



Reyker Securities plc group – Supplementary Terms and Conditions of Business for Discretionary Management Services

This document is our Supplementary Terms and Conditions of Business (T&Cs) for our Discretionary Management Service and Advisory Service, and MUST be read and applied in conjunction with the most recently published Reyker Securities plc Group General Terms and Conditions of Business. In the case of ambiguity or conflict between the General T&Cs and these Supplementary T&Cs, these Supplementary T&Cs shall prevail. Key matters such as application of law, complaints process and limitation of Reyker's liability are dealt with in the General T&Cs and are not repeated here.

This issue is dated **29 August 2018** and supersedes all previous Supplementary T&Cs applicable to our Discretionary Management Services provided by any member of the Reyker Group. These Supplementary T&Cs apply to retail Client investors and Professional Clients whom we may treat as retail clients at our option. Different or additional terms may apply to intermediaries, corporate clients and professional counterparties (including Trustees) if separate contractual arrangements have been made in writing. These T&Cs are only applicable to Investors who do or have used or are applying to use our Discretionary Management Services.

In addition to our T&Cs we also provide a Schedule of Fees and Charges on our website www.reyker.com and these are regarded as part of our T&Cs and are contractually binding. Current published fees and charges always supersede previous versions subject to any notice period having elapsed where relevant (see general T&Cs). Errors and omissions are excepted and may be corrected at any time and such corrections are not subject to notice.

We do not post paper copies of T&Cs to clients unless specifically requested in writing (in which cases charges apply). The current version always applies and is usually available on-line and can be downloaded as a printable PDF document, and Clients are informed that this is where they should obtain T&Cs. When we make significant changes to T&Cs we notify Clients of these changes in an opening section on the first page of our General T&Cs, and we may also draw attention to this in correspondence, for example when your half year portfolio valuation is sent out, and we provide a link to the on-line location, or where we draw your attention to material in your Reyker on-line account with us.

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1. Definitions

Definitions as per our General T&Cs apply and are amplified below.

Third Party Advised Client: A Retail Client or a Professional Client to whom a third party such as an Investment Adviser, or a Trustee has given advice to invest in a Reyker managed fund, service or product. In such circumstances the Financial Adviser is responsible for all work to determine investment suitability and appropriateness for you, the Third Party Advised Client, under FCA rules.

Discretionary Client: A Retail Client or a Professional Client to whom we provide one of our Discretionary Management Services, which may include one or more of our Discretionary Portfolios, AIM investment portfolios or Real Asset Investment Portfolios.

Discretionary Management Services: The services provided by Reyker whereby you, the Investor, or a Trustee or regulated Financial Adviser or Intermediary acting on your behalf and with your authority, give Reyker a mandate to act in buying and selling investment assets on your behalf with the aim (but not guarantee) of achieving an agreed or defined outcome. This mandate also includes and encompasses authority for us to charge our fees and disbursements and costs, and to hold a lien over assets to the extent necessary to cover all outstanding charges, fees, disbursements and liabilities. The discretionary management services include any bespoke or model portfolio service including our AIM IHT Service and Real Asset Strategies model portfolios.

2. Discretionary Management Services

- 2.1** If you are a Discretionary Client (where we make Investment decisions on your behalf) of Reyker, you must have signed an agreement to this effect which can be in the form of an application form and/or separate letter. Irrespective of such letter you agree by doing any business with us that our General T&Cs and these supplementary T&Cs are binding on you and represent a contract between us.
- 2.2** We will only allow our Discretionary Management Services to be provided to Clients

who hold an Account with us unless otherwise agreed by Reyker in writing and at Reyker's sole option.

- 2.3** In order to subscribe to and continue to use our Discretionary Management Services, you must maintain a minimum value of £15,000 in total in your Account unless otherwise agreed by Reyker in writing and any such agreement is at Reyker's sole discretion, or unless a different figure (which may be higher) is specified in the relevant marketing material for the product or service applied for or provided.
- 2.4** You grant us full discretion in managing your portfolio, including all money and all assets in your Account and taking into account your investment objectives and risk appetite that you have notified to us, or that you have discussed with your Financial Adviser, who has invested you in one of our services having conducted suitability and appropriateness checks with you. This may mean your investments will be run in a certain style and if needed more focused on certain investment sectors so that the portfolio is suitable for your investment goals.
- 2.5** If you have invested in one of our defined funds or services, such as our Real Assets Strategies Discretionary Managed Service, then your investments will be allocated in accordance with the overall investment strategy of the fund or service and you agree that we will not deviate from investment weightings to make the product bespoke to you.
- 2.6** You agree that you will notify us immediately if your knowledge, risk appetite or circumstances, including your bank details or your address, have changed. You accept that Reyker will rely upon the information given and will not be held liable for any inaccuracies or lack of information or misrepresentation from you or your appointed representative, if applicable, and any consequential losses.
- 2.7** We will use reasonable endeavours and skill to achieve the intended investment objectives but will not be held responsible if these objectives are not achieved. No growth or yields or income returns are guaranteed. Please also note that we do not provide tax advice and hence will not be held responsible for any adverse consequence due to changes in tax regulations

