

Frequently Asked Questions and general information relating to SEI Investments - Guernsey Limited's custody service.



Please note that this document has been created for information purposes only and is not intended to create a legally binding document or relationship between or on behalf of SEI Investments - Guernsey Limited and the reader.

This document should be read in conjunction with SEI Investments - Guernsey Limited's Terms and Conditions for Custody Services which have been provided to you (the "Custody Terms"). To the extent that there is any inconsistency between this document and the Custody Terms, the Custody Terms will prevail.

This is an evolving document and is subject to change from time to time without notice.

If you have any questions relating to this document, please contact your Investment Service Provider.

1. INTRODUCTION

1.1. *Who should read this document and what is the purpose of this document?*

You should read this document if SEI Investments - Guernsey Limited ("SEIG") acts as custodian for all or part of your money and assets ("Custodian") pursuant to the Custody Terms.

The purpose of this document is to provide you with additional information and answer "frequently asked questions" in relation to SEIG's appointment as Custodian.

2. GENERAL INFORMATION

2.1. *Who is SEIG and how was SEIG appointed as Custodian of my money and assets?*

SEIG is a financial services company licensed and regulated by the Guernsey Financial Services Commission ("GFSC") with Reference Number 2072606. You can find further information in relation to SEIG's regulatory status on the GFSC website which is accessible at [Regulated Entities – GFSC](#). The GFSC is located at Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 3 HQ. Further contact details for the GFSC can be found at <http://www.gfsc.gg>.

SEIG was appointed as your Custodian by a regulated firm which you have appointed to provide you with certain investment-related services (the “**Investment Service Provider**”). The Investment Service Provider has chosen SEIG to act as Custodian of its client money and client assets. The Investment Service Provider will have provided you with SEIG’s Custody Terms which sets out the terms of SEIG’s appointment as your Custodian.

2.2. What is the ‘Custody Service’ which is provided to me by SEIG?

The custody service refers to the services which SEIG provides to you pursuant to SEIG’s role as your Custodian (the “**Custody Service**”).

The Custody Service, consists of (but is not limited to) the following:

- holding your assets or arranging for them to be held in safe custody;
- collecting all distributions and other entitlements arising from your assets;
- settling transactions to acquire or dispose of your assets on the instructions of the Investment Service Provider;
- informing you or the Investment Service Provider of corporate actions and other events affecting your assets; and
- holding money on your behalf where required for the purpose of providing the Custody Service.

A component of the Custody Service is the client money service, which refers to the service which SEIG provides to you in relation to the administration and safeguarding of your money (the “**Client Money Service**”).

The Client Money Service consists of (but is not limited to) the following:

- documenting comprehensive policies and procedures for handling your money;
- keeping detailed records of money held on your behalf;
- holding client money in dedicated client money bank accounts, separate from SEIG’s own funds, and performing reconciliations in accordance with applicable regulatory requirements;
- ensuring that legal title to your money is recorded appropriately and reconciled;

- ensuring that sufficient capital is available to support this service;
- performing initial, ongoing due diligence and general relationship management on appointed client money banks and custodians where client money is held as part of this arrangement, including the oversight of the interest rates offered by these banks to ensure they remain competitive; and
- implementing a governance framework to provide oversight of the operational effectiveness of SEIG's systems and controls for your money, to ensure that SEIG acts in compliance with its regulatory obligations.

2.3. *Will SEIG communicate with me directly?*

SEIG's communications with you will be conducted through your Investment Service Provider, unless SEIG is directed to communicate with you directly by any applicable regulatory or enforcement bodies. SEIG's communications to you through your Investment Service Provider will be in English. If you require communications to be translated into another language or require any other assistance in relation to the communications, please contact your Investment Service Provider.

2.4. *Will I receive statements from SEIG?*

As your Custodian, SEIG is obligated to provide you with a periodic custody statement of the money and assets that SEIG holds for you. SEIG will provide the custody statement to you at least once a quarter, either as part of a periodic statement that your Investment Service Provider is required to provide to you or as a standalone custody statement.

If you have opted to receive your statements in electronic format, SEIG will facilitate the provision of an electronic statement via your Investment Service Provider who will be able to provide more detail on how the electronic statement will be made available to you. Where SEIG facilitates the provision of an electronic statement, SEIG will not provide you with an additional paper copy, unless SEIG has been notified and requested to do so for you by your appointed Investment Service Provider.

3. CLIENT MONEY

3.1. *What are client money bank accounts and how do they operate?*

Money held by SEIG on your behalf is treated as client money in accordance with the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the “**POI Law**”) and relevant GFSC rules, regulations and guidance. These regulations require custodians to ensure that client money is safeguarded and held in accordance with statutory trust principles, meaning the funds are legally recognised as belonging to clients rather than the custodian itself.

To comply with these obligations, SEIG maintains dedicated client money bank accounts that are clearly designated and segregated from any accounts holding SEIG proprietary funds.

