

Benchmark



Custody agreement

**Terms and Conditions for
Custody Services with SEI**

Version 1.2 – May 2021

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1. Terms and Conditions for Custody with SEI

To use the Fusion Wealth Platform you must appoint the organisation which Fusion has arranged to safeguard and administer your assets, currently SEI.

The Terms and Conditions in this document describe your custody relationship with SEI Investments Limited and form the custody terms you have with them. Where they are in conflict with other areas then this agreement will take priority.

This agreement contains certain information that SEI Investments (Europe) Ltd ('SEI') is required to provide to you in its role as administrator and custodian of the investments and money held in your Fusion Wealth account.

Please read this document carefully prior to signing the Fusion Wealth Declaration and contact your Adviser if you have any questions

Nothing in this Custody Agreement will override SEI's obligations under the FCA Rules.

1.1 Interpretation and defined expressions

The Custodian's duties and responsibilities are those expressly set out in this document and are limited to those set out in this agreement unless agreed otherwise in writing.

The headings in this agreement are only for convenience and do not affect its meaning.

The singular shall include the plural and vice versa.

In this agreement, each of the expressions defined below has the following meaning:

Affiliate means any corporate body in the same group (as defined in the Financial Services and Markets Act 2012) as SEI.

Central Bank means a central bank, reserve bank, or monetary authority managing the relevant currency, money supply and interest rates.

Contractual settlement has the meaning as defined in section 1.9

Client means each individual or legal entity that enters into a Client Account Application with Fusion Wealth and whose accounts are serviced by Fusion appointing SEI to provide dealing and custody services.

Client account application means the forms used by Fusion Wealth to provide SEI information in relation to each Client for the purposes of enabling SEI to open each account.

Client assets means Client Money or Securities held by SEI on behalf of the Client from time to time and in accordance with this agreement.

Client money means cash in any currency held by the Custodian on behalf of the Client from time to time in accordance with this agreement.

FCA means the Financial Conduct Authority of the United Kingdom and any successor to all or part of its functions.

FCA rules means the Handbook of Rules and Guidance.

Securities means securities, financial instruments and such other similar assets as the Custodian may from time to time accept into custody under this agreement and shall, where appropriate to the context, include certificates evidencing title to Securities.

Securities system means a generally recognised book-entry or other settlement system or clearing house or agency, acting as a Securities depository, or transfer agent, the use of which is customary for Securities settlement activities in the jurisdiction(s) in which the Custodian carries out its duties under these Terms and through which the Custodian may transfer, settle, clear, deposit, or maintain Securities whether in certificated or uncertificated form and shall include any services provided by any network service provider or carriers or settlement banks used by a Securities System.

1.2 Background

- 1.2.1 Fusion Wealth Limited ('Fusion Wealth'/ the 'Investment Service Provider') provides investment services to you, a Client; and has appointed SEI Investments (Europe) Limited ('SEI'/the 'Custodian') to provide dealing and custody services for this purpose, on the basis that SEI will be directly responsible to each Client for the custody services
- 1.2.2 These Terms set out the basis on which SEI agrees to provide custody services to Clients and constitute a separate legal agreement between SEI and each Client

1.3 Appointment

- 1.3.1 These Terms take effect between the Custodian and a particular Client from the point where the Custodian first receives Client Assets and/or Client Money to hold on behalf of that Client
- 1.3.2 These Terms will continue to apply in relation to a particular Client until terminated in accordance with section 1.19 Termination
- 1.3.3 The Custodian will act on instructions from Fusion Wealth, as agent for the Client, in providing its services under these Terms
- 1.3.4 Where the consent of the Client is required in order to provide certain services under these Terms, Fusion Wealth will explain the position to the Client and obtain the necessary consent. The Client will have provided Fusion Wealth with such consent when signing the Fusion Wealth Declaration agreeing to the Terms and Conditions of the Fusion Wealth Platform

1.4 Responsibilities of the Custodian

- 1.4.1 The Custodian will provide the following services (the 'Services'):
 - a. Holding all Client Assets or arranging for them to be held in safe custody
 - b. Collecting all distributions and other entitlements arising from Client Assets and accounting for them to the Client
 - c. Settling transactions to acquire or dispose of Client Assets on the instructions of Fusion Wealth and using funds provided for the purpose by the Client
 - d. Informing the Client or Fusion Wealth of Corporate Actions and other events affecting Client Assets
 - e. Holding money on behalf of the Client where required for the purpose of providing the above Services; and
 - f. Transferring all Client Assets and Client Money held on behalf of the Client to the Client or as the Client or Fusion Wealth may direct on termination of the appointment pursuant to this agreement
- 1.4.2 The Services will not include advising on or managing investments or executing transactions
- 1.4.3 The Custodian will use reasonable care and due diligence in providing the Services
- 1.4.4 The Custodian will comply with the FCA Rules that apply to it as holder of Client Assets and Client Money. Nothing in these Terms will override SEI's obligations under the FCA Rules
- 1.4.5 The Custodian will settle all transactions undertaken by it subject to the Custodian holding or receiving all necessary documents or funds and will do so on such basis as is good market practice for the type of Securities and market concerned and normally on the basis of 'delivery-versus-payment' ('DVP'). In respect of transactions that the Custodian settles for the Client on a DVP basis through a commercial settlement system the Custodian will use the DVP exemption in the FCA Rules excluding cash and Securities from Client Money and Client Assets respectively. In the event that the Custodian is not able to rely on the DVP exemption (for example because settlement has not occurred by the close of business on the third business day following payment or delivery by the Client), the Custodian will treat cash and Securities held for the Client in accordance with the FCA Rules. The Custodian's obligation to account for Securities will be conditional upon receipt by the Custodian of the relevant documents or sale proceeds

