

CUSTODY BY



Customer notification and support

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1. IMPORTANT NOTIFICATION: CUSTODY OF YOUR ASSETS

Your Investment Adviser (Adviser) is proposing to appoint **Multrees Investor Services Limited (Multrees)** as custodian of the investment assets it is managing on your behalf.

About Multrees?

Multrees provides services to the clients of Investment Adviser businesses, and does not offer services directly to retail clients. Multrees has provided global custody and related services to Investment Adviser & Family Office businesses since 2010, and now administers over £12 Billion of assets on behalf of over 6000 investor clients across 34,000 investment and cash accounts (figures as at January 2020).

Multrees (registered company number 07225386) is an investment platform providing a range of services to the clients of Investment Adviser businesses. Multrees is authorised and regulated by the **Financial Conduct Authority (FCA)** to provide regulated services, including the provision of global custody and trade execution (FCA firm reference number 526528). The business model employed by Multrees is similar to most stockbrokers, private client investment managers and retail investment platforms operating in the UK.

Multrees' registered office is at One Carter Lane, London EC4V 5AN. Multrees' main operations are conducted from its office at 40 Princes Street, Edinburgh EH2 2BY. Please see the Multrees website for further information: www.multrees.com

What safeguards does Multrees provide in respect of my investments and cash ?

The business activities of Multrees are focused solely on the provision of services to support Investment Advisers and clients such as yourself. Multrees views the safeguarding of your investments and cash as a primary purpose, and takes significant measures to ensure the highest standards of security and administrative excellence are applied. Included in the measures taken are the following:

Regulatory Compliance

Following the 2008/9 financial crisis, the UK regulator (FCA) introduced more stringent new requirements to their **Client Assets Sourcebook (CASS or CASS RULES)**, creating an important framework of controls and protections for the cash and investment assets of retail investors. Multrees is fully subject to these rules, and a separate annual audit of Multrees' compliance is provided directly to the FCA by an external auditor.

Living Will

In order to fully comply with regulatory requirements Multrees maintains a thorough and detailed Resolution Pack, in effect a 'living will' which enables an insolvency administrator to quickly and efficiently ensure that your investment assets and cash are returned to you promptly in the unlikely event of Multrees' insolvency. The FCA can ask to see this pack at anytime, and has done so in the past.

Control

Multrees' operations are underpinned by robust operational controls, which are detailed in an industry standard annual **Assurance Report on Internal Controls (AAF 01/06)**. This report is audited externally each year and is available on request from your Adviser.

Risk Mitigation

Multrees does not carry on any risk-taking activities on its own account. Multrees only provides an execution only trading and related global custody safekeeping service on behalf of clients. There are no conflicts of interest between Multrees, yourself or your investment adviser.

Strong Service Network

In order to provide trade execution and safekeeping services globally, including in jurisdictions where it does not have a physical presence, Multrees operates accounts at a contracted network of high quality banks and financial services organisations. Multrees carries out a robust selection process before appointing any new entity to this network, and carries out regular monitoring to ensure that your requirements for asset security are fully upheld with reference to strict criteria.

Stable Long Term Ownership

Multrees is a private limited company which carries no debt, and which is majority owned by a large institutional pension fund (the pension fund of SEB, Sweden's largest bank). The remaining share capital is owned by Multrees' senior management and staff. The long term nature of the investment into the business by the pension fund provides surety and comfort for our clients.

Strong Capital Base

The Multrees balance sheet holds over 200% of required regulatory capital. This means that the financial cushion available in the event of an unforeseen situation is more than sufficient to ensure that Multrees can continue to operate effectively.

Strong Contractual relationship

Your Adviser has negotiated a detailed and comprehensive contract setting out the full terms on which Multrees will provide a custody service to you (**Custody Agreement**). This contract is based on the very high standard used for large institutional investors, and provides clients with a great deal of surety and comfort. A copy of this full contract is available to you upon request.

Retail Client Protections

In respect of the provision of custody services, Multrees will treat you as its client for regulatory purposes, and has classified you as a 'retail client'. This provides you with the highest level of protection available under FCA Rules. Through your Adviser, Multrees is entitled to communicate regulatory disclosures and risk warnings to you, and obtain regulatory consents from you. In doing so Multrees understands that you have authorised your Adviser to act in this way for you.