Furthermore, SEIG ensures that all client money bank accounts are clearly labelled to reflect their purpose and ownership, making it evident to counterparties and banking institutions that the funds are held for the benefit of clients and not for the Custodian’s own use. This segregation protects clients in the event of insolvency and ensures compliance with the POI Law and the GFSC’s applicable rules, regulations and guidance.

3.2. *How does SEIG choose where to hold my money?*

Client money is currently deposited into designated client money bank accounts in Guernsey.

SEIG may deposit your money in a bank outside of Guernsey where deemed prudent to do so, for example when a transaction to acquire an asset is undertaken on your behalf in another market and distributions arising from such transaction are received by SEIG as Custodian. In such circumstances, rights in respect of such money may differ from those applicable under the GFSC’s applicable rules, regulations and guidance, and such banks will be subject to a different legal and regulatory framework than Guernsey banks. SEIG will only use Approved Banks as defined under the GFSC’s rules and will comply with the GFSC’s rules in its assessment and selection of any Approved Bank based outside of Guernsey.

SEIG is responsible for exercising reasonable care and due diligence in the initial selection and ongoing monitoring of all banks where client money is deposited with the security of your money being SEIG’s primary consideration. However, SEIG will not be responsible for any acts, omissions or failure of the banks.

When your money is provided to SEIG, the money is essentially deposited into one of SEIG’s

Guernsey client money bank accounts. SEIG may subsequently choose to deposit your money into client money bank accounts at a range of banks chosen and approved by SEIG. The spreading of client money across a number of banks allows for diversification, which is designed to help reduce the risk of client money being lost in the event of any one bank failing. A list of approved client money banks at which SEIG chooses to hold client money is available upon request from your Investment Service Provider.

3.3. How is my money protected in the event of the failure of a Guernsey bank?

Your money will be pooled in a designated client money bank account at the sub-custodian bank, together with funds held for other SEIG clients. This account is in SEIG's name, and client money is held separately from the bank's own assets – they are not included on the bank's balance sheet or asset list. In the event that a bank holding SEIG's client money fails, the funds in the SEIG client money bank account remain segregated from the bank's assets and are not available to the bank.

3.4. Does SEIG retain interest on my money?

Yes - SEIG does retain a portion of interest on your money which is custodied with SEIG.

The rate of credit interest which is paid to you per annum is set out in the following link, and is subject to change from time to time: <https://www.seic.com/en-gb/important-information-and-notices/interest-rates-custody-terms-and-conditions-offshore-sig>. The element of interest that SEIG retains on client money is available upon request from your Investment Service Provider.

SEIG continuously reviews its interest retention policy to ensure that a fair amount of interest is retained by SEIG and credited to you, SEIG does this by: (1) reviewing the rate of interest that is retained by SEIG to ensure that it offers value in light of the service which is provided to you; and (2) reviewing the rate of credit interest on a regular basis or when there is a relevant interest rate change.

3.5. Why does SEIG retain interest on my money?

SEIG retains interest on your money to primarily cover the cost of SEI's Client Money Service (as defined in Q&A 2.2).

3.6. Can SEIG use my money to pay fees that I owe to my Investment Service Provider?

Yes - under the Custody Terms you have permitted SEIG to collect and pay fees that you owe to your Investment Service Provider from your money which is custodied by SEIG.

3.7. What happens to unclaimed money?

If we are unable to contact you or receive instructions regarding your money for an extended period, your money will remain segregated and traceable in accordance with regulatory requirements. SEIG will not absorb unclaimed client money or reclassify it as income. As there is currently no applicable statutory guidance in the Bailiwick of Guernsey in relation to unclaimed client money, if your money remains dormant for six (6) years, SEIG or any third-party custodian may seek legal advice or court directions to determine the appropriate course of action. Before doing so, SEIG will take reasonable steps to trace you. In the absence of statutory rules or guidance, unclaimed client money will be handled in accordance with our internal procedures and applicable regulatory requirements. You will always retain the right to claim your money if it has been classified as unclaimed and paid away.

3.8. What is Contractual Settlement?

Contractual settlement is a tool that facilitates cash and liquidity management for the client. SEIG will move cash into your account and move the securities out of your account on the day you are meant to settle your transactions, regardless of what may have happened with the broker or fund manager. We will do the opposite for purchases.

This process insulates you from the securities settlement process and simplifies the money movement processes. In rare cases these postings may need to be reversed because of an unusual market event. If this occurs, you will be notified by your Investment Service Provider.

4. CUSTODY

4.1. Where and how are my assets held?

SEIG is responsible for holding your assets in safe custody in accordance with the POI Law and applicable GFSC rules. Your assets are held in the name of SEI Nominees (Guernsey) Limited on your behalf, as a client of your Investment Service Provider.

