

Brompton Private Clients

Investment management agreement for discretionary investment management services and ancillary services

Introduction

This document sets out the basis upon which we will provide our services. The terms reflect the commercial and operational arrangements that will apply between you and us.

Every effort has been made to present the material in plain English and in an easy-to-understand manner. If, however, there is anything in the agreement you do not understand, please speak either to your own investment adviser or your Brompton Asset Management LLP contact, who will be able to explain it clearly to you.

We endeavour to treat all our clients fairly. Specifically, we will consider the following issues as they affect our relationship with you:

- how we describe and deliver our services to you;
- whether the management of your portfolio is not unsuitable for you, based on the information you have provided us and your selection of investment strategy;
- meeting your information needs and ensuring that all documents we provide are clear and understandable; and
- handling any complaints or dissatisfaction that may arise between us in a fair and timely manner.

1 This agreement with you

1.1 Purpose of this investment management agreement (IMA)

The purpose of this IMA is to set out the basis upon which Brompton Asset Management LLP (Brompton) agrees (as applicable):

- to manage, on a discretionary basis, the portfolio of investments, including any Individual Savings Accounts (ISAs) and cash, you wish us to manage;
- to make arrangements for the provision of certain other ancillary services to you in respect of custody services and dealing and execution services; and
- to appoint an ISA manager on your behalf.

Please note that Brompton does not provide investment advice.

1.2 Arranging custody

- 1.2.1 Brompton does not provide administration and custody services in respect of the investments held in your portfolio. We will, however, make arrangements on your behalf for the provision of custody services to you. We set out in terms 1.2.2 - 1.2.4 and 1.4 below, how we will act and what this means for you.
- 1.2.2 In order to protect the investments in your portfolio and any cash belonging to you that you would like us to manage, you need to have custody arrangements in place with a custodian. A custodian can also help you exercise certain rights that you may have in respect of your investments.
- 1.2.3 So we can put the necessary arrangements in place for you, you hereby give Brompton authority to appoint, as agent on your behalf, Multrees Investor Services Limited (Multrees) as your custodian or any other person whom we from time to time and in our full discretion, consider to have the necessary skill, knowledge and expertise to act as your custodian (Custodian). In selecting a custodian for you, we will act in good faith and with reasonable skill, care and due diligence.

1.2.4 You agree and acknowledge that the custody agreement that we will enter into with the Custodian on your behalf (Custody Agreement) will be binding on you. It is important that you read the Custody Agreement carefully which we will provide to you together with various other documents. A copy of the Custody Agreement and Customer Custody Notification is available on request or it can be downloaded at www.bromptonam.com/private-clients/multrees

1.2.5 The Custodian will treat you as its client for regulatory purposes and you will be classified as a “retail client”. Your Custodian will not, however, interact with you directly and will communicate exclusively with Brompton as your agent. This means that, where your Custodian is obliged to notify you of something or obtain your consent it may do so by notifying or receiving consent from or through Brompton.

1.3 Arranging transactions

1.3.1 In carrying out the discretionary management of your portfolio, we place instructions to deal with third party brokers for execution. You hereby authorise us to appoint Multrees as your broker and/or any other person who we from time to time and in our full discretion, consider to have the necessary skill, knowledge and expertise to act as your broker (Broker) and to enter into an ancillary services agreement with Multrees (ASA) as your agent and/or a relevant agreement with any other broker we appoint. Again, in selecting a broker for you, we will act in good faith and with reasonable skill, care and due diligence.

1.3.2 Under the ASA, which will be binding on you, Multrees will treat us as its client. Multrees will not interact with you directly and will communicate exclusively with Brompton as your agent. Where Multrees is obliged to notify you of something or obtain your consent it may do so by notifying or receiving consent from or through Brompton.

1.3.3 We will ensure that Multrees applies those regulatory protections that would apply to your client type as if you were directly entering into the ASA with Multrees.

1.4 Our authority to act on your behalf

- 1.4.1 You expressly authorise us to:
- give instructions on your behalf to your Custodian and Broker who will each be entitled to act on them;
 - to place orders and enter into transactions including foreign exchange transactions on your behalf;
 - deal with your portfolio of investments and cash in the manner contemplated by this agreement and the Custody Agreement; and
 - perform such obligations and exercise such rights as further set out in this agreement and/or as are necessary and appropriate for the proper performance by the Custodian and the Broker of their services under the Custody Agreement and the ASA respectively; in particular, our authority to act on your behalf shall extend but not be limited to the giving of indemnities (see term 8.5), liens and other security (see term 11.7), agreeing to the holding of your investments on a pooled basis (see term 4.2), the making of notifications and providing client consent.

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1.4.2 As your agent, we are required to act in your best interest. Accordingly, we will pass on to you such information, risk warnings and disclosures as the Custodian is required to provide to you as its client. Where we interact with your Broker, we will make sure that you are in receipt of such protections as are in line with your client categorisation under this agreement.

1.4.3 We will only give consent to any matters in our capacity as your agent if and to the extent we have received prior written consent from you in this regard. This may include email.

1.5 Appointing your ISA manager

1.5.1 Upon request, Brompton will assist you in opening an ISA account with Multrees who will act as your ISA manager (ISA Manager) and manage your ISA in line with the ISA regulations.

1.5.2 We will act as agent on your behalf and although you will have a direct contractual relationship with your ISA Manager, the ISA Manager will not generally interact with you directly in respect of your ISA account and will communicate exclusively with Brompton as your agent.

1.6 The agreement

You will have completed a Brompton account form and a client profile in respect of the discretionary management of your portfolio. The agreements between you and us together with the Custody Agreement and (as applicable) certain other documents comprise the documents that make up the client pack. These are as follows:

- Part 1 This IMA
- Part 2 Customer Custody Notification with standard FAQ provided by your Custodian
- Part 3 Custody Agreement
- Part 4 ISA transfer form, if applicable
- Part 5 Fee schedule
- Part 6 Costs and charges illustration

1.7 Effective date

This agreement shall come into force on the later of the dates on which:

- We have received your written acknowledgement and acceptance of this agreement; and
- Your portfolio/s has/have been transferred to Multrees.

1.8 Regulatory information

Brompton Asset Management LLP is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (located at 12 Endeavour Square, London, E20 1JN) under firm reference number 501651.

Brompton is registered in England and Wales with company registration number OC 349309; our current registered office is at 1 Knightsbridge Green, London SW1X 7QA.

In certain circumstances, we are obliged to report transactions under European Union legislation. This will require us to identify you as our client. If you are a legal entity or structure such as a company, charity or trust, you will be required to provide your legal entity identifier (LEI). We will not be able to provide our discretionary management services to you until we have received this LEI.

For the purposes of the FCA rules we classify you as a “retail customer”. You have the right to request a different client categorisation, such as a “professional client” categorisation. If you do so, however, and we agree to such categorisation, you will lose the protection afforded by certain FCA rules.

1.9 Loss of regulatory protections

The regulatory protections that you will lose if you request a different client categorisation include the following:

- 1.9.1 when considering the suitability or appropriateness of specific services, as a result of your different categorisation, we will be entitled to assume you have the necessary level of experience and knowledge to understand risks involved with the services;
- 1.9.2 we will not need to consider price and cost as the most important factors to determine best execution;
- 1.9.3 you may lose the right to access the Financial Ombudsman Service;
- 1.9.4 we will not need to inform you promptly when encountering material difficulty relevant to the proper carrying out of an order;
- 1.9.5 we will not need to report when losses exceed any agreed pre-determined threshold; and
- 1.9.6 we will not need to use a specific format for trade confirmations.
- 1.9.7 You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation.

1.10 Base currency of your account

- 1.10.1 If you do not indicate a preference, sterling will be the base currency of your account.

1.11 Client identification

Money laundering regulations require that all financial institutions verify the identities of their clients. We will try to make this process as straightforward as possible. In some circumstances, however, we may be obliged to request additional information beyond that outlined in the account form. We are unable to proceed with opening an account until we have received all the necessary information. From time to time, it may be necessary for us to ask for further documents to meet our on-going obligations under the anti-money laundering regulations, or where your Custodian, Broker and/or ISA Manager (as applicable) requests such documentation. We may seek to re-verify your identity periodically using electronic methods and without further reference to you.

2 Our services

2.1 Our appointment as discretionary manager

You appoint us to manage your portfolio of investments and cash on a discretionary basis. By discretionary investment management services, we mean that you grant us full authority in accordance with your selected investment strategy and the other controls we describe in section 3 of this agreement to undertake transactions in investments in a way that, using our own judgment without reference to you, we believe is suitable for your portfolio. The investment transactions concerned can be by way of purchase, sale, retention, exchange, the making of deposits, offers for sale or placings or any other type of dealing.

- 2.1.1 The investment strategies currently offered by Brompton are:

- Conservative
- Balanced
- Income
- Growth
- Equity
- Unconstrained

Details of each strategy and the associated risk are available upon request. Your client profile form also has a full description of all the investment strategies, including the

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strategy you have selected for your portfolio.

- 2.2.2 Please also read Appendix 1 of this IMA. This sets out the risk warnings and notices.

2.2 Securities depositories/market rules and practices

- 2.2.1 We will instruct your Broker to carry out transactions in investments on your behalf in accordance with the rules and regulations of the relevant market or exchange. You authorise us and others appointed by you, or by Brompton when acting as agent on your behalf, when required, for the purposes of the discretionary management of your portfolio, to use securities depositories, clearing and settlement houses and similar securities systems. You authorise us to take all steps that may be required under the Custody Agreement with your Custodian or permitted by the market or exchange concerned and otherwise to act in accordance with good market practice.

2.3 Types of securities

Brompton will typically utilise the following investment categories, described below, when managing your portfolio:

- 2.3.1 Collective investment schemes, regulated or unregulated – these include:
- unit trusts, open ended investment companies (OEICs) and other open-ended mutual funds and collective investment schemes in the UK and elsewhere. You authorise us to invest in collective investment schemes operated or managed by Brompton when we believe this is appropriate measured against your investment objectives and desired level of risk;
 - investment trusts and similarly structured closed-end vehicles;
 - exchange-traded funds (ETFs);
 - hedge funds, being unregulated collective investment schemes utilising hedging techniques as part or whole of their investment strategy; and
 - property funds and real estate investment trusts.
- 2.3.2 General investments – these include:
- shares in UK and foreign companies;
 - debenture stock, monies, currencies and loan stock;
 - bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues;
 - eurobonds, fixed interest and other securities denominated in any currency; and
 - treasury bills and other money market instruments.
- 2.3.3 Warrants
- warrants or other instruments entitling the holder to subscribe for relevant general investments.
- 2.3.4 Depository receipts
- depository receipts or other types of instruments relating to general investments and warrants.
- 2.3.5 When providing the services to you, we will not provide such services in relation to any of the following categories of investments:
- structured deposits
 - contracts for difference
 - unquoted securities; and
 - direct investments in commercial property

Please note that collective investment schemes held in your portfolio may hold such investments.