2. SAFE CUSTODY OF YOUR ASSETS FAQ

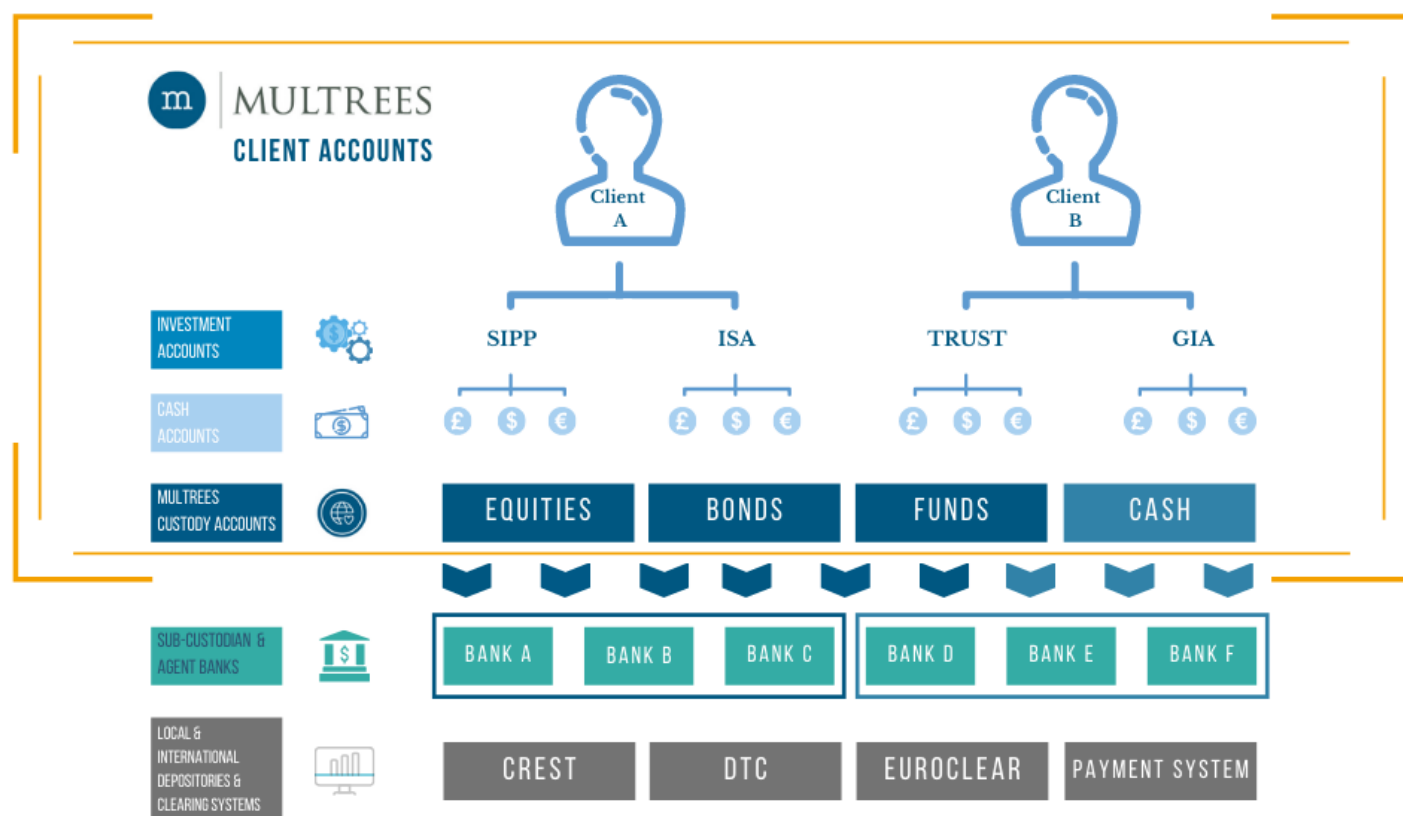
In this **Customer Custody Notification (CCN)**, we show you schematically how your assets are held in safekeeping by Multrees, how cash invested by you flows into the Multrees platform and agent network, and we also broadly summarise for you the key terms and conditions of the Custody Agreement. This highlights certain provisions which your Adviser has consented to on your behalf and that will apply to you. Your Adviser will be able to provide you with a full copy of the Custody Agreement upon request. Multrees uses the defined term “**Customer**” in the Custody Agreement to reference clients of our clients (i.e. you -the person or entity who owns the money/assets held in safe custody).

