

Frequently Asked Questions and general information relating to SEI Investments (Europe) Ltd'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 and the reader.

This document should be read in conjunction with SEI's 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 (Europe) Ltd (“SEI”) acts as custodian for all or part of your money and assets (“**Custodian**”) pursuant to SEI’s custody terms which have been provided to you (the “**Custody Terms**”).

The purpose of this document is to provide you with additional information and answer “frequently asked questions” in relation to SEI’s appointment as Custodian.

2. GENERAL INFORMATION

2.1. *Who is SEI and how was SEI appointed as custodian of my money and assets?*

SEI is a financial services company authorised and regulated by the Financial Conduct Authority (“FCA”) with Firm Reference Number 191713. You can find further information in relation to SEI’s regulatory status on the FCA Register which is accessible at www.fca.org.uk/register. The FCA is located at 12 Endeavour Square, London, E29 1JN, further contact details for the FCA can be found at www.fca.org.uk.

SEI 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 SEI to act as Custodian of its customer's money and assets. The Investment Service Provider will have provided you with SEI's custody terms which sets out the terms of SEI's appointment as your Custodian.

2.2. *What is the 'Custody Service' which is provided to me by SEI?*

The custody service refers to the service which SEI provides to you pursuant to SEI'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;
- holding money on your behalf where required for the purpose of providing the Custody Services.

A component of the Custody Service is the client money service, which refers to the service which SEI 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;
- keeping your money in segregated client money bank accounts and performing required reconciliations;
- ensuring that legal title to your money is recorded appropriately and reconciled;
- arranging and supporting annual external audits of customer money arrangements;
- ensuring that sufficient capital is available to support the Client Money Service;
- performing initial, ongoing due diligence and general relationship management on appointed client money banks and custodians where customer monies is held as part of this arrangement,

including the oversight of the interest rates offered by these banks to ensure they remain competitive;

- implementing a governance framework to provide oversight of the operational effectiveness of the firm's systems and controls for your money, to ensure that the firm acts in compliance with its CASS regulatory obligations; and
- implementing and executing a customer money diversification policy.

2.3. *Will SEI communicate with me directly?*

SEI's communications with you will be conducted through your Investment Service Provider, unless SEI is otherwise directed to communicate with you directly by the FCA. SEI'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 SEI?*

As your Custodian, SEI is obligated to provide you with a periodic custody statement of the money and assets that SEI holds for you. SEI 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, SEI 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 SEI facilitates the provision of an electronic statement, SEI will not provide you with an additional paper copy, unless SEI 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 SEI on your behalf is treated as 'client money' in accordance with the FCA rules. The FCA rules require custodians, such as SEI, to hold your money in 'client money' bank accounts which are established with statutory trust status. This means that money held within accounts is recognised by the bank as belonging to customers of SEI rather than SEI itself, which results in SEI holding your money as a trustee on your behalf.

SEI further segregates all client money bank accounts from any bank accounts holding money belonging to SEI by arranging for the client money bank accounts to be named in a manner which makes it clear that the money held within the accounts is for the benefit of customers and not SEI.

3.2. How does SEI choose where to hold my money?

When your money is provided to SEI, the money is essentially deposited into one of SEI's UK client money bank accounts. Your money may subsequently be deposited into client money bank accounts at a range of banks chosen by SEI. 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 client money banks at which SEI chooses to hold customer money is available upon request from your Investment Service Provider.

SEI may deposit your money into a bank outside of the UK, in Europe or the United States, where deemed prudent to do so, for example when a transaction to acquire an asset is undertaken on your behalf on a non-UK market and distributions arising from such transaction are received by SEI as Custodian, it may be suitable for a non-UK client money bank to custody such distributions. In such circumstances, it is important to note that such non-UK client money banks will be subject to a different legal and regulatory regime from that of UK banks and, amongst other things, the rights and protections afforded to you under the FCA rules may not be available to you in respect of those non-UK client money banks. For example, non-UK client bank accounts may not be established with trust status and your money may be treated differently in the event of a bank failure than it would be if it was held with a UK bank.

SEI may deposit all or part of your money into pooled client bank accounts with a mix of terms with a third-party deposit taker (such as a bank), in line with the FCA rules. Your money may be placed in an instant access account, which refers to an account which pays interest and allows instant withdrawal and/or an unbreakable term deposit account, which refers to an account which pays interest but has a maximum term in which money cannot be withdrawn (in line with the maximum term allowed by the FCA Rules from time to time). The mix of terms will be balanced by SEI to deliver an appropriate combination of interest, diversification of risk and timely access to money at the individual customer level.

Please note that if your money is held in an unbreakable term deposit account, SEI may not be able to withdraw all of your money in a single withdrawal and may only be able to withdraw the money upon maturity of the term deposit. Notwithstanding the above, SEI will endeavour to return your money to you as soon as possible.

SEI 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 SEI's primary consideration. However, SEI will not be responsible for any acts, omissions or failure of the banks.

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

If any of the UK banks chosen by SEI to hold your money fail and cannot return your money, you may be eligible to claim compensation under the Financial Services Compensation Scheme ("FSCS"). Please refer to the FSCS website at www.fscs.org.uk for further details on the compensation limit per eligible claimant and per bank, and further information in relation to the support and arrangements available to you under the FSCS.