2.4 Dealing

- 2.4.1 Best execution

When providing the investment management services we must act in accordance with your best interests when

placing orders with entities for execution. We will place orders with your Broker who may execute the order or receive and transmit the order to a third-party broker for execution. Your Broker has a best-execution policy that we are satisfied will enable us to act in your best interests. Upon request, we will provide you with a summary of your Broker's best-execution policy. Further details on Brompton's execution policy are documented in Appendix 2 of this IMA. This policy may change over time.

- 2.4.2 You should read the information on the execution policy carefully as we shall treat you as having consented to the policy when we subsequently transmit transactions for execution on your behalf.
- 2.4.3 We will notify you of any material changes to our order execution arrangements or execution policy.
- 2.4.4 We will satisfy our obligation to take all sufficient steps to act in accordance with your best interests to the extent that we follow your specific instructions when executing an order, or placing an order with, or transmitting an order to, another entity for execution. When you give us a specific instruction, our order execution policy will not apply and we and your Broker will be deemed to have satisfied all best-execution obligations by acting in accordance with your instructions.
- 2.4.5 You hereby agree that we and your Broker may effect transactions on your behalf outside a regulated market or multilateral trading facility or an organised trading facility.
- 2.4.6 Timing of Execution for certain trades
- There may be occasions when we may need to delay dealing where you have asked us to trade in a specific security. This will generally be in cases where we need to undertake additional checks prior to instructing the execution, for example, where you have told us that the shares are of a quoted company of which you or a related party are a director.

2.5 Order aggregation

When executing deals on your behalf, orders may be aggregated with those of other clients of Brompton and/or other clients of your Broker. Overall, we do not believe this will work to disadvantage any client. There may, however, be occasions where aggregating orders does disadvantage particular clients in respect of a particular order.

2.6 Execution-only services

- 2.6.1 We undertake to provide you with discretionary investment management services only. Typically, we will not accept instructions from you in respect of transactions to be undertaken for you on an execution-only basis.
- 2.6.2 Your Broker will provide non-advisory, execution-only and related services to you.

3 Controls on our discretion

3.1 Your investment strategy and desired level of risk

- 3.1.1 You appoint us to manage investments held in your portfolio on a discretionary basis in accordance with the agreed strategy. Please note that Brompton does not offer investment advice. If you have any concerns about the suitability of your chosen strategy or the services Brompton provides within your wider financial arrangements, please contact an independent investment adviser.
- 3.1.2 You will have completed a client profile questionnaire, that aims to help us understand your investment objectives and risk appetite. It is strongly recommended that this questionnaire is completed in conjunction with the account form.

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- 3.1.3 Please bear in mind that the investment objectives of the strategies are simply objectives. Although we will exercise reasonable care, skill and diligence in attempting to achieve the investment objective in our selection of investments, we cannot undertake that the investment objective will be achieved or guaranteed. We will usually agree with you how quickly your assets will be invested in your selected strategy. There may, however, be market conditions from time to time when it may be prudent to hold higher levels of cash or near-cash instruments before investing fully in your chosen strategy. In such circumstances, you will not be invested in your chosen strategy immediately and there may be a significant difference in the actual performance of your portfolio and the chosen strategy.
- 3.1.4 Such objectives and any restrictions referred to in section 3 of these terms of business shall not be deemed to have been breached as a result of any events or circumstances outside our reasonable control, including, but not limited to, changes in price or value of any of the investments comprised in your portfolio brought about through market forces or movements in the market.

3.2 Suitability

- 3.2.1 We will not arrange a discretionary transaction with or for you unless we believe the transaction is suitable for your portfolio as a whole, in light of the information we hold about you. In order that we can act in your best interest, we will need to obtain certain information from you, in particular in relation to your level of knowledge and experience as well as your financial circumstances and investment objectives, including your level of risk appetite. We will make our assessment of your chosen strategy to ensure your chosen strategy is not unsuitable having regard to facts disclosed by you and other relevant facts about you of which we are, or reasonably should be, aware based on information you have provided us. We are entitled to rely on any information provided by you or by any other person with your authority unless we are aware that the information is manifestly out of date, inaccurate or incomplete. Unless we obtain the necessary information from you to assess the suitability of a decision to trade for you, we will not be able to provide services to you.
- 3.2.2 We will endeavour to carry out periodically (usually annually) a review of your circumstances, objectives, strategy and risk profile. We will provide you each year with a suitability statement as to whether your investments meet your chosen strategy, objectives and other characteristics
- 3.2.3 In providing our services we will take into account the information provided by you. The value of our services to you depends upon the accuracy and completeness of the information you provide. To ensure we continue to exercise our discretion suitably we will ask you to update that information from time to time and inform us of any material changes to your circumstances as soon as practicable.
- 3.2.4 Please bear in mind that Brompton is subject to this requirement. No duty of suitability applies to your Broker who will be acting on our instructions. Your Broker accepts our instructions on an execution-only basis and will not give you any advice on the merits of entering into any transactions.

3.3 Your instructions to us regarding restrictions on, or types of, investments or markets

- 3.3.1 We will comply with any restrictions you impose on us in the client profile regarding:

- regions or markets in which you do not want us to invest on your behalf;
- types of investment;
- the value of any one investment;
- the proportion of the portfolio you entrust to us to be invested in individual investments or categories of investment; and
- specific stocks.

- 3.3.2 Please note that any restrictions you impose on us may result in the performance of your portfolio differing from that of the model portfolio of the strategy. In addition, the time taken to invest your investment in line with the model portfolio may result in a difference in performance.

- 3.3.3 Your actual portfolio may also vary from the model portfolios used in the investment strategy resulting in a different performance from the model portfolio.

- 3.3.4 Please bear in mind that restrictions imposed by you will not be regarded as broken by us if limits are exceeded as a result of changes in the price or value of any of your portfolio investments through market forces or movements in the market. If any restrictions are exceeded as a result of market forces or movements we will:

- notify you as soon as possible; and
- buy or sell investments on your behalf at our discretion to restore conformity with the restrictions.

4 Protecting your investments and cash

4.1 The respective responsibilities of Brompton and your Custodian

- 4.1.1 It is important we explain clearly the separate responsibilities of each party. Brompton is responsible for:
- the opening of your account in conjunction with your Custodian, using the account opening documents, which include the account form (and, if applicable, the ISA application form), the client profile, this IMA and the fee schedule;
 - the provision to you of discretionary management services;
 - arranging the provision of custody, execution-only and certain ancillary services through your Custodian and Broker;
 - the ongoing relationship with you; and
 - dealings and communications with your Custodian, your Broker and your ISA Manager, as applicable.

- 4.1.2 The responsibilities of your Custodian are outlined in detail in the Custody Agreement and the Customer Custody Notification both of which have been provided to you as part of the account opening documentation you've received. You should read these carefully.

4.2 Pooling of investments

You hereby authorise us to agree, as agent on your behalf, to your investments being held in an omnibus account. For further detail on what it means for your investments to be held in a single pool together with the investments belonging to other clients, please refer to the Custody Agreement and the Customer Custody Notification.

4.3 Bearer instruments

Unless otherwise agreed with your Custodian, which shall only be in exceptional circumstances, your Custodian does not allow you to hold bearer instruments in your portfolio. These are securities the ownership of which is dependent on physical possession of documents of title.

4.4 Dividends, income and other entitlements

If you have chosen the "income paid away" option in the

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account form, income arising from your investments will be paid to you at such intervals as we and you may from time to time agree. The amount of income you receive from your investments may vary.

4.5 Voting

You authorise us to decide in our sole discretion to instruct your Custodian to exercise or not to exercise voting rights attaching to investments held under the custody service provided by your Custodian. There is generally a cost involved in exercising these rights. We will, therefore, typically not vote, although we may do so in certain circumstances.

4.6 Additional shareholder benefits

Some companies provide benefits to shareholders relating to the nature of their business. Please be aware these benefits will not necessarily be available to you automatically because your stock will be registered in a nominee company and your Custodian's policy is not to accept any such benefits. If you wish to receive these additional benefits you should contact us about this.

4.7 Statements, confirmations and valuations

- 4.7.1 You agree that your Broker does not need to send you contract notes or confirmations in respect of transactions executed on your behalf unless you specifically request to receive them. These can be provided to you upon your request to Brompton.
- 4.7.2 You will be provided a valuation of assets held within your portfolio on a quarterly basis. Assets will be valued using the last available closing price at the valuation date. In relation to unquoted assets in the portfolio, these will be valued only if your Custodian can source an independently-verified value received from reputable published sources or if your Custodian is able to make a reasonable judgement adopting standard market evaluation practices. If a value cannot be established the value will be listed as zero.
- 4.7.3 Performance measurement may be included in the valuation. Assets will be valued as described in 4.7.2 above.
- 4.7.4 Where required by the FCA, we will notify you if the overall value of your portfolio, as evaluated by us at the beginning of each reporting period, falls by 10%; and thereafter at multiples of 10%. We will endeavour to notify you by the end of the business day during which the threshold is exceeded or, where the threshold is exceeded on a non-business day, the close of the next business day.

4.8 Use of your cash balances

You authorise us to instruct your Broker to deal in investments. Such dealing will involve, in the case, for example, of a purchase, the use of your cash balances for the purposes of the dealing or may, in the case, for example, of a sale, involve generating cash balances.

4.9 Interest on cash balances

Cash in your accounts will attract interest as outlined in the Custody Agreement.

4.10 Record retention

In accordance with legal and regulatory requirements, we will retain your records for a minimum of six years following termination of any relationship between us. This period may be extended as a result of any law, regulatory requirement or agreement amongst us. Your Custodian will also hold relevant records in line with legal and regulatory requirements.

5 Understanding the risks involved in

investments

5.1 General

All investment involves risk. The value of investments may go down as well as up and investors may not get back the amount originally invested. Similarly, the level of income from investments may fluctuate and is not guaranteed. This section gives an overview of investment risks. A detailed risk warnings notice is contained in Appendix 1 of this IMA.

5.2 Derivatives and warrants

Before we arrange deals on your behalf in warrants or derivatives, please read the warrants and derivatives risk warning material contained in Appendix 1 of this IMA. Please let us know if you have any questions on the contents of the notice.