How will your investments be held, and with whom?

As your custodian, Multrees is under an obligation to hold your investments under safe custody. Multrees discharges this duty to you by maintaining a separate record of your investments on its books and records, easily identifiable in an account in your name only.

Under the terms of the Custody Agreement, Multrees is permitted to appoint **sub-custodians** and **agents** to facilitate its provision of a custody service to you. Before Multrees appoints a financial institution, it carries out extensive due diligence to ensure that it is financially robust and able to deliver high quality service levels that support Multrees’ sub-custody network. Multrees has appointed these sub-custodians and agents under separate agreements, and you will not have any direct day-to day contact with them. This CCN explains how the sub-custodians (and their agents, if applicable) will interact and support Multrees in its provision of its services to you. Regardless of any subcontracting, Multrees is your authorised and regulated custodian responsible for the safekeeping of your assets in accordance with applicable laws and regulations.

ACCOUNT STRUCTURE:



Your investments will be held by Multrees, either in one or more accounts with the relevant sub-custodian(s) appointed by Multrees, or by Multrees itself via one of its nominee entities. Multrees has formal agreements in place with each of its nominee companies used in the provision of custody services.

Your individual account at Multrees can be linked to accounts at sub-custodian banks or other agents and will generally be held by the sub-custodian in a pooled account, along with the assets of other Customers of Multrees, or (where local practice dictates) in a pooled account with a clearing system or securities depository. These accounts are expressly identified as client accounts under **English trust law**, and assets cannot be co-mingled with assets of the relevant sub-custodian or Multrees itself.

Where assets are held in one of Multrees' own nominee companies, the use of the nominee company expressly segregates and ringfences the assets from Multrees itself.

How will your cash be held, and with whom?

Multrees is not a deposit taking organisation, but it will control cash by placing it at a diversified network of high quality banks, and ensuring each bank holds your cash on trust as client money in accordance with the FCA Rules. Multrees will maintain a separate record of your cash on its books and records, in an account in your name.

The bank must acknowledge in writing that these monies are held in trust on behalf of Multrees' clients and cannot be used to settle any monies owed by Multrees itself. Multrees will pool the client money it holds for you and other clients in these client bank accounts in accordance with standard market practice.

Although rare, in respect of certain foreign restricted currencies for which Multrees does not generally offer a safe custody service, Multrees may open a client bank account at a financial institution of a type permitted by FCA Rules that operates within the country of such currency.

These accounts are likely to be held on the above basis in that Multrees will take steps to ensure the money is held in an account identified separately to any account used to hold money belonging to Multrees.

Where your money is held in an account that is subject to the law of a jurisdiction other than that of the UK, your rights relating to that money may differ and your money may not be as well protected as it is in the UK.