1.5 Responsibilities of the Client

- 1.5.1 The Client is responsible for ensuring that all of the Client Assets are, at all times when they are held in the custody or under the control of the Custodian, free from any rights in favour of any third-party (including but not limited to rights of security granted to a creditor or beneficial interests under a trust), except for:
 - a. Rights in favour of the Custodian or any third-party engaged by the Custodian under this agreement

- b. Rights of beneficiaries under an express trust that are notified to and acknowledged by the Custodian; and
 - c. Rights in favour of a third-party arising in the normal course of a transaction settled by the Custodian pursuant to this agreement
- 1.5.2 The Client will pay or will reimburse the Custodian for any liability to a third-party which the Custodian may suffer or incur as a result of a breach of these Terms by the Client, except if and to the extent that the relevant expenses or liabilities arise from any negligence or breach of duty or this agreement by the Custodian
- 1.5.3 The Client shall deliver to the Custodian or the Investment Service Provider any necessary documentation to ensure the timely processing of Securities transactions as the Custodian may reasonably require
- 1.5.4 The payment of cash or release or delivery of Securities shall be made upon receipt of instructions where relevant, and (i) in accordance with the customary or established practices and procedures in the relevant jurisdiction or market or (ii) in the case of a sale or purchase made through a Securities System, in accordance with the rule, regulation and conditions governing the operation of the Securities System
- 1.5.5 The Custodian and its sub-custodians shall not be obliged to accept Securities under these Terms which in the opinion of the Custodian are not in good deliverable form. The Custodian is not responsible for checking or otherwise responsible for the title or entitlement to, validity or genuineness, including good deliverable form, of any property or evidence of title to property received by the Custodian under this agreement

1.6 Holding and registration of investments

- 1.6.1 The Client authorises the Custodian to arrange for title to Client Assets to be registered or recorded in the name of: (i) the Client (ii) a nominee company controlled by the Custodian, an Affiliate of the Custodian, or a third-party with whom financial instruments are deposited as bare trustee for each Client, or (iii) the Custodian or one or more sub-custodians chosen by it, provided the Custodian or sub-custodian is prevented from registering or recording legal title as set out in (i) or (ii)
- 1.6.2 Client Assets may be held in omnibus accounts and be registered collectively in the same name for all Clients and therefore the individual entitlements of each Client may not be identifiable by separate certificates or other physical documents of title. If the Custodian or sub-custodian were to become insolvent, any shortfall in Securities so registered would be shared pro rata among all of the Custodian's Clients concerned
- 1.6.3 Where instructed to do so, or where the Custodian considers it in the best interests of the Client to do so, the Custodian may arrange for a third-party to provide custody and/or settlement services in relation to certain Client Assets. Where the third-party is an Affiliate of the Custodian, the Custodian will be responsible for the service provided by the third-party to the same extent as if the service had been provided by the Custodian itself
- 1.6.4 Where custody services are provided by a third-party which is not an Affiliate of the Custodian, the Custodian will exercise reasonable care and due diligence in selecting them and monitoring their performance, but does not guarantee proper performance by the third-party and will not itself be responsible if the third-party fails to meet its obligations. This means that if the third-party defaults or becomes insolvent, the Client may lose some or all their assets and will not necessarily be entitled to compensation from the Custodian. Including, in circumstances where it is not possible under the relevant national law and the registration under section 1.6.1 to identify the Client Assets from the proprietary assets of the third-party firm
- 1.6.5 Where the Custodian provides services in respect of Securities which are held by a third-party in, or which are subject to the law or market practice of, a country outside the United Kingdom, the settlement, legal and regulatory requirements in the relevant overseas jurisdiction may be different from those in the United Kingdom and there may be different practices for the separate identification of Securities
- 1.6.6 The Custodian is covered by the Financial Services Compensation Scheme (FSCS). The Client may be entitled to compensation from the scheme up to a maximum of £85,000 (or such other value covered from time to time by the FSCS) for investment claims if the Custodian cannot meet its obligations

Further information about compensation arrangements is available from the FSCS directly.