5.3 Unregulated collective investment schemes including hedge funds

We may arrange deals on your behalf in unregulated collective investment schemes including hedge funds. Before we arrange deals on your behalf in hedge funds please read the hedge funds risk warning notice contained in Appendix 1 of this IMA. Please let us know if you have any questions on the contents of the notice.

5.4 Exchange rate risk

On your behalf we may instruct your Broker to effect transactions in an investment denominated in a currency other than your portfolio's base currency as indicated by you in the account form. This is the currency in which your portfolio is valued. A movement in exchange rates may have a separate effect, unfavourable as well as favourable, on the gain or loss otherwise experienced on the investment concerned.

5.5 Stabilised securities

We may instruct your Broker to effect transactions in investments the prices of which may be in the process of being stabilised. Your attention is drawn to the stabilisation notice contained in Appendix 1 of this IMA.

5.6 Non-readily realisable investments

We may instruct your Broker to effect transactions on your behalf in non-readily realisable investments, such as private equity investments. Please bear in mind that non-readily realisable investments are investments in respect of which there is no recognised market. It may, therefore, be difficult to deal in any such investment or obtain reliable information about its value or the extent of the risks to which it is exposed. We will let you know if either we or any associate holds a position in a non-readily realisable investment or related investment that we also hold for your portfolio.

5.7 Geared investments including investment trust companies

Gearing arises when an investment company borrows money to increase returns. It also increases risk and may result in:

- movements in the price of your investments becoming more volatile than the movements in price of the underlying investments;
- your investment being subject to sudden and large falls in value; and
- the possibility that you may get back nothing at all if there is a sufficiently large fall in the value in the underlying investments.

6 Client protections

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6.1 Material interests and conflicts

- 6.1.1 While we will take all appropriate steps to prevent conflicts of interest, conflicting interests or duties may potentially arise and we will manage any such conflicts, subject to and insofar as may be permitted by applicable rules and applicable regulations, where:
- any of our partners and employees or those of an associate, is a director of, or holds or deals in securities of, or is otherwise interested in any company whose securities are held in your portfolio or in respect of which we arrange deals on your behalf;
 - a transaction is carried out on your behalf in securities issued by an associate or a customer of an associate of ours or an associate or customer of an associate of your custodian;
 - a transaction carried out on your behalf on our instructions relates to an investment in respect of which we or an associate may benefit from, or in the past have benefited from, a commission, fee, mark-up or mark-down payable otherwise than by you, and/or we, or an associate, may also receive or have received fees from the counterparty to such a transaction subject at all times to the FCA's inducement rules;
 - we deal on your behalf with an associate of us;
 - we act as agent for you in relation to transactions in which we are also acting as agent for other customers and/or associates;
 - in exceptional circumstances, we act as principal in transactions with you and you authorise us so to do;
 - a transaction carried out on your behalf is in units or shares of collective investment schemes, such as unit trusts or OEICs, and we or an associate act as manager or operator to the scheme concerned;
 - we instruct your Broker to effect transactions on your behalf involving placings and/or new issues with an associate of us that may be acting as principal or receiving an agent's commission; and
 - a transaction carried out on your behalf on our instructions is in the securities of a company for which we, or an associate have underwritten, managed or arranged an issue or offer for sale within one year before the date of the transaction.
- 6.1.2 We have a policy and organisational and administrative arrangements to identify, prevent, where possible, and manage these and other conflicts of interest arising in our business. Under the agreement, you accept, however, that we may have interests that would conflict with duties that would otherwise be owed to you and you consent to our acting in any manner that we consider appropriate in such cases. A summary of our conflicts of interest policy is attached as Appendix 3 of this IMA.
- 6.1.3 Furthermore, for your protection, our partners and employees are required to comply with a code of conduct. This code requires our partners and employees to disregard any material interest when providing discretionary management services for you.
- 6.1.4 Where permitted under the regulations, and in particular the FCA rules on inducements, we may also receive minor non-monetary benefits from third parties with which we may also conduct or transact investment business. We ensure that such arrangements operate in the best interest of our clients and enhance the quality of our service to you, for example because the arrangements allow access to information or other benefits that would not otherwise be available.

6.2 Confidentiality

We will use reasonable endeavours to ensure that all confidential information relating to you and your portfolio is kept confidential. You authorise us, however, to disclose

information, confidential or not, to:

- your Custodian and your Broker and others appointed by them on a need-to-know basis for the purposes of carrying out their obligations under the Custody Agreement and the ASA, as applicable;
- our partners and employees or employees of our agents or any other persons appointed by us in connection with your portfolio on a need-to-know basis including credit reference agencies;
- the FCA and any other regulatory authority;
- third parties in accordance with whose instructions we are authorised by you to act as listed on page two of the account form; and
- others as may be required by law, best banking or investment business practice, industry regulations or codes of practice.

6.3 Data protection

- 6.3.1 We will process your personal data in accordance with applicable data protection legislation, including the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003.
- 6.3.2 You consent to Brompton receiving, processing and disseminating your personal information, as set out in our Privacy Notice for our Discretionary Investment Management clients (included as an appendix to this agreement).
- 6.3.3 You have the right to inspect information we hold regarding you and your portfolio. We and/or Multrees may charge an administration fee for an inspection of up to the legal maximum from time to time. Please let us know if you would like to exercise this right.
- 6.3.4 Please be aware that in accordance with term 4.9 covering retention of records, you will not be at liberty to request us to destroy or delete any records relating to you where we are required to maintain such records as a result of any law or regulatory requirement.

6.4 Complaints and compensation

- 6.4.1 If you wish to complain about our discretionary management services please, in the first instance, speak to your usual contact at Brompton or our Compliance department by emailing compliance@bromptonam.com or calling 020 7045 0600. We will investigate the complaint and try to resolve it.
- 6.4.2 We will endeavour to resolve your complaint as soon as possible. If, however, after discussing the matter with your Brompton contact, you remain dissatisfied with our response, or if we are not able to provide you with a response by the close of the third business day following receipt, your complaint will be handled by our compliance department, which will investigate the complaint impartially.
- 6.4.3 We will promptly acknowledge receipt of your complaint and will provide you with a copy of our complaints handling policy. Having fully investigated your complaint, we will send you a final response letter within eight weeks of the date of receipt of your complaint. In exceptional circumstances, we may be unable to provide a final response within eight weeks and, in such circumstances, we will write to you to explain why. If, after receiving our final response, or eight weeks have passed, you are dissatisfied and provided that you are an "eligible complainant", you may refer your complaint to the Financial Ombudsman Service (FOS). Details of how to refer your complaint to the FOS will be included in our final response.

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6.4.4 Brompton and Multrees participate in the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we become insolvent and are unable to meet our liabilities. This depends on the type of business, your eligibility to make a claim and circumstances of the claim. Most types of investment business are covered for 100% of the first £85,000. Further information about compensation arrangements under the scheme is available from the Financial Services Compensation Scheme or from Brompton upon request.

6.5 Telephone calls

To help us manage and administer your portfolio properly, our representatives, partners or employees may occasionally telephone you without clearing this with you first. We may call you between the hours of 9am and 5pm UK time excluding Saturdays and Sundays but we will endeavour to agree a convenient time with you. Calls made to or from Brompton, including mobile phone calls with your investment team, will be recorded.

6.6 Lending, depositing or borrowing

Unless otherwise agreed between us:

- we will not lend your investments or other property to any third party;
- we will not deposit your investments or other property by way of security with a third party; and
- we will not borrow money on your behalf from a third party, whether or not using your investments as security but your Broker may in certain circumstances borrow or purchase currency from third parties to enable it to settle certain forward foreign exchange transactions if you fail to make any payment or otherwise comply with any obligation when due and you will be liable to your Broker for any liabilities incurred by them in borrowing or purchasing such currencies.

We will not offer any kind of guarantee to any third party in connection with the pledging of the investments in your portfolio as collateral.

7 Communicating with each other

7.1 Point of contact

Brompton is your point of contact in relation to this agreement and you should address your communications to us at the address in term 7.2 below. Please note you should not direct enquiries to your Custodian or your Broker. Your Custodian will not accept instructions direct from you. Your Broker may in exceptional circumstances accept instructions from you but Brompton should always be your first point of contact. If you instruct the Broker, you undertake to inform Brompton that you have done so on the same business day and disclose to us the contents of your instruction.

7.2 Communication to us by post

Unless we advise you otherwise, please write to us at 1 Knightsbridge Green, London SW1X 7QA. We will, subject only to term 7.6, act on your instructions when we receive them.

7.3 Communication to us by fax, telephone or e-mail

To change data such as personal details on your account, we will need to receive written notification from the account holder(s) by post. We may not accept instructions regarding such data by email, fax or telephone. Where we receive an instruction by phone or email we may require additional confirmation for security reasons, such as a call-back or confirmation in writing, as appropriate. All phone calls to the Brompton private client team are recorded.

7.4 Communication to us by a third party authorised by

you

If you authorise us to accept instructions from a third party we will do so until we receive notice to the contrary from you. The same rules – see terms 7.2 and 7.3 – apply to written, telephoned, faxed or emailed instructions received from an authorised third party as to instructions received from you so please ensure your authorised third party complies with these rules. Please bear in mind we may require additional documents such as a power of attorney to ensure that third parties are appropriately authorised by you. In addition, we will need to undertake anti-money laundering verification checks in respect of third parties. We will agree separately with you which reports are to be sent to any authorised third party and the frequency of reporting.

7.5 Our right not to act on your instructions

7.5.1 We reserve the right not to act on instructions received from you if:

- to do so would involve us or you in a breach of legal and/or regulatory requirements; or
- we believe on reasonable grounds that to do so would be impracticable; or
- to do so would run the risk of our suffering financial loss.

7.5.2 Your Broker may, in certain circumstances, decline to act on instructions that we give to them, including if your Broker:

- reasonably considers that the acceptance or processing of such instructions may (i) constitute a breach of legal and/or regulatory requirements, (ii) facilitate financial crime or be connected to unlawful activity, or (iii) constitute an unfair market practice; or
- is unable to complete an instruction for whatever reason; or
- has any other reasonable concern as to whether the risk is compatible with the business profile of the Broker or the viability of an order.

7.6 Communications by us to you

We will write to, fax, telephone or e-mail you and/or, as appropriate, a third party authorised by you at the address set out in the account form or any other address/es you notify to us in writing. You hereby consent to our communicating with you by means of an e-mail or website. If we provide information via a website, we will provide you with a relevant website address and further information about its use. All communications will be in English.

7.7 Apparent instructions

As long as we act reasonably, you authorise us to rely on instructions that appear or purport to be sent by you or by a third party authorised by you.