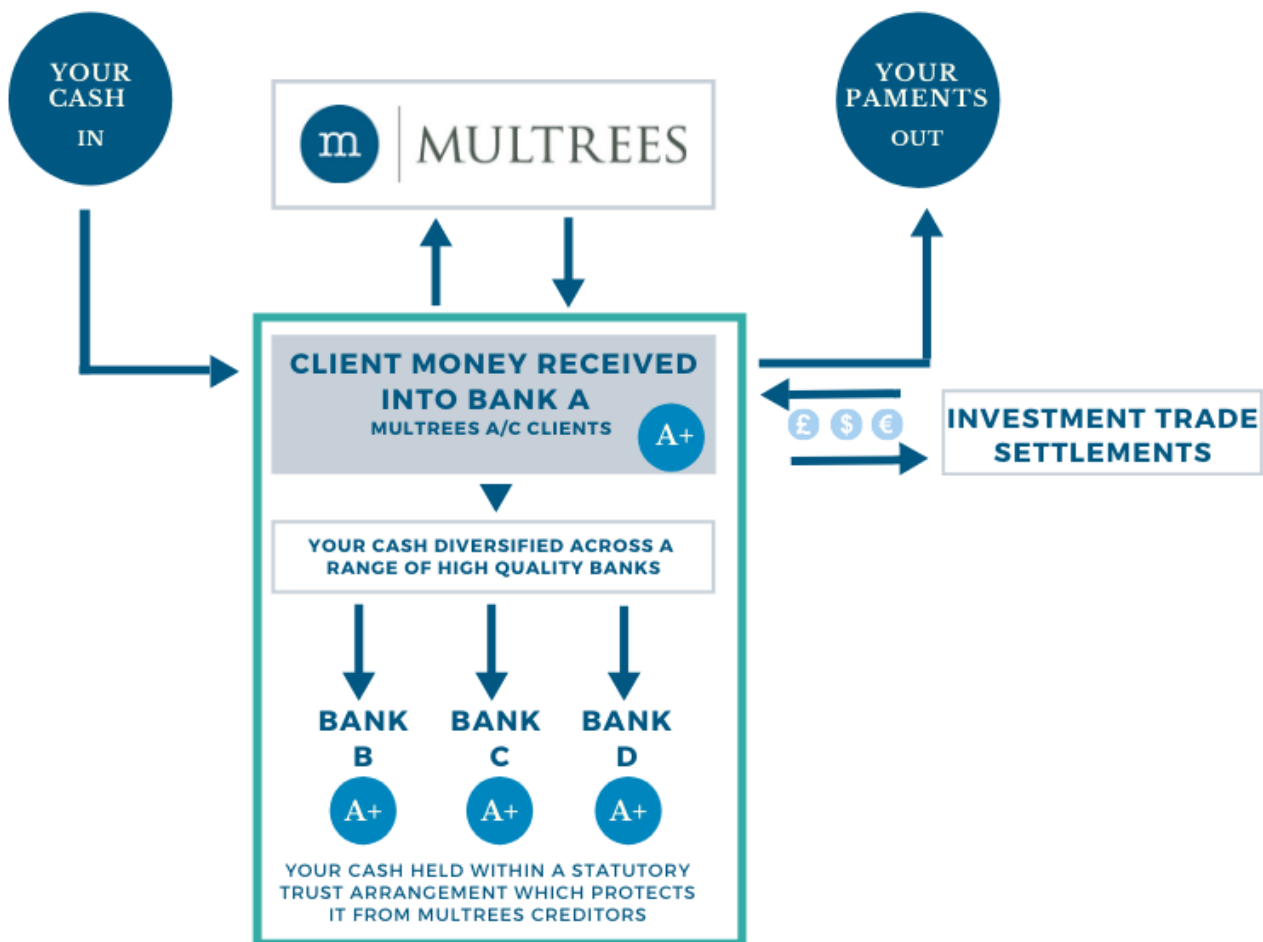
Can your cash be transferred to a third party?

Other than (i) on your instructions relayed via your Adviser; or (ii) in order to place funds in a client bank account with a bank or other financial institution permitted by FCA Rules; Multrees will not pass your money to a third party other than in accordance with FCA Rules.

Multrees may allow another person (such as an exchange, clearing house or intermediate broker) to hold or control your money, but only if Multrees transfers such money:

- (a) for the purpose of a transaction for you through or with that person; or
- (b) to meet an obligation of yours to provide collateral for a transaction, for example, a margin requirement.

CASH FLOW:



3. ADDITIONAL PROTECTIONS

Will you be protected under the Financial Services Compensation Scheme? Multrees is covered by the Financial Services Compensation Scheme (FSCS) and diversifies cash in your accounts across a number of world class banks. This means that in certain circumstances, and provided you are an eligible claimant, you may be entitled to compensation if Multrees is in default and unable to meet its financial obligations to you. The maximum amount of compensation available to you under the FSCS for “protected investment business” is £85,000.

In the event of a bank or sub-custodian's insolvency, if there is a relevant connection between the sub-custodian and the UK, it may be covered by the FSCS. UK regulated banks holding client money are all covered by the FSCS: provided a Customer is an eligible claimant then he/she would be entitled to compensation.

As noted above, a compensation limit of £85,000 will apply for “protected investment business” and a compensation limit of £85,000 currently applies to “protected deposits” (these limits may be subject to further change under the FSCS).