It is important to note that if one of the UK banks with which SEI has deposited your money fail, your money will be pooled with money held at the same bank for other SEI customers, and you will have a claim against the common pool of money rather than a claim against a specific sum in a specific account. If a SEI customer suffers any shortfall of money, the shortfall will be shared pro-rata between SEI's customers at the failed UK bank. For clarity, reference to "common pool of money" refers to money that is consolidated with other customer money.

3.4. Does SEI retain interest on my money?

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

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-onshore-siel>. The element of interest that SEI retains on customer money is available upon request from your Investment Service Provider.

SEI continuously reviews its interest retention policy to ensure that a fair amount of interest is retained by SEI and credited to you, SEI does this by: (1) carrying out an annual fair value assessment, whereby SEI reviews whether the rate of interest that is retained by SEI offers fair 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 SEI retain interest on my money?

SEI retains interest on your money for the provision of SEI's Client Money Service (as defined in Q&A 2.2).

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

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

3.7. What happens to unclaimed money?

In accordance with the FCA rules, if there have been no movements on your account for a period of 6 years (which does not include any applicable interest payment, fee collection or similar) and your Investment Service Provider or SEI (as applicable) has been unable to trace and contact you, SEI is able to treat the money in your account as 'unclaimed' client money. This means that SEI can cease treating the money as client money and is permitted to pay the balance away to a registered charity of SEI's choice and SEI will be required to retain a record of this action. The paying away of your unclaimed client money to charity does not prevent you from claiming your money from SEI.

3.8. What is Contractual Settlement?

Contractual settlement is a tool that facilitates cash and liquidity management for the investor. SEI 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 actually 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 that did occur, you will be notified by your Investment Service Provider.

CUSTODY

4.1. Where and how are my assets held?

SEI is responsible for holding your assets in safe custody in accordance with the FCA Rules. Your assets are held in the name of SEI Global Nominee Ltd on your behalf, as a customer of your Investment Service Provider.

4.2. Who is SEI Global Nominee Ltd? What role do they play?

SEI uses SEI Global Nominee Ltd to hold your assets. SEI Global Nominee Ltd is a nominee company and is a separate entity from SEI Investments (Europe) Ltd. SEI Global Nominee Ltd is used by SEI to hold client assets as it has no material liabilities and it ensures that client assets are segregated from the assets of SEI. Therefore, your assets will not be available to an administrator or liquidator of SEI

Investments (Europe) Ltd, or its ultimate parent company, SEI Investments Company, in the event that bankruptcy proceedings occur against SEI.

4.3. *Are there any other Custodians holding my assets?*

SEI chooses several third-party custodians (also known as sub-custodians) to administer and hold some of your assets. A list of sub-custodians at which SEI chooses to hold customer assets is available upon request from your Investment Service Provider.

In certain circumstances, SEI may select a sub-custodian outside of the UK where deemed prudent to do so, for example when a transaction to acquire an asset is undertaken on your behalf on a non-UK market, it may be suitable for a non-UK custodian to custody such asset. In such circumstances, it is important to note that such sub-custodians will be subject to a different legal and regulatory regime from that of the UK and, amongst other things, the rights and protections afforded to you under the FCA rules may not be available to you in respect of those non-UK sub-custodians. For example, there may be different practices for the separate identification of your assets which may result in them being subject to third party claims in the event of the failure of the non-UK sub-custodian.

SEI will be responsible for exercising reasonable care and due diligence in the initial selection and ongoing monitoring of the sub-custodians but will not be responsible for any acts, omissions or failure of the sub-custodians.

4.4. *How does SEI protect my assets?*

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

- keeping records and accounts to enable SEI to distinguish assets held for one customer from the assets held for another customer and from SEI's own assets; and
- conducting reconciliations against SEI'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 Global Nominee Ltd in omnibus accounts. This means that SEI Global Nominee Ltd will pool your assets with the assets of other customers 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 Global Nominee Ltd or a sub-custodian, you may not receive your full entitlement and may share any losses pro-rata with other customers.

4.5. *What happens to unclaimed custody assets?*

In accordance with the FCA Rules, if you have not sent an instruction to your Investment Service Provider or SEI with respect to an asset for a period of 12 years, and your Investment Service Provider or SEI (as applicable) has been unable to trace and contact you about the asset, SEI is permitted to treat the asset as an ‘unclaimed’ client asset. This means that SEI can cease treating the asset as a client asset and is permitted to liquidate the asset and pay the proceeds away to a registered charity of SEI’s choice or gift the holding to a registered charity of SEI’s choice and SEI will be required to retain a record of this action. The paying away of your unclaimed client asset to charity does not prevent you from claiming a sum equal to the value of the asset at the time it was paid away or gifted.

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

In the event that SEI is unable to meet any of its financial obligations, compensation may be available to you under the FSCS. Please refer to the FSCS website at www.fscs.org.uk for further details on the compensation limit in relation to investment business and further information of the support and arrangements available to you under the FSCS.

5. CONFLICTS OF INTEREST

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

SEI maintains appropriate controls to manage any conflicts of interest. Please refer to SEI’s Summary Conflicts of Interest Policy which sets out SEI’s approach to identifying, preventing or managing conflicts of interest which may arise during the course of its business activities: <https://www.seic.com/sites/default/files/2024-01/SEI-SIEL-Summary-Conflicts-Interest-Policy-2023.pdf>

6. PRIVACY NOTICE

SEI 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 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 Information Commissioner’s Office.

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 our Data Protection Officer at: SEI Investments (Europe) Limited, 1st Floor Alphabeta, 14-18 Finsbury Square, London EC2A 1BR.