8 Your undertakings

8.1 Acceptance and authority

You agree that you understand and accept and agree to be bound both by these terms and by the terms and matters set out in the account form and client profile. You undertake that you have full power and authority to enter into, and to instruct us on, the terms of this agreement.

8.2 Information

8.2.1 You undertake, represent and warrant while the agreement continues:

- that all information you have supplied to us in the account form and client profile or otherwise is complete

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- and accurate;
 - as applicable, that you are duly incorporated, established or constituted and validly existing under the laws of your country of incorporation, establishment or constitution;
 - to notify us promptly in writing of any change to the information supplied by you in the account form and client profile or otherwise; and
 - to provide us with any additional information, including a legal entity identifier where you are eligible for one, that may be required by any government or regulatory authority or securities exchange in connection with, or relating to, this agreement.
- 8.2.2 If you provide inaccurate or incomplete information, we may enter into transactions on your behalf that are unsuitable for you and that we would not have effected were we in possession of accurate and complete information about you and your objectives. We will not be liable to you if the services we provide under this agreement are not suitable for you by reason of our reliance upon inaccurate or incomplete information provided by you or any failure of you to provide an update of any changes in your circumstances.

8.3 Your investments

- 8.3.1 You undertake, represent and warrant that while the agreement continues:
- unless you have specified to the contrary to us in writing, and agreed by us and Multrees, the investments and cash within your portfolio are within your beneficial ownership and will remain for the term of the agreement free from all liens, charges, pledges, right of set-off, security interest and/or any other encumbrances;
 - you will not, except through us, deal, or authorise anyone else to deal, in the investments in your portfolio that form part of the portfolio that is managed by us; and
 - you will not, either directly or indirectly, cause us to incur any liability to any third party not anticipated by the terms of this agreement.

8.4 Documents

You undertake to sign, and/or produce by the time we ask you, any additional documents we need to enable us to carry out our duties under this agreement and, for the avoidance of doubt, in respect of the arrangements that you have authorised us to put in place with your Custodian, your Broker and your ISA Manager (as applicable).

8.5 Indemnity

- 8.5.1 You and your personal representatives agree:
- to indemnify Brompton against all proceedings, actions, costs and expenses, claims, demands and/or other liabilities incurred by us as a result of properly carrying out our lawful duties and responsibilities to you under this agreement or as a consequence of any breach by you of this agreement, the Custody Agreement or the ASA which we have entered into as agent on your behalf or any failure by you to make payment or delivery when due; and

- that, as your agent, we may from time to time on your behalf provide such indemnities to your Broker as they require for the proper performance of their services under the ASA or as may otherwise be necessary, including (but not limited to) an indemnity against any losses suffered and costs incurred by your Broker or any of their affiliates, delegates, fund platform, associates, partners, directors, officers and employees arising from the provision of the services that the Broker will provide to you through us as your agent under the ASA with respect to (i) the execution of orders such as the processing of any orders and acting on any instructions; and/or (ii) any misrepresentation or breach of warranty, condition, covenant or agreement under the ASA (including your failure to notify us of any change in your circumstances or any other relevant information); and
- that, as your agent, we may from time to time on your behalf provide such indemnities to your Custodian as they require for the proper performance of their services under the Custody Agreement or as may otherwise be necessary.

- 8.5.2 The indemnities referred to in term 8.5.1 shall not apply to any liability that arises directly out of or (in the case of your Broker) which is wholly caused by:
- a material breach by us, your Broker or Custodian (as applicable) of the relevant agreement; or
 - the negligence, fraud or wilful default of us, your Broker or Custodian (as applicable); or
 - a contravention by your Custodian of any applicable law (including FCA rules).

9 Our responsibility for our actions and the actions of others

9.1 Our responsibility

- 9.1.1 We will carry out our duties with reasonable skill, care and diligence and in accordance with the instructions and authority you have given us. We, our partners, officers, employees and agents cannot and do not accept any liability for any loss, damage, or the loss of an opportunity to gain, whether direct or indirect, incidental or consequential, that arises directly or indirectly from the exercise of our discretionary investment management or other activities under this agreement for and on your behalf except loss that is a reasonably foreseeable consequence or arises directly from our fraud, gross negligence or wilful default. Nothing in this agreement will limit our liability for death or personal injury resulting from our negligence.
- 9.1.2 We give no warranty as to the performance of any portfolio.
- 9.1.3 Regarding losses that do not arise directly from our fraud, gross negligence or wilful default we cannot be responsible for loss arising from the default of your Broker or your Custodian or their agents, whether the loss arises from the loss of funds, investments, title documents or otherwise.

9.2 Events beyond our reasonable control

We do not accept responsibility for losses you suffer as a result of any failure, delay or interruption of or in our obligations under this agreement as a result of circumstances beyond our reasonable control. These circumstances would include, but not be limited to, failure, defects or malfunctions of any securities or telecommunications system or computer equipment or service, or the failure by the relevant intermediate broker or agent, agent or principal of our custodian, sub-custodian, dealer, market, clearing house or regulatory organisation, for any reason, to perform its obligations.

9.3 Preservation of rights under the Financial Services

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and Markets Act 2000 and the regulatory system

Nothing in this agreement is intended to exclude or restrict our duties or liabilities to you under the Financial Services and Markets Act 2000 and other aspects of the regulatory system.

9.4 Tax status

- 9.4.1 Please bear in mind that our services do not include providing tax advice. To the extent that the exercise of our discretionary investment management services may impact on your tax position, you are advised in the strongest terms, whether you are based onshore or offshore, to obtain independent tax advice.
- 9.4.2 Where there are changes in your circumstances which affect your status as a tax-payer, for example, your residency, you undertake to inform us.
- 9.4.3 We will not manage your portfolios with a view to minimising or avoiding capital gains tax unless you specifically agree this with us in writing.

10 Delegation and use of associates/agents

10.1 Associates/others

We may delegate any of our responsibilities under this agreement to an associate or any other third party. We will give you prior written notice of any delegation of the exercise of our discretionary management.

10.2 Agents

We may employ agents to carry out administrative and ancillary services to enable us to perform our obligations under the agreement. We will act in good faith and with reasonable skill, care and due diligence in our choice and use of such agents.

11 Charges and expenses

11.1 Charges

- 11.1.1 We shall be entitled to charge an annual investment management fee as specified in the fee schedule for our services. This will be calculated on a percentage basis on the value of your portfolio quarterly. In addition to our fees and charges, you must also pay all applicable value added tax, stamp duty or similar charges. Assets will be valued using the last available values at the valuation date. In relation to assets in the portfolio, these will be valued only if your Custodian/Broker can source an independently-verified value and if not, the value will be listed as zero or cost, if appropriate. We shall be entitled to charge this management fee on cash balances. Where your assets are invested in a collective investment scheme managed by Brompton those assets will be excluded from the quarterly management charge.
- 11.1.2 Our annual management fee is charged quarterly in arrears and will be charged to your account.
- 11.1.3 The charges payable for the services provided by your Broker and Custodian are set out on the fee schedule. These charges are NOT included in our management fee and your Custodian will automatically deduct them from your account.
- 11.1.4 You agree to pay our charges from the date we commence receiving the assets that will contribute to your portfolio, regardless of whether all the assets being transferred have been received by us.
- 11.1.5 The management fee will be charged for the whole period up to the date all assets are transferred to you or another fund manager. The fee for the final period will be calculated using the last quarter's portfolio valuation.

11.2 Expenses

You agree you will be liable for all the costs and expenses incurred by us in the carrying out of discretionary investment management services on your behalf and any ancillary services that we provide to you under this agreement. The costs will include, but not be limited to, transaction costs, commissions, transfer fees, registration fees, taxes and similar liabilities and costs. A full breakdown of the expenses levied for various services is set out in the fee schedule.

11.3 Overdraft charges

- 11.3.1 In the event you incur an overdraft charge due to an error by Brompton, we will pay this charge.
- 11.3.2 Brompton will not be liable where an overdraft charge is incurred due to trading activity undertaken in the client's best interests. This may typically occur where there is a difference in settlement terms between a bought and sold security. This may lead to a temporary overdraft occurring if funds are taken from your account to pay for a purchase prior to the proceeds from a sale arriving in your account.

11.4 Information on costs and charges

Information on costs and charges relating to our services and the services provided to you by your Custodian and your Broker through us are set out in our fee schedule. We will provide you, at least annually, with information about costs and charges in aggregated form so you can understand the overall costs and cumulative effect on your portfolio. If requested by you, we will provide you with an itemised breakdown of the costs and charges information.

11.5 Changes in charges

Our charges may be changed from time to time. We will let you have 30 days' written notice of any changes before we implement them.

11.6 Recovery of charges

- 11.6.1 You authorise us to instruct your Custodian to deduct our charges and expenses from any dealing account maintained by the Custodian in or by reference to your name.
- 11.6.2 You should note that pursuant to term 12.5.1 we reserve the right to retain your funds.
- 11.6.3 Under the terms of this agreement you hereby authorise us to sell your assets to pay any fees due.
- 11.6.4 Any amount owed by us to you shall be due and payable by us at the time that our charges and expenses are due and payable by you to us in accordance with our fee schedule; in any event, we will pay any amounts owed by us to you when the quarterly fees are billed.
- 11.6.5 To the extent that any fees are payable to us or our associates from any pooled vehicles in the portfolio, the fees payable to us by you will be waived on that portion of the assets.

11.7 Right of set-off, lien and right of sale

- 11.7.1 You are reminded that under the Custody Agreement, in addition to any right of set-off which your Custodian has under FCA rules or other applicable laws and regulations, your Custodian has (i) a general lien over the investments they are holding for you and (ii) a right of set-off in respect of any cash derived from such investments which belongs to you in respect of:
- all unpaid fees and charges properly payable to your Custodian in respect of the services they are providing to you; and
 - any other charge or liability properly incurred in the provision of services to you.

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- 11.7.2 Your Broker also has such right of set-off and lien in respect of any fees, charges and liabilities incurred by them in the provision of services under or in connection with the ASA.
- 11.7.3 Your Custodian and your Broker may enforce their right of set-off or lien by the sale and disposal of any or all of your investments subject to written notice. We will notify you immediately upon receipt of notice.
- 11.7.4 In the event that we wish to set off any amount owed by us to you ("Our Payment Obligation") in respect of any amount owed by you to us ("Your Payment Obligation") which is held in cash by your Custodian as client money, we will exercise our right of set-off upon Your Payment Obligation becoming due and payable to us, and it shall at that point cease to be client money; you agree that in these circumstances we may instruct your Custodian to deduct from Your Payment Obligation an amount equal to Our Payment Obligation and pay the remainder (if any) to us. In the event that Our Payment Obligation exceeds Your Payment Obligation, we will pay the difference to you or to your Custodian who shall hold that money in accordance with FCA rules.
- 11.8 Investment in collective investment schemes of Brompton Asset Management
- Where we invest on your behalf in collective investment schemes operated or managed by Brompton Asset Management, our management fee will not apply to such investments. Brompton schemes themselves render charges and there is no intention for us to seek an additional charge by way of management fee for discretionary management services in relation to such schemes.