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

4. MULTREES' LIABILITY

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

Multrees will exercise reasonable care as can reasonably be expected of a professional custodian in providing its safe custody services to you. Multrees will be liable to you for direct losses incurred by you in consequence of Multrees' own negligence, fraud, willful default or by Multrees breach of contract. Multrees will not be liable for any indirect loss (including loss of profits, goodwill, reputation, business opportunity or anticipated saving), or for special or consequential damages. Liabilities arising in connection with any investments will be limited to the amount of your actual loss.

Neither Multrees nor any sub-custodian shall have a duty to assess the risks inherent in your investments, or to provide investment advice with respect to such investments. You and your Adviser shall at all times bear any risks inherent in particular investments, for example the failure of a counterparty or issuer or any specific risks associated with a particular investment. In performing their duties, Multrees and any sub-custodian shall be entitled to rely on (i) instructions received from your Adviser; and (ii) information (such as pricing information) derived from reputable published sources or reasonably determined by them in their professional judgement.

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

The full extent of Multrees' liability for sub-custodians and delegates is set out in your Custody Agreement. Where a sub-custodian chosen and directly appointed by Multrees causes you loss, Multrees will be liable to the extent that it has failed to exercise reasonable skill and care in the selection, appointment, supervision or continuing use of that entity.

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

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

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

5. CUSTOMER LIABILITY AND SECURITY

What is your liability?

Under the terms of the Custody Agreement you agree to indemnify Multrees in the unlikely event that Multrees suffers any direct loss in carrying out its custody services for you.

The indemnity is subject to the important proviso that it will not be available to Multrees in the event that such loss arises from any material breach of contract, negligence, fraud or willful default on the part of Multrees (or certain persons it directly appoints to assist with the provision of the services).

In other words, if an act or omission of Multrees contributes to such loss being suffered, then Multrees will not be able to recover under the indemnity. Your indemnity does not cover any indirect or consequential loss that may be suffered by Multrees.

6. VOTING RIGHTS

Will you be able to exercise voting rights attached to your investments?

Where your investment assets are registered in the name of a sub-custodian's or a depositary's nominee, it may not be possible for you to directly attend annual meetings and similar corporate events.

In the event of (i) a takeover; (ii) other offers or capital reorganisations; and/or (iii) exercising voting, conversion and/or subscription rights, Customers may be allowed to instruct Multrees through their Adviser, where practicable. In some cases it may not be possible to split voting rights with regard to the Adviser's collective Customer position for a particular investment.

In these instances, the Adviser would normally elect in accordance with the majority of instructions.

7. PROVISION OF INFORMATION

What are the arrangements for providing you with information relating to your assets?

In accordance with FCA Rules, Multrees provides your Manager with valuation reports relating to your assets held by Multrees in safe custody on a quarterly basis. Further detail on the various reports that Multrees is able to produce for you is available from your Adviser.

8. PROTECTIONS AROUND POOLED ACCOUNTS

Pooled Investments

Customer assets held downstream in the Multrees network of sub-custodians and agent banks are in effect held in trust within a 'client' account which protects the assets from the creditors of Multrees. Assets held by our nominee are protected by virtue of the fact that the nominee is a separate entity. Multrees and its sub-custodians will always ensure the maximum protection available for your assets, which will only ever be pooled with third party assets where local market practice dictates that there is no other option, and where your Manager is aware of this fact.

As such, individual entitlements may not be identifiable by separate certificates, other physical documents or equivalent electronic records. In the event of an irreconcilable shortfall following the insolvency of the relevant institution, Customers will share in that shortfall in proportion to their original share of the assets in the pool. The manner in which such shortfall will be dealt with may vary in accordance with the provisions of applicable law and rules. In the event of such an irreconcilable shortfall, assets returned to you may be in the form of cash rather than securities.

Pooled Client Money

FCA Rules require, with some limited exceptions, that in the unlikely event of the insolvency of Multrees, all client money is protected from creditors by the trust established over the client money bank accounts. All client money held by Multrees will be pooled and distributed to Customers pro rata to their entitlements. This means that if there is a shortfall of client money compared to customers' entitlements, you will bear a pro rata share of that shortfall.

