

HARGREAVEHALE

INDIVIDUAL ■ INTELLIGENT ■ INVESTMENT

Client Protection

JULY 2015

Information for Clients

Hargreave Hale is authorised and regulated by the Financial Conduct Authority (FCA).

The FCA requires firms to hold certain amount of capital in their balance sheet, the value of which depends on the size of the company and the nature of business that company undertakes. Hargreave Hale has significantly more capital in its balance sheet than is required by the FCA.

Furthermore, Hargreave Hale has no outstanding loans or other capital commitments. Over 35% of the firm's shares are effectively owned by the Directors and another 32% by the Investec banking group.

As a regulated company, Hargreave Hale is required to comply with the FCA's rules and principals. Two of the statutory objectives for the FCA are maintaining confidence in the UK financial system and protecting consumers. The FCA sets high standards for client protection, Hargreave Hale understands the importance for client protection, this forms part of Hargreave Hale's commitment for security for its clients.

Your Assets

Investments held by Hargreave Hale on behalf of our client's are generally registered or recorded in the name of our nominee company (Hargreave Hale Nominees Limited), and held on a pooled basis. Any investments that we are unable to hold within our nominee company will be held by an external eligible custodian in an account whose name reflects the fact that the assets are being held for our clients and not for ourselves. Hargreave Hale has adequate systems and controls that provide regular reconciliations of stock accounts with our custodians.

Our nominee company is wholly owned by Hargreave Hale Limited and is not used for any purpose other than to register the assets of Hargreave Hale Limited clients so that those assets are segregated from our own assets.

Your Money

Money held by Hargreave Hale on behalf of clients is held in accordance with FCA's Client Money Rules. Hargreave Hale has adequate systems and controls that provide regular reconciliations of cash accounts with our bankers and custodians.

Our Custodians and Bankers

Our custodians and bankers are carefully selected and reviewed by Hargreave Hale on an annual basis. Hargreave Hale only uses UK clearing banks for client money and large well established depositories for assets. Banks and depositories used by Hargreave Hale may change depending on the outcome of our regular monitoring. For details of which custodians Hargreave Hale uses please contact your Account Executive.

Our Insurance

Hargreave Hale has its own insurance cover to provide protection in the unlikely event of a claim. This covers such things as fraud, theft, wilful default or negligence.

Financial Services Compensation Scheme

As an authorised firm, eligible clients of Hargreave Hale are protected by the Financial Services Compensation Scheme (FSCS). This seeks to offer a level of guarantee in the event that a financial services firm should default and not all assets can be recovered. For details of this scheme, please visit www.fscs.org.uk.

If you are considering the security of your assets, you should ask yourself the following two questions:

Why not hold your assets yourself?

Although there are some risks with holding assets in a pooled nominee or via an eligible custodian, we feel that these are far outweighed by the risks and disadvantages incurred when holding investments in physical certificate form. Having assets held within Hargreave Hale's nominee or by an eligible custodian reduces dealing costs, saves time on paper work, speeds up the settlement of transactions. In turn this increases the effectiveness of your portfolio, simplifies dividend and interest payments, saves time and money on tax returns and accountancy fees, and reduces the risk of loss of share certificates and costs incurred for replacements, improving the security of your investments.

What if Hargreave Hale goes into default?

As explained above, client money and assets held by Hargreave Hale are segregated and ring fenced from those of Hargreave Hale, in the event that Hargreave Hale itself defaults, client money and assets cannot be used to cover Hargreave Hale's losses.