12 Ending the agreement and right to realise your assets

12.1 Notice of ending

- 12.1.1 You may end the agreement by giving us 30 days' written notice at any time. The agreement will end on expiry of your notice.
- 12.1.2 We may end the agreement by giving you one month's written notice at any time. We may also end the agreement with immediate effect by written notice if either you breach any of the terms of the agreement or we need to do so for regulatory or operational reasons. In the event we terminate our agreement with you, we will also cease acting as your agent in respect of the agreements you have in place with your Custodian and Broker.
- 12.1.3 Your Custodian may with immediate effect by written notice to us cease to provide services in respect of your account if they are not satisfied that continuing to provide their services is consistent with their policies and procedures relating to the prevention of financial crime.
- 12.1.4 Please bear in mind that if you give us notice to end the agreement with immediate effect and ask us to sell your investments this could result in losses.
- 12.1.5 Without prejudice to any other rights to which we may be entitled, we may at any time and without notice to you set off any amount, whether actual or contingent, present or future, owed by you to us against any amount, whether actual or contingent, present or future, owed by us to you. This may mean that we charge you a lower management fee in lieu of paying to you an amount owed by us to you. For these purposes, we may ascribe a commercially reasonable value to any amount that is contingent or that for any other reason is unascertained. Any exercise by us of our rights under this clause shall be without prejudice to any other rights or remedies available to us under this agreement or otherwise.

12.2 Transactions in progress

- 12.2.1 When the agreement ends, transactions already initiated to which we or our agents are committed will be completed.

12.3 Financial consequences of ending your agreement

When the agreement ends we may charge you for:

- periodic charges that have accrued and are due;
- any additional expenses we or our agents necessarily incur on termination of the agreement; and
- any losses necessarily realised by us in settling or concluding outstanding obligations but we will not ask you for any additional payment.

12.4 Investments

Subject to term 12.5, when the agreement ends we will account to you promptly for investments in your portfolio.

12.5 Right to realise your assets upon termination

- 12.5.1 We provide services described in the documents that comprise the agreements as noted in term 1.6. In the event of termination, we reserve the right (a) to instruct your Broker and your Custodian, as applicable, to execute or settle any transaction, or to deliver your investment or cash to you or (b) not to act on your instructions in relation to the investment or cash until we are satisfied that each and all of your liabilities and obligations arising under the agreements are discharged in their entirety. These liabilities and obligations may include but are not limited to any fees or charges payable to us.
- 12.5.2 Without prejudice to any other term in this agreement that gives a right to, or refers to the right of, Brompton, your Custodian or your Broker to dispose of any or all of your investments, you agree that we may, upon giving to you appropriate notice, sell or otherwise dispose of any or all of your investments as we or your Custodian think fit and take any such other steps as we think fit to recover the amount of the liabilities and obligations owed by you to us or owed by us, acting as your agent, to your Custodian or Broker under or pursuant to this agreement. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable for the balance. We will not be liable to you in respect of any choice made selecting investments sold. The proceeds of sale will be applied net of costs towards the discharge of your liabilities under this agreement.
- 12.5.3 We will not exercise any of our rights under clauses 12.5.1-12.5.2 unless you default in any payment obligation owed to us and we have given you notice, oral or written, at least three business days of the intention to exercise such rights before such action is taken.

13 General

13.1 Amendments

- 13.1.1 You must notify us in writing of any proposed amendments to the agreement. These will take effect only when accepted by us and we will notify you in writing as to whether or not we are prepared to accept proposed amendments.
- 13.1.2 Amendments to this agreement proposed by us will take effect on the date notified to you by us. This shall be a date not less than 10 business days after the date of issue of our notice unless circumstances such as legal or regulatory requirements dictate a shorter period.

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13.2 Assignment/transfer

The agreement is personal to you and you may not assign or transfer any of your rights or responsibilities under it. We may, upon giving you one month's written notice, transfer our rights and responsibilities under the agreement.

13.3 Joint accounts

- 13.3.1 This section applies when an account is in the name of more than one person or in joint names as shown in the account title section on the account form or added to after that date.
- 13.3.2 Each account holder or trustee is jointly and severally liable to us. It is normally impractical for us to check with each and every account holder. We may assume, therefore, that instructions received from one joint account holder, or one trustee in a trust account, will be given on behalf of and with the knowledge of all account holders or trustees of the account and any action we take regarding such instructions will be binding on all account holders or trustees. For trust accounts, however, where the relevant trust documents indicate that two or more signatures are required, we will ensure that adequate authorised signatures have been received before acting on any instructions. All remaining account holders or trustees will inform us promptly in the event of the death of a joint account holder or the death or retirement of a trustee.
- 13.3.3 In the event of the death of one or more of the account holders, the ownership of the assets in a joint tenancy account will pass to the surviving account holder/s, who will have full authority and power over the assets. We may rely on such instructions.
- 13.3.4 For trust accounts, in the event of the death or retirement of a trustee, the remaining trustees agree to promptly inform us in writing of this event. In such an event, these terms remain binding on the remaining trustees. You will also need to notify us of the appointment of any new trustee promptly and provide us with any documents we require.

13.4 Telephone calls and electronic communications

For your protection, please be aware that all telephone calls, including mobile phone calls with your investment team and electronic communications between us will be recorded. As part of our commitment to deliver a high-quality service, calls may be randomly monitored. We will try our best to comply with written instructions we receive from you setting out times it is best to call you.

13.5 Rights of third parties

Nothing in this agreement or in any agreement into which these terms and conditions are incorporated creates or confers any or other benefit on or in favour of any person other than Brompton and you whether pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

13.6 Entire agreement

You acknowledge that you have not relied on or been induced to enter into this agreement by a representation other than those expressly set out in this agreement. We will not be liable to you in equity, contract or tort under the Misrepresentation Act 1967 for a representation that is not set out in this agreement and that is not fraudulent.

13.7 Governing law

This agreement is governed by and shall be construed in accordance with the laws of England and shall be subject to the exclusive jurisdiction of the English courts.

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Appendix 1: private clients risk warnings and notices

1 Introduction

- 1.1.1 In connection with your request to use services provided by Brompton Asset Management LLP (Brompton), this document provides information intended to assist you in understanding the nature of and risks associated with your investments and to enable you to evaluate the risks of your portfolio. In accordance with the investment strategy you have selected, Brompton will create a portfolio of mutual funds and other similar investments. It is important you understand the risks involved in the investments we will make on your behalf.
- 1.1.2 This summary is general and not exhaustive. The funds and other instruments in which you are invested may or may not be invested in some of the instruments listed.
- 1.1.3 The value of all investments can go down as well as up as a result of underlying market conditions and factors relating to the investment itself. Even the shares of the strongest companies can be subject to severe short-term movements due to underlying market conditions.

1.2 Taxation

The tax treatment of an investment is determined by the specific circumstances of each investor. Taxation may change during the lifetime of an investment. This may result in unanticipated tax liabilities. You should take tax advice to be aware of potential liabilities before making an investment. If your circumstances change or you are uncertain of how an investment might affect your tax position, you should seek professional advice.

2 Summary of investment risks

2.1 General risks

- 2.1.1 A number of factors affect the risk of all investment products. These are summarised below.

2.2 Valuation

- 2.2.1 The value of securities and funds that invest in them will fluctuate down as well as up. This may be due to a variety of reasons and influences such as the state of the economy, market sentiment, sector dynamics or specific industry and corporate factors.

2.3 Liquidity

- 2.3.1 Liquidity is the ability to realise assets on a timely basis. Some securities are lightly traded and thus it may be difficult to buy or sell these within a particular timeframe or at a specific price. In extreme cases, if a market seizes up, it may be impossible to establish any price for an investment security. This could result in funds in which you are invested not being able to meet redemption requests or to be able to provide accurate prices.

2.4 Variability of income

- 2.4.1 Returns from investments through interest or dividends may fall as well as rise. A company may cut or fail to pay a dividend while one in greater financial distress may not pay interest on its debt. This will in turn affect income generated by funds and other investments and, therefore, the ability of your portfolio to meet a specific income target.

2.5 Investment leverage and gearing

- 2.5.1 Certain funds in which you may invest may use leverage, a technical term for borrowing. Borrowing money to invest increases the volatility and risk of an investment.

- 2.5.2 In the event of a falling market, the prices of such funds may fall more than the underlying market. In addition, lenders may raise their required margin at any time, forcing a sale of a position or a call on your other sources of cash. Leverage is typically found in hedge funds and investment trusts. Certain investments, of themselves, may involve “gearing”, which, like borrowing, can increase the volatility of returns. The more highly geared the investment, the bigger the negative impact that a minor change in underlying market prices will have on it.

2.6 Foreign exchange

- 2.6.1 Funds in your portfolio as well as the underlying securities in such funds may be denominated in currencies other than your base currency. Where an investment is denominated in a different currency, an investor is exposed to fluctuations in that currency’s exchange rate as well as movements in the local currency price of the investment itself. Changes in exchange rates can cause the overall value of investments to fall as well as to rise.

2.7 Foreign markets

- 2.7.1 The funds in your portfolio may invest in securities listed in foreign markets, which are subject to different risks from UK markets. In some cases, the risks will be greater. The potential for profit or loss from transactions in foreign markets will be affected by exchange rate fluctuations. Such transactions may also be affected by exchange controls that could negatively affect performance.

2.8 Credit rating

- 2.8.1 Countries and companies are affected by ratings issued by credit rating agencies. Typically, if ratings agencies are gloomy about the finances of a state or corporate bond issuer, the higher the return, or interest, that investors will demand. This can have a significant effect on bond prices. A credit rating downgrade or expectations of a downgrade may result in the price of a bond falling, causing its yield to rise. Conversely, an upgrade or expectations of an upgrade can result in gains.

2.9 Stabilisation

- 2.9.1 Stabilisation is a price-supporting process that may take place during the launch period for a new issue. Stabilisation can make the market price of a recent new issue temporarily higher than it would otherwise be. The market price of investments of the same class already in issue and of other investments whose price affects the price of the new issue may also be affected. This may have an effect on the asset value of a fund that holds that security in the short term.