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

9. OVERSEAS JURISDICTIONS

Under the FCA, the UK regulatory environment provides an extremely strong set of rules with which Multrees, regardless of jurisdiction, must comply when safeguarding your investments. Where Multrees is responsible for the safekeeping of your assets in the UK, the high standard of the CASS Rules will apply. Where your investments are held by a third party in a country outside the UK, the legal, regulatory and settlement requirements in that jurisdiction may be different from those applicable in the UK.

In the case where your Adviser has instructed Multrees that investments must be made in particular jurisdictions, and where no other option is available, Multrees cannot always confirm that these assets will be segregated from the investments of that third party, particularly if the third party is the only available sub-custodian/agent in that country. In the event of the insolvency of the third party, your investments may be treated in a different and less advantageous manner from that which would apply if they were held in the UK.

If this risk is relevant, your Adviser will be aware of it before communicating instructions to Multrees.

10. INSTRUCTIONS

Who will instruct Multrees what to do with your assets and cash?

Multrees will only act upon instructions received directly from your Adviser - acting in its capacity as your agent – in respect of holdings held by Multrees on your behalf. All instructions should be routed via your Adviser and Multrees will assume that your Adviser has the authority to give any such instructions.

11. RIGHTS OF LIEN AND SET OFF

Multrees' lien on assets is strictly limited to the quantum of custody fees properly due from you, or in respect of any credit extended to you by Multrees. Under the terms of the Custody Agreement, Multrees will have (i) a right of lien over your assets; and (ii) a right of set-off against your cash, that it holds for you, to the extent of its properly incurred charges and liabilities arising from the provision of a custody service to you. This lien would only be exercised by Multrees as a last resort, and in close liaison with your Adviser. Sub-custodians and other depositaries used in the provision of Multrees' services to you, may also have a security interest or lien over, or right of set-off in relation to, your money or assets, including in a pooled account.

When Multrees makes such an advance, it will have a lien and right of set-off over the amount advanced and any other of your assets held under custody (including over any investments purchased with such advance) as security for repayment of such advance.

This security right will subsist until such time as:

- (a) the advance is settled by the receipt of transfers, proceeds of investment transactions or payments of income against which it was made, or, in default of this resolution occurring, the advance is settled by
- (b) a debit from cash held by Multrees on your behalf within the client bank account; or
- (c) if such debit would produce a negative balance in the cash account, other reimbursement of the associated advance.

In the unlikely event that Multrees has no option but to exercise a security right under the Custody Agreement, it would do so by selling or disposing of the relevant investment on such terms and conditions (including as to price and date) as Multrees deems expedient, without being responsible for any loss. The net proceeds of such sale/disposal will be applied to the discharge of the advance, together with any interest or expenses of the advance. Any excess will be credited to a client bank account for your benefit.

12. INDEBTEDNESS

What terms apply if Multrees makes advances, or your account is in arrears?

Multrees does not provide credit or advance margin in the performance of its services. Multrees does not make overdrafts available. However, from time to time, in administering your assets Multrees (or a sub-custodian or other agent) may advance funds against expected receipt of transfers, proceeds of investment transactions or payments of income. If funds are advanced in this way, all such advances are immediately due and payable. Any credit that may be made to your bank account or your records in advance of actual receipt of cleared funds is provisional and may be reversed in the event the funds are not actually collected. If any funds are advanced, interest will be applied as notified to your Adviser.

13. COMPLAINTS

Who should complaints and claims be made to?

Any formal complaints against Multrees should be referred in writing to your Adviser, who will pass the matter on to Multrees to investigate and respond to you via your Adviser. If your complaint has not been resolved to your satisfaction, and you are an eligible complainant, you may be able to refer the complaint to the **Financial Ombudsman Service (FOS)**, whose website is www.financial-ombudsman.org.uk/FOS is an organisation whose purpose is to give consumers a free and independent service for resolving disputes with financial firms. Details of the persons who are “eligible complainants” can be obtained from the FOS.

14. CONFLICTS OF INTEREST POLICY

How does Multrees manage conflicts of interest?

Under FCA Rules, Multrees is required to identify, prevent, manage and, where required, disclose conflicts of interest that may arise between Multrees and its clients, or between different clients of Multrees. Multrees maintains a Conflicts of Interest Policy, a summary of which is available upon request via your Adviser.