or your circumstances, both within and outside the UK.

- 2.8** We may make one or more investment decisions for a number of different clients simultaneously.
- 2.9** For the avoidance of doubt, we may invest in only a small number of Assets and the proportion of Money used for an Investment may vary and is not limited other than to the Money available in your Account following a disinvestment or otherwise.
- 2.10** You accept that your Investment is at risk of losing some or all of its capital. You further accept the risks outlined and must not subscribe to our Discretionary Management Service until you are fully satisfied that you understand the risks involved and are comfortable with the service being provided, including the risks and potential returns. You accept that any returns are not guaranteed.
- 2.11** All deals are placed in accordance with our Order Execution Policy, Dealing Policy, and Conflict of Interest Policy. Current details of these policies are available upon request and can be usually be obtained as a download from the Document Centre section of our Website or otherwise on request.
- 2.12** If you hold an income mandate with us, income payments will be paid as per the agreed mandate for your discretionary service. If we do not hold bank details on file for you, your income will be held on your account pending instruction and, at our option, identification and verification checks. Any income distributed will be paid out to the bank details we hold on file for you and you accept that we will not transfer or pay it to any other account that is not verified as being a genuine account in your name.
- 2.13** If you do not have an income mandate with us, income may be reinvested at our discretion.
- 2.14** Under FCA rules we are obliged to provide you with statements on a quarterly basis. All valuations therein are indicative only as values, can only be guaranteed at the moment of transaction and may fluctuate at other times. We will at our discretion provide you with statements quarterly or at other intervals. Depending on

your investment mandate, these statements may be uploaded to your Reyker on-line client account or sent by post. Portfolio valuations may be accompanied by a market commentary and may include Reyker's house views and are compiled based on facts available to us, which are only to be used for your information and reference purposes and are copyright to Reyker.

- 2.15** The fees for our Discretionary Management and advisory Services are set out in our published Fee Tariff and Rate Card on our website or the relevant Marketing Material in relation to the chosen service. Fees in the tariff may exclude charges such as (but not limited to) a dealing fee, exchange fees, sub custody fees, stamp duty levies and withholding tax on dividend or interest income. Please feel free to ask questions about our charges if you do not understand how they are computed. It is strict Reyker policy that there are no hidden fees and it is our intention that fees and charges should be clearly understood.

3. Suitability for Clients without Financial Advisers

- 3.1** Where we are providing a service to you and you have not been advised by a Financial Adviser, Reyker will be responsible for suitability decisions and constructing an investment portfolio that is suitable for you.
- 3.2** When constructing a portfolio for you we will do so on the basis on information you have provided to us, your portfolio and personal circumstance, including your investment experience, financial situation, investment objectives and risk appetite. You must provide us with, and keep up to date, all pertinent facts and disclose all necessary information regarding your financial circumstances, knowledge and willingness and ability to take risks.
- 3.3** You also accept that it is your responsibility to inform us promptly in writing of any fact or circumstance that is likely to affect our view of whether investments or a portfolio are suitable for you or any changes of details.

4. Suitability for Clients with Financial Advisers

- 4.1** Where a Financial Adviser has advised you into

a discretionary service provided by Reyker then the Financial Adviser will be responsible for choosing a suitable mandate and its ongoing suitability for you. You agree that Reyker will only be responsible for ensuring investment decisions are suitable in accordance with the mandate chosen by your Financial Adviser.

4.2 Any Financial Adviser that utilises our Discretionary Management Services for its Clients must have entered into Reyker's Terms of Business for Intermediaries.

4.3 In certain circumstances, Financial Advisers may have entered into an Agent as Client Agreement with us in which case we will treat the Financial Adviser, and not you, as our client for the purpose of Discretionary Management.