2.10 Legal risks

- 2.10.1 Many less developed countries do not have legal systems comparable to those of developed countries. Legal changes may result in ambiguities and inconsistencies that increase the risk of investing in these countries.

2.11 Settlement risk

- 2.11.1 The procedures for the transfer of ownership of securities in some emerging markets may differ significantly from those in developed markets. Registration of shares may not be subject to standardised procedures or a centralised system and may be effected on an ad hoc basis. The concept of nominee ownership can be underdeveloped and, in some cases, not recognised at all. As a result, registration can be administratively cumbersome and time consuming, leading to delays in settling trades, ownership disputes and trading constraints.

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2.12 Insolvency

- 2.12.1 Brompton's insolvency or the insolvency of any intermediary with whom we deal on your behalf may lead to positions being liquidated or closed without your consent. In certain circumstances you may not get back your original assets.

3 Investments

A list of the risks affecting investments in which Brompton invests on your behalf is given below. This is not intended to be exhaustive.

3.1 Equities

- 3.1.1 Equities are ownership units in individual limited liability companies. By investing in equities, investors participate fully in the economic success or failure of the underlying companies subject to limited liability. A company's share performance may be influenced by many factors including the economic environment, sector-specific events and general news flow and, therefore, it may fall as well as rise. Sentiment in stockmarkets can change quickly, thereby increasing volatility, and does not necessarily follow historical trends. If a company becomes insolvent, the value of its equities will also fall, potentially to the point where they have no value at all. Long-term returns from equities typically come from a combination of capital growth and dividend payments.

3.2 Equity funds

- 3.2.1 The risks of direct equity investment can be spread by investing in diversified investment vehicles such as mutual funds. These come in various forms, follow a variety of investment strategies and are subject to different regulatory regimes. It is important to recognise that, as with investing in other securities, the past performance of a fund is not a guide to future returns. The manager of the fund may change at any time.
- 3.2.2 An equity fund's price will be calculated based on the combined value of the underlying investments held, or its net asset value (NAV). Therefore the value of an equity fund will vary based on the movement in the value of the underlying investments.
- 3.2.3 Large funds may become too diverse to outperform and behave similarly to their relevant indices while in smaller funds liquidity may be an issue and performance may fluctuate with flows of money in and out of it.
- 3.2.4 There are additional risks with closed-end funds such as investment trusts. Their share prices are governed by supply and demand among investors and may, therefore, trade at a discount or premium to their NAVs. This premium or discount will move on a day-to-day basis, meaning that investor may sell at a loss even if the value of the assets has risen or that an investor may pay a premium to NAV when purchasing shares.

3.3 Fixed income securities – bonds

- 3.3.1 Bonds and bond funds tend to produce less volatile and often more predictable overall returns than equities and equity funds. The interest on bonds may be fixed or variable, the former providing a greater surety of return. Government bonds are known as sovereign debt while company bonds are called corporate bonds. UK government bonds are often called "gilts".

- 3.3.2 The return, or yield, from a fixed income bond depends on the interest paid – the coupon – and the price paid. The coupon typically depends on the risk of default by the issuer. The lowest-risk bonds are usually issued by governments and pay the lowest interest. Bonds issued by less developed countries typically have a greater risk of default and thus typically pay higher interest. Corporate bonds have higher yields as compensation for the risk of that their issuers will default.

- 3.3.3 The most significant determinants of the market value of a fixed interest security are the issuer's financial health and interest rate changes. In the short term, fixed interest prices will typically change as investors' perceptions change about prospects for central bank-controlled interest rates and inflation. If a central bank raises rates or inflation risks are seen to be rising, fixed interest bond prices are likely to fall. Differences between the rates paid by higher- and lower-risk bonds will vary over time as investors' assessments of the economic cycle changes.

- 3.3.4 In the event of default, capital may be difficult or impossible to recover. The recovery process may also take a long time and involve complex legal procedures.

3.4 Bond funds

- 3.4.1 Bond funds are likely to feature in your Brompton portfolio and may include both sovereign and corporate bond holdings. The investment may be made to meet an income requirement or to balance the volatility of investment in equity funds as part of the overall asset diversification process. The investment may also stem from a decision to invest in non-sterling denominated bonds to benefit from any weakness in sterling. Both the value of the units or shares in a bond fund and the income received from it may fluctuate.

3.5 Index-linked bonds

- 3.5.1 Your Brompton portfolio may contain funds that invest in index-linked bonds, where the interest paid and the sum received on redemption are linked to inflation, as measured by the Retail Price Index or other index, unlike conventional fixed income securities, where both are fixed.

3.6 Futures

- 3.6.1 Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date or in some cases to settle the position with cash. Funds in which Brompton invests on your behalf may hold futures as part of their investment strategy.
- 3.6.2 The risk of loss in trading futures contracts can be substantial because their price movements are typically greater than in the underlying assets as a result of their "gearing" or "leverage". This means movements in the price of a fund that holds significant futures positions may be more volatile and subject to sudden and significant falls in value. There is also the possibility that the fund will get nothing back from its futures investments if there is a sufficiently large fall in the value of the underlying assets.

3.7 Options

- 3.7.1 Funds in which Brompton invests on your behalf may hold options as part of their investment strategy. Various option trades and types are described below:

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3.7.2 Buying options

Buying options involves less risk than selling options because, if the price of the underlying asset moves against the investor, he or she can simply allow the option to lapse. The maximum loss is limited to the premium paid plus any commission or other transaction charges. If, however, an investor buys a call option on a futures contract and later exercises the option, he or she will acquire the future. This will expose the investor to the risks described in paragraphs 3.7 and 3.10.

3.7.3 Writing – or selling – options

If an investor writes an option, the risk involved is considerably greater than in buying an option. The investor may be liable for margin to maintain the position and a loss may be sustained well in excess of the premium received. By writing an option, the investor accepts a legal obligation to buy or sell the underlying asset if the option is exercised however far the market price has moved away from the exercise price. If an investor already owns the underlying asset that he or she has contracted to sell – where the option is known as “covered call option” – the risk is reduced. If the investor does not own the underlying asset (“uncovered call options”) the risk can be unlimited.

3.7.4 Traditional options

Some London Stock Exchange (LSE) member firms operating under special LSE rules write a type of option called a “traditional option”. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no access to a market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his or her exposure to risk.

3.7.5 Certain options markets operate on a margined basis under which buyers do not pay the full premiums on their options when they purchase them. In this situation, an investor may subsequently be called upon to pay margin on the option up to the level of his or her premium. If the investor fails to do so as required, the position may be closed or liquidated in the same way as a futures position.

3.8 Contracts for differences

3.8.1 Funds in which Brompton invests may trade in contracts for difference (CFDs). A CFD is a contract stipulating that a seller will pay to a buyer the difference between the current value of an asset and its value at contract time.

3.8.2 If the difference is negative, the buyer pays instead to the seller. For example, when applied to equities, such a contract is an equity derivative that allows investors to speculate on share price movements without the need to own the underlying shares.

3.9 Contingent liability transactions

3.9.1 Funds in which Brompton invests may make contingent liability transactions, which are margined and require a fund to make a series of payments against the purchase price of an asset, the total of which may not be known, instead of paying the whole purchase price immediately.

3.9.2 For example, if an investor trades in futures or CFDs and the market moves against such an investor, he or she may be called upon to pay substantial additional margin at short notice to maintain the position. If the investor fails to do so within the time required, the position may be liquidated at a loss and he or she will be responsible for the resulting deficit.

3.9.3 Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered.

3.10 Warrants

3.10.1 Funds in which Brompton invests may hold 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. Warrants often involve a high degree of gearing. Thus a relatively small movement in the price of the underlying security will result in a disproportionately large movement, unfavourable or favourable, in the warrant price. Warrant prices can, therefore, be volatile and have a significant impact on the value of a fund.

3.10.2 If the investor fails to exercise this right within the pre-determined timescale the investment becomes worthless.

3.10.3 Transactions in off-market warrants may involve greater risks than dealing in market-traded warrants because there is no access to a market through which to liquidate a position or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

3.11 Securitised derivatives

3.11.1 Funds in which Brompton invests may hold securitised derivatives. Securitised derivatives are derivative products such as covered warrants and certificates that are freely traded and are listed on stock exchanges. They enable investors to gain exposure to a wide range of underlying investments such as shares, indices, commodities and interest rates without investing directly. These instruments often involve gearing and their prices can be volatile.

3.11.2 These instruments have limited lives and may, unless there is some form of guaranteed return of the amount invested in the product, expire worthless if the underlying instruments do not perform as expected.

3.12 Exchange-traded funds (ETFs)

3.12.1 Funds in which Brompton invests may hold exchange-traded funds (ETFs). In addition, Brompton might invest directly in an ETF. An ETF is an investment fund traded on a stock exchange, like an equity. An ETF holds assets such as stocks or bonds and trades at approximately the same price as the net asset value of its underlying assets over the course of each trading day. Most ETFs track an index, such as the FTSE 100 Index or S&P 500. They may be attractive as investments because of their low costs, tax efficiency, stock-like features and transparency. ETFs can be economically bought, held and sold. Brompton does, therefore, use ETFs both as long-term investments for asset allocation purposes and occasionally as means of implementing market-timing investment strategies or gaining short-term asset class exposure.

3.12.2 Brompton will also occasionally invest in exchange-traded commodities (ETCs). These are ETFs that invest or track specific commodities such as gold or other precious metals or broader commodity indices.

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4 Alternative assets

4.1 Structured products

- 4.1.1 Funds in which Brompton invests may hold structured products. In addition, Brompton might invest directly in a structured product. A structured product is generally a pre-packaged investment strategy based on derivatives. These may relate to a single security, a basket of securities, options, indices, commodities, debt issues, foreign currencies and, to a lesser extent, swaps. The broad range of products available shows there is no single, uniform definition of a structured product. A feature of some structured products is a “principal guarantee” offering protection of the principal if held to maturity. Structured products are usually issued by investment banks or their affiliates. Typically, they have a fixed maturity and have two components: a note and a derivative. The nature of the financial instruments included in a structured product will depend upon the type of exposure sought by investors.
- 4.1.2 The return from a structured product is usually linked to the performance of the financial market instrument that it is exposed to, such as an index. If the product is geared, the value of the product could fall by more than any fall in the underlying index.
- 4.1.3 One of the main risks when purchasing a structured product is the credit risk of the issuer. If the issuer of the note and/or the derivatives in the product were to default, the product could become effectively worthless.

