection laws in the UK provide individuals with certain rights regarding the use of their personal information. In particular, you have the right to:

- a) access the personal data that Multrees holds about you in certain circumstances
- b) ask Multrees to delete or correct any personal data that it holds about you (to the extent reasonable)
- c) prevent Multrees processing your personal data in certain circumstances
- d) transfer your personal data in certain circumstances
- e) withdraw any consent that you have given (note that this does not affect the lawfulness of processing based on consent before withdrawal); and
- f) lodge a complaint with the UK regulator, the Information Commissioner's Office,

### *What types of my data and information will you use?*

Multrees will receive and process your personal data only as required in order for Multrees to act as a custodian and provide related services for you.

This includes carrying out standard Anti-Money Laundering (AML) and Know Your Customer (KYC) checks. This personal data includes your contact details required for AML and KYC checks, and

financial information is required for Multrees to provide you custody services. Multrees collects this personal data from you via your Investment Adviser.

*What can I do if I want more information or have concerns about how Multrees uses your personal data?*

Should you require further detail on the personal data held by Multrees or the extent of data processing Multrees carries out in order to deliver its services for you, or if you would like to contact Multrees to exercise your rights, you or your Investment Adviser may submit a subject access request (SAR) or seek to exercise any of your other rights. Multrees will be happy to assist. Multrees' Data Protection Officer can be contacted at the following address:

The Data Protection Officer  
Multrees Investor Services Limited  
40 Princes Street  
Edinburgh  
EH2 2BY

For further information on how Multrees will protect your personal information please see our Privacy Notice on our website: <https://www.multrees.com/privacy-notice>

To find out more, please see [www.ico.org.uk/concerns/](http://www.ico.org.uk/concerns/)