15. DATA PROTECTION

Use of your data and information

Multrees may process your personal data as a data controller and/or a data processor, acting at all times in accordance with all applicable laws and regulations (including the European **General Data Protection Regulation (GDPR)** as implemented in the UK under the Data Protection Act 2018).

Multrees will receive and process your personal data as strictly required in order for Multrees to act as a custodian and provide related services for you. This includes carrying out standard **Anti-Money Laundering (AML)** and **Know Your Customer (KYC)** checks. This personal data includes your contact details and identity details required for AML and KYC checks, and financial information required for Multrees’ provision of custody services. Multrees collects this personal data from you via your Adviser and from publicly available sources (as applicable).

Multrees will process your personal data as necessary to deliver custody services to you/ your Adviser, and as required for Multrees’ compliance with applicable law and/or regulation.

Multrees employs sub-custodians to facilitate the provision of your safe custody service. Multrees shall provide such personal data to sub-custodians, banks and other service providers as reasonably required to facilitate the custody and administration of your investments. Each of these parties will process your personal data on Multrees’ behalf and may retain this information in such form and for such duration as may be required to perform these duties. Multrees and/or such other party may be required to transmit personal data to any country in which you hold investments or from where you derive income or profits. Multrees will ensure that any such transfers are safeguarded to the fullest extent possible.

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

- (a) access the personal data that Multrees holds about you in certain circumstances
- (b) ask Multrees to delete or correct any personal data that it holds about you (to the extent reasonable)
- (c) prevent Multrees processing your personal data in certain circumstances
- (d) port your personal data in certain circumstances
- (e) withdraw any consent that you have given (note that this does not affect the lawfulness of processing based on consent before withdrawal); and
- (f) lodge a complaint with the UK regulator, the Information Commissioner's Office, if you have concerns about how Multrees uses your personal data. To find out more, please see www.ico.org.uk/concerns/

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

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

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

GLOSSARY

The Financial Conduct Authority (FCA)

The conduct regulator for financial services firms and financial markets in the UK.

The Client Assets Sourcebook (CASS or CASS RULES)

CASS is a FCA rulebook with the principal objective of keeping Client Assets safe in the event of a firm's failure. A fundamental requirement of the CASS Rules is that firms must keep client money separate from firm money in segregated client money bank accounts and register custody assets appropriately. This ensures that client money and custody assets are ring-fenced in the event of the insolvency of the firm. Ultimately, protecting clients is at the heart of these rules.

Customer Custody Notification (CCN)

Is the overview prepared by Multrees and provided to the Manager which summarises the Services and which contains certain disclosures which are required to be made by Multrees in accordance with the FCA Rules.

Sub-Custodians

A sub-custodian is an institution appointed by Multrees to provides custody services, with respect to securities traded in a particular market or jurisdiction.

Client Relationship Manager (CRM)

Is an employee of Multrees who manages your investment managers account, providing guidance and advice and ensuring all of the customer's needs are being met.

Manager or Adviser

Is your investment or asset manager who is authorised by you, as your agent to arrange on their behalf for the custody of their assets and investments.

Client Money Bank Accounts

This is your client bank account, in which Client Money will be held, as that term is defined in the FCA Rules.

Pooled Client Accounts

A PCA is a specific type of bank account in which a business holds money on behalf of its clients. The money in these accounts belongs to the clients.

English Trust Law

Concerns the creation and protection of asset funds, which are usually held by one party for another's benefit.

Anti-Money Laundering regulations (AML)

Refers to a set of laws, regulations, and procedures set by the FCA intended to prevent criminals from disguising illegally obtained funds as legitimate income. Though anti-money-laundering (AML) laws cover a relatively limited range of transactions and criminal behaviors, their implications are far-reaching.

Know Your Customer (KYC)

Is the process by which companies verify the identity and financial conditions of customers before doing business with them.

Conflicts of Interest Policy

Means Multrees' policy for dealing with identification and management of conflicts of interest in accordance with the FCA Rules.

Data Protection Laws

Means all applicable legislation and regulations relating to the processing of personal data and privacy including (without limitation), the General Data Protection Regulation 2016/679, the Data Protection Act 2018 and any regulations or instruments enacted under that Act, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the Data Protection (Processing of Sensitive Personal Data) Order 2000 or any amendments and/or re-enactments.