4.4 In the event that your relationship with your Financial Adviser is terminated, you must inform us promptly of the details of your new Financial Adviser and your new Financial Adviser must enter into Reyker's Terms of Business for Intermediaries with us. In the event that this does not happen, or you do not appoint a new Financial Adviser then we may, at our sole option, terminate our agreement to provide discretionary management services to you.

5. Discretionary Services

5.1 As part of our services, you may have access to our Investments Team who may be able to answer any queries you might have and discuss the markets and your Investments with you. You accept you will only rely upon any advice given using our Markets and Investments contact phone number as stated on our Website.

5.2 In instances where you have received investment advice by telephone, you accept that you will only accept investment advice when a Reyker member of staff identifies themselves as authorised to give investment advice.

6. Clients of SIPP trustees (or similar arrangements)

6.1 Where you have invested under a SIPP Trust arrangement, then the underlying investor is a retail or professional client of the SIPP Trustee, and the investor will NOT be treated as a retail

or professional client of Reyker and these T&Cs will not apply, unless the SIPP Trustee has appointed you as an Agent in respect of its holdings. Underlying clients may have their investment details recorded by Reyker but will not be regarded as individual clients for the purposes of compliance with FCA rules.

6.2 In such cases the SIPP trustee engages Reyker to provide services to the SIPP Trustee and this may be governed by separate contractual arrangements. In such cases we will only take investment and disinvestment instructions that are confirmed by the SIPP Trustee and it is the SIPP Trustee institution that will be recorded as our institutional client.

7. Investment Policy and Restrictions

7.1 It is up to you the investor, and/or your financial adviser, and/or trustee or representative to inform us of any restrictions that you may have which might affect our investment decisions or affect your eligibility for any of our model portfolios.

7.2 If you do not so inform us before we invest your money, then you will be responsible for the costs of unwinding or otherwise re-arranging your investments, and for any loss in value to these investments whilst they are being unwound or re-arranged. Reyker shall not be liable for this.

7.3 Reyker do not guarantee that they can incorporate restriction requests and they are therefore treated on a case by case basis for each mandate.

8. Risks

8.1 Investment risks are described in marketing material and/or on our website and by doing business with us of any kind you accept that you are taking investment risks and that you will familiarise yourself as a sensible and responsible investor with the risks that we describe or which are evident.

8.2 For Discretionary Services where Reyker are acting as the manager and you do not have a Financial Adviser we will always analyse your willingness and ability to take risk and confirm our opinion to you before investing. If you accept

our findings and at a later date find them to be unsuitable you should let us know immediately. If you do not understand our initial assessment or do not agree then you should notify us immediately so we can address this. The investment cannot proceed until both Reyker (as the advisor) and you (as the investor) are in agreement about the risk assessment.

8.3 You acknowledge that investment values may go down as well as up and that markets may behave in unpredictable ways, particularly in the short term. Markets are affected by many factors including inflation, interest rates, economics, government policy and many other matters some of which cannot be predicated or foreseen.

8.4 We may not be able to guarantee liquidity for all investments in the short term, particularly where investments have been selected for the long term. We may be affected by the willingness or ability of counterparties to re-purchase investments or to provide a secondary market and this may affect both ability to sell and prices that we can realise.

8.5 Reyker takes no responsibility for investments where you have selected them yourself or where your adviser or trustee has insisted on them being held or acquired by us.

8.6 If you transfer your portfolio to us from another provider, you accept that we take no responsibility for the performance of that portfolio and that it may take some time for us to convert it into one of our model portfolios, depending on the types and liquidity of investments held.

9. Governance

9.1 You agree that neither you nor your Financial Adviser will give us instructions that are contrary to our investment mandate, tax laws or regulatory rules.

9.2 We typically publish an investment policy statement on our website (or available on request) which describes our key rules governing the acceptance and divestment of investments and how we relate to investment providers, seekers of funding and other institutions.

9.3 From time to time we will also publish on our website details of how we manage or balance our model portfolios and the way in which we calculate and report performance.

9.4 We may also publish from time to time the way in which we categorise risk and the target market for our model portfolios. Investment decisions are made by our Investment Team in accordance with a strategy that is set by our Investment Committee. The Investment Committee may include advice from external advisers and firms with whom we partner.

9.5 Risk and regulatory decisions are made by our Risk Committee and this is independent of the Investment Committee. Third party external votes are strictly not permitted in the Risk Committee and decisions of the Risk Committee or its Chairperson are final.

End of Supplementary Terms and Conditions for our Discretionary Management Services and Advisory Services 29 August 2018 edition.

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