4.2. Who is SEI Nominees (Guernsey) Limited? What role do they play?

SEIG uses SEI Nominees (Guernsey) Limited to hold your assets. SEI Nominees (Guernsey) Limited is a nominee company and is a separate entity from SEIG. SEI Nominees (Guernsey) Limited is used by SEIG to hold client assets as it has no material liabilities and it ensures that client assets are segregated from the assets of SEIG. Therefore, your assets will not be available to an administrator or liquidator of SEIG, or its ultimate parent company, SEI Investments Company, in the event that bankruptcy proceedings occur against SEIG.

4.3. Are there any other custodians holding my assets?

SEIG may arrange for a third party, such as HSBC Custody Services (Guernsey) Limited or Allfunds Bank S.A.U. to provide custody and/or settlement services for certain client assets. If SEIG appoints a new third-party custodian or changes to an existing one, SEIG will notify the GFSC in accordance with the GFSC's applicable rules, regulations and guidance. Your Investment Service Provider will also inform you and provide further details. This ensures that you are always notified if your assets are held with any custodian other than SEIG.

4.4. How does SEIG protect my assets?

All custody accounts are operated in accordance with the POI Law and applicable GFSC rules. Under these rules, SEIG is required, amongst other things, to make adequate arrangements to safeguard your ownership rights and to prevent the use of your assets for SEIG's own account. SEIG has put the following procedures in place to meet such obligations:

- keeping records and accounts to enable SEIG to distinguish assets held for one client from the assets held for another client and from SEIG's own assets; and
- conducting reconciliations against SEIG's own internal accounts and records and those of any sub-custodians with whom your assets are held.

All client assets are held by SEI Nominees (Guernsey) Limited in omnibus accounts. This means that SEI Nominees (Guernsey) Limited will pool your assets with the assets of other clients and therefore your individual entitlements may not be identifiable by separate certificates or physical documents of title. In the event of a shortfall in the accounts following a default of SEI Nominees (Guernsey) Limited or a sub-custodian, you may not receive your full entitlement and may share any losses pro rata with other clients.

4.5. *What happens to unclaimed custody assets?*

If your assets held in SEIG's custody remain 'unclaimed', meaning we are unable to contact you or receive instructions regarding your assets, and they remain dormant for a period of twelve (12) years, SEIG may pay the balance to a registered charity of its choice or as otherwise permitted under the GFSC's applicable rules, regulations and guidance. SEIG will not absorb unclaimed client assets and reclassify them as income. You will always retain the right to claim your assets, even if they have been classified as unclaimed.

This means that SEIG is permitted to cease treating the asset as a client asset, liquidate it, and pay the proceeds to, or gift the holding to, a registered charity of SEIG's choice. In the absence of statutory rules or guidance, unclaimed client assets will be handled in accordance with SEIG's internal procedures and applicable regulatory requirements.

4.6. *What compensation is available to me in the event of the failure of SEIG in its role as Custodian of my assets?*

No compensation scheme is in operation in the Bailiwick of Guernsey and SEIG is not a member of the Guernsey Banking Deposit Compensation Scheme, which is open to banks licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 in Guernsey only.

5. CONFLICTS OF INTEREST

5.1. *How does SEIG manage conflicts of interest?*

When trying to identify a conflict, SEIG takes into account (at a minimum) whether SEIG (and/or any Directors, officers, employees or any person directly or indirectly linked to SEIG):

- 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 a client or of a transaction carried out on behalf of a client, which is 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 a different client or group of clients;

- carries on the same business as its client(s); or
- receives or will receive from a person other than its client(s), an inducement in relation to a service provided to its client(s), in the form of monies, goods or services, other than the standard commission or fee for that service.

6. PRIVACY NOTICE

SEIG and an appointed service provider will process personal data (as a data controller) about you that you provide to us. Please take the time to read and understand our full privacy notice as it appears on our website.

We collect only the personal data necessary for agreed purposes. We use your personal data because we have contractual obligations and legal and regulatory obligations that we have to discharge.

Where we share data with our affiliates and sub processors, we put contractual arrangements and security mechanisms in place to protect the data and to comply with our data protection, confidentiality and security standards. Where we transfer your personal data outside the European Economic Area (“EEA”), we will ensure that it is protected in a manner that is consistent with how your personal data will be protected by us in the EEA. We hold your personal data for as long as it is necessary for the agreed purpose and any legal obligations (laws or regulation may set a minimum period for which we have to keep your personal data).

You have a number of legal rights in relation to the personal data that we hold about you, including the right to obtain information regarding the processing of your personal data. If you do want to complain about our use of personal data, you have the right to lodge a complaint with the Office of the Data Protection Authority.

If you would like further information on the collection, use, disclosure, transfer or processing of your personal data or the exercise of any of the rights listed above, please address questions, comments and requests to: SEI Investments - Guernsey Limited, Ground Floor, Plaza House, Admiral Park, St Peter Port, Guernsey, GY1 2HU.