



THE SAFEGUARDING OF A CLIENT'S MONEY AND ASSETS



The protection of a client's money and assets is one of our primary concerns and we do everything in our power to ensure they are safeguarded. Here we answer potential questions you may have:



What are the benefits of doing business with an FCA-authorized company?

As a regulated firm, we are required by the FCA to maintain controls and restrictions around the operation of our business to ensure the security of clients' investments and to mitigate the various risks faced by a financial institution. The FCA is the independent regulator set up by the Government to regulate the financial services industry and protect consumers. The FCA has one strategic objective:

- To ensure that the relevant markets function well and three operational objectives:
- To secure an appropriate degree of protection for consumers
- To protect and enhance the integrity of the UK financial system
- To promote effective competition in the interests of consumers.

These objectives are achieved through regulating financial markets in accordance with a set of specific rules and principles which FCA authorised firms must follow in the operation of their business. Failure to

conduct business in accordance with the FCA's principles and rules can result in enforcement action against a firm, including withdrawing a firm's authorisation.

Quilter Cheviot is authorised and regulated by the Financial Conduct Authority (FCA) for a number of regulated activities including, amongst other things; arranging and dealing in investments and arranging, safeguarding and the administration of client money and assets. The full list of our permissions can be found on the FCA Register (<http://register.fca.org.uk>), under our Firm Reference Number 124259.



How are client assets held?

The client's assets are segregated from the assets of the firm (Quilter Cheviot), and are subject to regular reconciliation. The client retains full beneficial ownership of their assets at all times and in the highly unlikely event of Quilter Cheviot's insolvency, their assets are ring-fenced and safeguarded. We therefore ensure that all client's are protected as far as the FCA comprehensive client asset rules (CASS) allow.





Where will a client’s non-cash assets be held?

In compliance with FCA CASS rules, we record client’s assets in client designated accounts on our core system; and we register client’s assets (where transferred to us in specie, or where we have bought them in an agency capacity), in:

- (1) the name of a nominee company we own and control
- (2) a “QC Client’s” account with one of our approved custodians
- (3) and less commonly, in the client’s own name.

For further information, please see our Terms and Conditions.



Where is a client’s cash kept?

As Quilter Cheviot is not a bank, we hold client money in trust, placing it on deposit for you, and it remains your money at all times. We pool the client’s money with that of our other clients, and deposit the entire pool with leading banks and credit institutions. In order to mitigate the risk of bank failure, we diversify client money deposits across a panel of leading banks and credit institutions.

In line with the CASS rules, our Client Money and Counterparty Forum regularly review the banks we use by way of a thorough due diligence process.

For money held in the UK, the banks are authorised and regulated by the FCA and covered by the Financial Services Compensation Scheme.



How does Quilter Cheviot hold the clients’ investments within the nominee service?

We use our nominee companies to register and administer your client’s assets. Our nominee companies are wholly owned subsidiaries of Quilter Cheviot Limited, and we operate pooled accounts whereby a client’s assets, in the same investment, may be pooled together with those of our other clients.

In respect of investments in our custody but not held in our nominee company (generally overseas and unit trust investments), we use the services of unaffiliated approved custodians. As with our approved banks, we are committed to exercising due skill, care and diligence in the appointment and ongoing oversight of third party custodians.



What other protection is in place?

We have substantial insurance cover over the aspects of our business that may lead to direct financial loss, including fraud, negligence or theft.



Useful Links

Pillar 3 Disclosure

The purpose of this document is to set out how Quilter Cheviot manages risk, applies the Basel framework and meets the capital requirements of Pillar 3.

AAF 01/06 Report

This assurance report provides comfort over the design, implementation and operating effectiveness of the internal controls of Quilter Cheviot.

Financial Services Compensation Scheme

For further information in regards to the Financial Services Compensation Scheme please visit:

<https://www.fscs.org.uk/>

If you need any further information regarding the security of assets, please contact your investment manager or business development manager who will be delighted to help you.



QUILTER CHEVIOT

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Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest.

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INVESTMENT MANAGEMENT