4.2 Hedge funds

- 4.2.1 Brompton may invest in hedge funds on your behalf as well as funds of hedge funds. Hedge funds employ various trading and investment strategies to produce returns predominantly aimed at capital preservation. These strategies vary significantly and may include leverage, the use of derivatives either to increase or reduce risk and the short selling of securities to produce returns when markets are falling. The overall risk of each fund, therefore, varies considerably.
- 4.2.2 Risks arise from the regulatory environment in which such funds are based. Many hedge funds are domiciled overseas, where regulation may differ from that in the UK. The funds may, therefore, be subject to different disclosure requirements and may be able to change their strategies in ways that may have considerable impact on investors without disclosing them publicly.
- 4.2.3 Hedge fund management teams are often small and rely extensively on particular individuals.
- 4.2.4 Many hedge funds only offer infrequent liquidity, monthly being typical, and six-month or even annual lock-ups are not unusual.
- 4.2.5 Management fees may be high and include a charge for performance above a predetermined level. These high charges may reduce reported performance and may lead managers to seek higher returns than might otherwise have been expected. A large seller may also distort the price to the detriment of other investors.
- 4.2.6 Funds of hedge funds will usually have greater liquidity than their underlying holdings but will involve an additional level of fees, including performance fees, on top of the fees within the underlying hedge funds.
- 4.2.7 Since a fund of funds buys many underlying funds, which themselves invest in many securities, a fund of funds may own the same stock through several different funds and it can be difficult to keep track of the overall underlying holdings.

- 4.2.8 The pricing of closed-end funds of hedge funds is subject to market forces and may be at a premium or discount to the underlying NAV. It is, therefore, possible that you realise a loss on the investment even though the underlying assets have risen or that smaller falls in NAV are magnified into substantial falls in share prices.

4.3 Private equity and private equity funds

- 4.3.1 Brompton may invest on your behalf in private equity funds, which hold investments not quoted on stock exchanges. The valuations of these holdings may be subjective and may not reflect the prices at which the investments are ultimately sold. Potential returns depend on the prices paid for acquisitions and those achieved when selling. At times, it may not be possible for funds to sell investments at prices they think are acceptable.
- 4.3.2 Private equity funds may also use leverage, which may increase the volatility of returns and may increase the risk of failure.

4.4 Commercial property

- 4.4.1 Brompton may invest on your behalf in commercial property funds. Property, by its very nature, is less liquid than listed securities. Some funds, such as real estate investment trusts, may have closed-end structures. Others may have defined investment terms, in which case it may not be possible to redeem the investment until the end of the term. Closed-end property funds may trade at significant discounts to their NAVs, meaning that you may sell at a loss even if the value of the underlying assets rises. Some funds may be open-ended. Such funds may, however, underperform a rising market. This is because when property values are rising they often receive substantial inflows that cannot be invested as quickly as the market is rising. They also face problems in falling markets because of the illiquidity of property. Thus in difficult markets such funds may refuse redemptions for extended periods while cash is raised. This means you may be locked into falling prices for many months.

4.5 Commodity funds

- 4.5.1 Brompton may invest in commodity funds on your behalf. Returns from commodities, including precious metals, either through funds or direct investment, are typically volatile. Commodities pay no income and returns are, therefore, governed exclusively by supply and demand in the market. Factors that may influence these are the economic cycle, production patterns, shifts in the futures markets, currency movements, weather conditions and the performance of other assets, including equities and bonds.

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Appendix 2: Brompton Asset Management LLP best-execution arrangements

Brompton is required to take all sufficient steps to obtain, on a consistent basis, the best possible result in the execution or placement of trades for our clients, taking into account factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order execution.

We have a policy and procedures and ensure that these are effectively implemented for the carrying out of all orders. This summary is designed to explain how we endeavour to meet the best execution requirements set out in the FCA rules and the European Union's second Markets in Financial Instruments Directive (2014/65/EU) (MiFID II). Where we have used specific MiFID II terms or concepts we have included these in italics. We have tried to make this summary comprehensible but we acknowledge that it is relatively technical and you may wish to speak to your adviser or your client contact at Brompton.

Private clients

In managing Private Client portfolios, we pass orders to Multrees Investor Services Limited (Multrees), and/or any other person who we, in our full discretion, consider to have the necessary skill, knowledge and experience to act as your broker, for execution. We will satisfy ourselves periodically that Multrees and any other broker we appoint has arrangements in place that enable us to act in accordance with our clients' best interests.

Multrees trades through its own dealing desk and has the obligation to ensure that it delivers best execution to its clients. Multrees will use a range of brokers and execution venues in its trade execution. It has its own order-execution summary which we will provide you on request.

From time-to-time we may be required to delay trading to manage settlement differences between fund and exchange-traded fund trades.

In the case of dealings in open-ended regulated funds, there is only one execution venue, namely the relevant fund management house via its transfer agent and the price is determined by the NAV for the particular dealing day.

We believe this arrangement will deliver the best possible price in terms of price of the security being traded and cost, for clients. It is possible, however, that where we deal in mutual funds, aggregating deals may on some occasions result in the orders suffering a dilution levy. This will be avoided where possible.

We undertake regular monitoring to ensure that all sufficient steps are taken to deliver best execution to clients on a consistent basis.

General

If you give us a specific instruction about the way you would like your order executed, you should be aware this may prevent us from taking the steps we have designed and implemented to obtain the best possible result for clients.

Please note the following:

- if we receive a specific instruction from a client as to how to execute orders, we may not be able to obtain best execution in respect of those orders; and
- depending on the nature of the order, in some circumstances such orders may be executed outside a regulated market, organised trading facility or multi-lateral trading facility.

Monitoring and review of the policy

We envisage that our policy will evolve over time due to possible changes in the way we may trade. We will review our policy and execution arrangements at least annually and whenever a material change occurs. Where we identify any deficiencies, we will take appropriate measures and effect suitable changes. We will inform you of any changes to our policy and execution arrangements relevant to you.

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Appendix 3: conflicts of interest

Introduction

Brompton's policy on the prevention and management of conflicts of interest has the objective of taking all appropriate steps to identify, prevent, where possible, and, if necessary, manage conflicts that may arise and that might result in a material risk to the interests of our clients.

Our approach has been to identify those aspects of our services that could result in a conflict between us and our clients or between the interests of different clients. We undertake periodic reassessment of our business to ensure that all potential conflicts have been identified and are being prevented and, if necessary, managed appropriately.

A summary of those types of conflicts and the way we manage them is listed below. In all cases, we believe our organisational arrangements, systems and controls provide an effective way of preventing our clients' interests being unfairly affected.

Types of conflict

For the purposes of identifying the types of conflict of interest that arise or may arise in the course of providing a service and whose existence may entail a material risk of damage to the interests of a client, Brompton must take into account, as a minimum, whether the firm or group, or any person related to the firm or group:

- is likely to make a financial gain or avoid a financial loss at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client; or
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client in the form of money, goods or services other than the standard commission or fee for that service.

Prevention and management of conflicts

In all cases, we believe our organisational arrangements, systems and controls provide an effective way of preventing our clients' interests being unfairly affected.

Decision criteria for dealing

Brompton acts for a number of clients. We have an aggregation and allocation policy setting out the criteria by which aggregated orders are managed and allocated to client accounts. Orders are dealt in a timely manner and in fair and due turn. No unfair priority is given to orders from particular clients.

Where we deal in mutual funds, aggregating deals may on some occasions result in the orders suffering a dilution levy. This will be avoided where possible.

Confidentiality and protection of inside information

There are occasions when staff may become aware of potentially price-sensitive information. Our Brompton's policy prohibits staff from taking advantage of such information by dealing in the respective security either for their own or a client's benefit or from arranging for someone else to deal on their behalf.

Personal conflicts

All staff are subject to our code of conduct, which places restrictions upon all staff. These restrictions include:

- pre-clearance for most personal transactions for all staff and connected persons;
- reporting of non-Brompton directorships; and
- confidentiality obligations.

Adherence to the code is monitored and includes a sanctions and disciplinary process in the event of breaches.

Business entertainment and gifts

We acknowledge the value of personal relationships with our brokers, service providers and clients. We also recognise that gifts and entertainment could give rise to adverse influence. Brompton has, therefore, a policy on which gifts and entertainment are acceptable. This applies to both the giving and receiving of such items. All gifts and entertainment are limited so they are non-material in value. In particular, Brompton ensures that such items must be minor and non-monetary.

Record keeping

In the event that a potential conflict of interest or actual conflict of interest arises, we will maintain a record of this and include this in an annual report. This report is reviewed by our senior management on a regular basis.

Summary

Our principle is to prevent, where possible, or, if necessary, manage conflicts of interest in accordance with our regulatory and fiduciary obligations. If, however, a situation arises where we cannot manage a conflict to our satisfaction, we will disclose that conflict to clients. In the event of a material change to our conflicts policy, we will send clients an updated copy of this disclosure summary.

Appendix 4: privacy notice

Introduction

Purpose

This notice is to inform Brompton Asset Management LLP's discretionary investment management clients about what personal information Brompton collects and how and why it is processed, in accordance with Brompton's obligations under applicable data protection laws (DP laws).

Brompton is a '**data controller**' of your personal information. If you have any questions about this notice, please contact us using the details at the end of this notice.

Scope

This notice applies to the receipt, processing and dissemination of personal information related to Brompton's clients by Brompton in its capacity as the controller of that personal information and, as appropriate, by those operating on its behalf as processors.

Interpretation

In this notice, we use definitions from the General Data Protection Regulation (GDPR) unless otherwise stated.

Data controller means the natural or legal person, public authority, agency or other body that, alone or jointly with others, determines the purposes and means of the processing of personal information.

GDPR means the European Union General Data Protection Regulation, 2016/679, which took effect on 25 May 2018. The GDPR is effective throughout the EU without the need for further legislation by member States such as the UK.

Personal information means any information relating to an identified or identifiable natural person, namely one who can be identified, directly or indirectly, from that information alone or in conjunction with other information 'in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person'. (Examples of personal information are from the GDPR.)

Processing means 'any operation or set of operations which is performed on personal information or on sets of personal information, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction'. Processor means a natural or legal person, public authority, agency or other body that processes personal information on behalf of the controller.

Special categories of personal information apply to personal information revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation.

Transfers are transfers of personal information either to third countries, meaning countries outside the EU, or international organisations meaning an organisation and its subordinate bodies governed by public international law, or any other body set up by, or on the basis of, an agreement between two or more countries.

Please also read our general privacy notice, which covers use of personal information in on-going communication and also for our website.

The Notice

Brompton is committed to compliance with DP laws in the processing of clients' personal information by or on behalf of Brompton. For any processing of clients' personal information, we will consider:

- whether the processing activity is necessary;
- the applicable legal basis for the processing;
- whether the proposed processing of personal information is fair to the client; and
- whether the processing activity is proportionate to any concerns raised.

