



## Protecting your assets

### For your protection

#### Key Features

Our details include the categories of activity we are permitted to engage in as part of our authorisation. We have summarised below some specific aspects of our JFSC authorisation, and other important arrangements, which are designed for your protection.

#### Client Assets

As a client you want to have reassurance from LGT Wealth Management Jersey about the physical security of your assets, where we hold them, or arrange for them to be held, on your behalf. One of the activities we are permitted by our JFSC authorisation to undertake is to hold client assets and money. We are required to adhere to the Financial Services (Investment Business (Client Assets)) (Jersey) Order 2001 as amended (the Client Assets rules) which state that your assets must be segregated from LGT Wealth Management Jersey's own assets and, in this way, given particular protection. The method of segregation differs according to the nature of the asset. The single objective, however, is to ensure that there is clarity, particularly in law, as to who owns which assets.

Any investments which are capable of being registered and are purchased through, or transferred to, us will – wherever practicable and unless otherwise agreed – be registered or otherwise recorded in your own name, or in the name of our nominee company, or a nominee controlled by a recognised or designated investment exchange, or an eligible custodian selected by us in accordance with the rules of the Client Assets rules. Where your assets are registered in a nominee name or an eligible custodian, you remain the beneficial owner.

These arrangements are especially important in the event of the insolvency of an investment firm which holds clients' assets. Assets held in the name of the client will be accessible immediately.

Where they are held through a nominee or an eligible custodian, they will be 'ring-fenced', protected from the claims of general creditors of the firm and released after a client's legal entitlement to the assets had been established.

There are exceptions, particularly when dealing overseas, depending on the market practice of the country or region concerned, when it may then not be possible to segregate assets in the ways we have described above. This is covered more fully in our terms of business and it would be open to you to restrict dealing in these circumstances.

#### Client Money

A similar principle applies where we hold money belonging to you. It will be segregated from LGT Wealth Management Jersey's money and held by us on your behalf in a client bank account. Your money will be pooled with other LGT Wealth Management Jersey clients' money but clearly identifiable in our records.

The client bank account will be with the Jersey branch of an approved bank or other institution meeting criteria specified by the Client Assets rules. It will include in its title a description to distinguish the money in the account from LGT Wealth Management Jersey's money. The bank must formally acknowledge that all money standing to the credit of the account is held by LGT Wealth Management Jersey as trustee.

In an insolvency situation, client money will be 'ring-fenced' and protected from the claims of general creditors of the firm. It will be released after clients' legal entitlements to the share of the pooled monies held on trust for them have been confirmed.

LGT Wealth Management Jersey's governance arrangements and underlying procedures are vital in protecting your assets.

## Systems and Controls

Our control philosophy is founded on ensuring the separation of duties between staff to avoid conflicts of interest, having clear authority levels, a significant level of process automation, monitoring of activities and scrutiny of management reports.

Some examples of specific controls are:

- All payments from an account will require one individual to initiate and one to authorise and will only be made to designated accounts identified and authorised by the client.
- Where a request is made to make a payment to a third party or to make stock transfers, our procedure requires us to call back, or write to, the client to confirm the instruction.
- A similar control exists where requests are made to change client details such as contact numbers, addresses and bank accounts.
- Any non-standard instructions will require a written request which will be subject to signature verification against original client documentation.
- There will be regular automated reconciliations of stock and cash records to corresponding accounts. This will be performed by a team independent of cash and stock processing.
- Processes to authorise or complete a payment or transfer are system-controlled.
- LGT Wealth Management Jersey operates screening controls over the people it employs including CRB disclosures and credit checks. This is particularly important where functions are performed which involve authorising and transferring money or investments.

## Capital and Insurance

LGT Wealth Management Jersey sets aside a significant amount of its own capital as a contingency for unforeseen events, as we are required to do by our codes of practice. We aim for this to be in excess of the minimum specified by the JFSC. We also hold professional indemnity insurance in aggregate of GBP 25m to cover losses which may arise through fraud or negligence. The policy includes cover for directors and officers, and crime. It is underwritten by a Lloyd's of London syndicate. As our business grows, we will seek to increase the capital base and the amount of professional indemnity cover to ensure that they are in proportion to the size of the business.

## Suitability and appropriateness

Aside from the physical protection of your assets, another significant factor to consider is your exposure to investment risk. This is the risk associated with the fact that investments may fall in value as well as rise, both because of the way markets behave and influences that are specific to an underlying company or investment issuer.

Our brochures and website are designed to give you an overview of LGT Wealth Management Jersey and its services. We recommend that you take time with your investment director or client adviser so that your individual circumstances, requirements and risk preferences can be reviewed fully. We will then make a suitability assessment.

Even for clients who choose an execution-only service from LGT Wealth Management Jersey, there may be certain types of products or investments which we could not execute for you until we were satisfied as to their appropriateness.

## Treating our clients fairly

The controls LGT Wealth Management Jersey has in place to protect you and your assets are an essential part of our commitment to treating our clients fairly. We want you to be confident that when you deal with LGT Wealth Management Jersey, this commitment is central to the way we do things in all areas. In practice, this means:

- Doing our best to understand the needs of our clients - current and prospective - when we design services and products.
- Providing you with clear information and keeping you informed.
- Advising you or managing your investments to suit your individual circumstances.
- Making sure we deliver what we have led you to expect.
- Ensuring you do not face unreasonable barriers in your dealings with LGT Wealth Management Jersey. We will ensure any request, query or concern is dealt with promptly and fairly.
- If you have any concerns, contact details for our Compliance Officer are available on our website.

LGT Wealth Management Jersey Limited is regulated by the Jersey Financial Services Commission (the "JFSC"). Our JFSC reference number is IB0263 and you can access our registration details on the JFSC's website at [www.jerseyfsc.org](http://www.jerseyfsc.org).

## **Important information**

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LGT Wealth Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in Scotland number SC317950 at Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP.

LGT Wealth Management Jersey Limited is incorporated in Jersey and is regulated by the Jersey Financial Services Commission in the conduct of Investment Business and Funds Service Business:102243. Registered office: Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey JE2 3QB.

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Investors should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.