We will ensure the processing activity is transparent. Brompton will never share your personal information with any third-party marketing organisation.

What personal information we collect

We may collect the following information:

- contact details, such as your name, address, telephone number and email address;
- date of birth, nationality, country of birth, country of residence and tax identification number (i.e. National Insurance number);
- bank account details;
- identification documentation such as passport details, driving licence and utility bills;
- details of the services you request from us;
- details of your financial position such as employment status, income, assets, liabilities and source of wealth;
- information on your financial experience and understanding, capacity for loss and attitude to risk;

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- information on your financial dependents and other matters that may impact your longer-term financial planning; and
- any other personal details or information you choose to share with Brompton or its employees.

Whilst, in some cases, you may not be obliged to provide some elements of the personal information requested to us, we may not be able fully to provide the services requested without receiving it.

Before we can begin providing services to you, we will need to obtain certain information about you so we can verify your identity to meet our obligations under the relevant money laundering regulations and any other applicable legislation for the purposes of crime/fraud prevention. In the first instance, we will use a third-party external firm that provides electronic identification checks to validate your identification and address. This will access information sources such as the electoral roll, telephone directory and credit reference agencies. If we cannot verify your identity and address in this way, we will request the necessary documentation from you directly. If you do not provide the requested information and consent for Brompton to conduct these checks we will be unable to provide you with our services.

We also collect information from you when you contact us. When you access or use our websites, website usage information is collected using cookies.

Please also note the following:

- any email sent or received from the Brompton domain is retained for at least seven years in line with regulatory requirements;
- calls to and from Brompton, including in some cases calls from mobile phones, may be recorded and monitored recordings of calls are retained for seven years in the case of calls to and from landlines and five years for calls to and from mobiles; and
- our entrance halls are covered by CCTV cameras. In addition, if you use our guest WiFi, Brompton reserves the right to monitor the usage of this facility. Brompton will not accept any responsibility for any individual that is identified as having breached the current or future copyright laws and reserves the right to pass on individuals' contact information to the appropriate authorities if requested.

At this time we do not collect **special categories of personal information**. If this was to change, we would provide you with further information about the purpose of processing this information and, if necessary, request your consent for such processing.

Personal information about children

Data protection laws apply extra precautions to protect the privacy and safety of children.

Typically children cannot access our services directly. When you ask us to open a Junior ISA, this may involve collecting basic information on the child. All contact and communication will, however, be with the parent or relevant adult.

How we collect your personal information

We will collect personal information when you:

- ask us to provide you with information about our services, through initial conversations and correspondence;
- complete our account opening documentation, including the client profile form;
- become a client;
- contact us by email, post or telephone; and
- when you access our website because usage information is collected via cookies.

We may collect information from third parties; including but not limited to:

- when we undertake identification verification checks using a third-party verification company; and
- when an adviser or similar third party is appointed or instructed by you.

Changes to your personal information

We will take steps to ensure the personal information held on you is kept up to date, for example by periodically asking you to confirm there have been no changes. We do, however, rely on you to tell us about any changes to your personal information as soon as possible.

Why we process your personal information

We use information about you in the following ways:

- to provide information about our services;
- To complete our account opening requirements when you request to use our services;
- To comply with our obligations arising from any contract with you and provide you with the services you request;
- To undertake necessary checks such as verifying your identity;
- To assist us in managing your account and our relationship with you, including dealing with requests, queries, complaints and issues reported by you;
- To report to you;
- To help protect your information and your assets and prevent unauthorised access to them;
- To comply with legal and regulatory obligations;
- To protect us/our customers, or for the enforcement of any agreement with you;
- To notify you of changes to our services; and
- To help improve the services we provide to you.

Legal basis for processing your personal information

Data protection regulations require us to inform you of the legal basis for our processing of your personal information. The main

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legal bases on which we will process your personal information is that the processing is necessary to:

- Perform our contract with you, i.e. provide you with discretionary investment management services and respond to your requests; and
- Fulfil our legal obligations. This will include, but not be limited to, our obligations under UK financial services regulations, anti-money laundering and fraud prevention, audit and tax reporting and cooperation with legitimate requests from law enforcement agencies, governmental or regulatory bodies and court orders.

We will also process your personal information on the basis of our legitimate interest. Examples of our legitimate interest are:

- We may include your information in reporting to our senior managers as part of their oversight and development of our business and services;
- Accessing personal information as part of testing the effectiveness of internal processes and procedures;
- To contact you to provide you with commentaries on market events and/or changes to our existing policies such as this notice;
- Giving a potential buyer and its representative access to our records as part of any restricting or sale of our business or assets.

In such cases, our legitimate interests must not override your interests or fundamental rights and freedoms.

We may rely on your consent to use your personal information, in certain circumstances, including:

- Where we provide information to a third party upon your request e.g. your account; and
- Where you provide us with additional information during the course of our relationship with you, such as longer-term financial plans, and this information is retained in our correspondence or records of discussions.

Such consent can be withdrawn by contacting your principal Brompton contact. Such withdrawal of consent will not invalidate any processing or sharing of your information undertaken before that time. Please note this will not prevent us processing or sharing information with a third party where we rely on another lawful process to process such information.

Automated decision making

Subject to certain exceptions as described below, you have the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning you or similarly significantly affects you.

Circumstances where this does not apply include: where such processing is necessary for entering into or performing a contract with you; where such processing is authorised by EU or other applicable law; or where it is based on your prior, explicit consent, which may always be withdrawn.

We do not, however, make such decisions or carry out such profiling at the date of this document. If we do so in the future, we will provide advance notice as required by DP laws, including the GDPR.

Sharing

We share your personal information with third parties to the extent necessary for the purpose, of the normal operation of our business and for managing your relationship including without limitation:

- Contractors and service providers used for our business operations, for example Multrees Investor Services, your administrator and Custodian;
- other employees, Brompton entities and advisers as required for the purposes as above;
- any agents or other third parties appointed by you, solely upon your instructions;
- our auditors, accountants, lawyers and other professional advisers to the extent that they require access to the information to advise us;
- parties with whom we are in negotiations for any sale or purchase of a business unit, and
- to comply with any legal or regulatory obligation such as reporting to the Financial Conduct Authority or similar regulator or complying with a court or other legally-binding order or decision by a competent authority, or required by market rules or codes of practice.

In some cases, third parties may also be data controllers, processing your personal information for their purposes. In such circumstances you have rights over how those parties handle your data and may contact them directly if you want to exercise those rights.

We will not lend or sell your information to third parties.

Transferring information overseas

We will share your information with our service providers including providers of our IT infrastructure. If it is processed within the European Economic Area (EEA), your information will be protected by the same data protection standards.

Where we transfer your information to countries outside the EEA, we will take appropriate measures to ensure:

- such transfers are in accordance with data protection laws; and
- appropriate measures are taken so that the level of protection applying to your personal information is similar to that which applies within the EEA.

At present, your information may be transferred to the following countries:

- The USA - such transfers are safeguarded by requesting that the relevant providers have certification under the 'privacy shield'; and
- Guernsey for clients with an overseas custodian. Guernsey is deemed by the European Commission to have data privacy laws of

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a standard that complies with EU data protection laws.

How we protect your information

We take appropriate security measures including physical, electronic and procedural measures to help protect the confidentiality, integrity and availability of your personal information from unauthorised access and disclosure. We can provide details on request.

Monitoring

We may undertake monitoring involving the processing of personal information where this is permitted or required by the relevant legal or regulatory obligations, for example:

- calls to and from Brompton, including some calls to mobile phones, are recorded and may be monitored - in some cases, calls may be recorded for compliance and evidentiary purposes even where this is not required under our regulatory obligations; and
- Emails, letters and other documents may be monitored as part of our oversight of our internal processes and procedures.

Data retention

We are committed to retaining your personal information for only as long as we need to fulfil the purpose or purposes for which it was collected and for as long as we are required or permitted to keep it by law.

Generally, we will keep most personal information for at least seven years after you cease to be a client for the following reasons:

- such retention is required under our legal and regulatory obligations; and
- to enable us to respond to queries and/or claims from you or your agents

At the end of the retention period for particular personal data, we will take appropriate steps to delete or remove your personal information from our systems or make such information beyond use, in accordance with our retention policy. If you would like further information about our data retention practices, please contact privacy@bromptonam.com.

Your rights

Unless exemptions apply, you have various rights that can be exercised by contacting us using the details below. You have the right to:

- be informed about the processing of your personal information;
- access personal information about you and obtain a copy of it;
- request the amendment of inaccurate or incomplete information;
- restrict or object to the processing of your personal information;
- request its erasure under certain circumstances, frequently referred to as the right to be forgotten;
- receive in certain circumstances your personal information in a structured, commonly-used and machine-readable format and the right to transmit that information to another data controller without hindrance, or to have that personal information transmitted to another data controller where feasible;
- be informed about any use of your personal information to make automated decisions, where applicable, about you and to obtain meaningful information about the logic involved, as well as the significance and the envisaged consequences of this processing; and
- lodge a complaint about the way in which your personal information is being used to the data protection authority, the Information Commissioner's Office (<https://ico.org.uk>).

You can exercise your rights by writing to us at the address below. There is no cost for making a request. If your request is excessive or unfounded, however, we may charge a reasonable fee or decline to comply with it.

Marketing

Except where you have provided consent to receive marketing materials, we will not use your personal information to send you marketing information.

Cookies

Our websites use 'cookies', which are small text files transferred to your browser to help with two aspects of your visit:

- to allow our site to remember your preferences such as whether you accept our terms of use; and
- to help with web analytics, the anonymous measurement of website visits so we and our agents can analyse which content and functionality are popular and useful and how our site is performing. The software is provided by Google.

We do not use cookies that provide information to advertising networks or any third parties that might be tracking your activity across multiple sites.

If you use our websites without disabling cookies, we will assume you are happy to receive them for the two purposes outlined above.

Please note some parts of our sites will not function when all cookies are disabled. If you have questions on cookies, please email privacy@bromptonam.com.

Changes to our privacy notice

We will periodically update this privacy notice. A copy of the current privacy notice can be obtained from our website <https://www.bromptonam.com/privacy> or by contacting us using the details below.

Brompton Private Clients

How to contact us

If you would like to contact us about anything in this notice, to exercise your rights noted above or to complain, you may either do so via your usual contact at Brompton or through the means below.

Email: privacy@bromptonam.com
Telephone: 020 7045 0600
Address: The Compliance Department
Brompton Asset Management LLP
1 Knightsbridge Green
London
SW1X 7QA