Website: www.fscs.org.uk

Telephone: 0800 678 1100

Address: Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

1.7 Right of lien sale, set off, and unclaimed Assets

- 1.7.1 The Client hereby grants the Custodian a security interest in and a lien on any Client Assets and Client Money to facilitate the clearing and settlement of transactions and for debts related to the provision of Services under this agreement. The Client further agrees to grant a security interest to third parties over Client Assets in order to recover debts where the debts relate to (i) the Client and (ii) the provision of service by that third-party to the Client
- 1.7.2 The Custodian may divest itself of unclaimed Client Assets in accordance with the requirements as set out in FCA Rules. Under the FCA Rules the Custodian may either (i) liquidate an unclaimed Client Asset it holds, at market value, and pay away the proceeds or (ii) pay away an unclaimed Client Asset it holds, in either case, to a registered charity of its choice provided it has held that Client Asset for at least 12 years and in the 12 years preceding the divestment of that Client Asset it has not received instructions relating to any Client Asset from or on behalf of the Client concerned; and it has taken reasonable steps to trace the Client concerned

1.8 Client Money

- 1.8.1 Subject to the following paragraphs, the Custodian will hold Client Money in one or more of its Client Money bank accounts with one or more deposit takers in accordance with the FCA Rules. The Custodian will pay credit interest to the Client on sterling balances in accordance with the rate of interest disclosed to the Client in the custody statement by the Custodian. The current interest rate formula used by the Client to calculate the rate of interest is also available on the Custodian's website: <https://www.seic.com/en-gb/important-information-notices>. The Custodian will not pay any credit interest on balances in any other currency. The Client acknowledges and agrees that where the rate of interest received by the Custodian is more than what is credited to the Client, the Custodian may retain such balance
- 1.8.2 The Custodian does not allow Client cash accounts to be overdrawn. Where overdrawn accounts occur the Custodian may at its discretion charge an overdraft rate at the appropriate Central Bank official interest rate
- 1.8.3 In the event of a charge being incurred by the Custodian for holding a cash balance (a negative interest rate) in its Client Money bank accounts, the Custodian reserves the right to pass such charges to the Client
- 1.8.4 The Custodian may hold Client Money with a third-party deposit taker in an *unbreakable time deposit account* up to the maximum allowed by the FCA Rules. Each Client's cash may be placed on a mix of terms – between instant access and unbreakable term deposit up to 90 days (or the maximum). The mix of terms will be balanced by the Custodian to deliver an appropriate combination of interest, diversification of risk and timely access to cash at the individual Client level. In the event that the Custodian places too much money on a time deposit it may take longer to return some cash to Clients
- 1.8.5 In the event of an insolvency of a third-party deposit taker, any shortfall in Client Money will be pooled with other Client money of the deposit taker and then distributed proportionately. Any subsequent shortfall may be covered by the Financial Services Compensation Scheme for bank deposits up to a value of £85,000 (or such other value covered from time to time by the FSCS), depending on the individual circumstances for each Client. (See FSCS contact information in section 1.6.6 above)
- 1.8.6 The Custodian will hold qualifying money market funds the Client or Fusion Wealth elects to purchase as safe custody assets and not as Client Money. As a result, the qualifying money market funds will not be held in accordance with the client money rules but instead in accordance with the custody rules as set out by the FCA
- 1.8.7 The Custodian may allow another person such as an exchange, a clearing house or an intermediate broker, to hold or control Client Money, but only where this is required for the purpose of a transaction for the Client through or with that person or to meet an obligation of the Client to provide collateral for a transaction. In the event of a shortfall following any default of such person, the Client may not receive their full entitlement and may share in that shortfall *pro rata*. Fusion Wealth will inform the Client and provide further details if this is to occur
- 1.8.8 The Custodian may arrange for Client Money to be held in a bank outside the United Kingdom. Where it does so, the rights of the Client in relation to that money will differ from those applicable under the United Kingdom regulatory regime
- 1.8.9 Where the Client has instructed the Custodian to pay charges to Fusion Wealth on the Client's behalf, the Custodian may use Client Money for this purpose
- 1.8.10 To the extent that an amount is due from the Client to the Custodian or a third-party provider under section 1.8 in connection with this agreement, the Custodian may use Client Money or Client Assets to pay that amount
- 1.8.11 In the event that the Custodian determines that there is a legal and/or regulatory requirement for it to rebate to a Client any commission received, then the rebate will become due and payable to the Client at such time as is determined by the Custodian in accordance with its internal procedures

- 1.8.12 Where the Custodian transfers any part of the custody services it provides to a Client to another appropriately authorised institution chosen by the Custodian, the Client authorises the Custodian to transfer any Client Money held for that Client to that appropriately authorised institution provided the transferee agrees to hold the Client Money in accordance with the FCA Rules
- 1.8.13 The Custodian may cease to treat any unclaimed balance allocated to an individual Client as Client Money in accordance with the requirements as set out in the FCA Rules. The Custodian may pay away to a registered charity of its choice a Client Money balance which is allocated to a Client and if it does so the released balance will cease to be Client Money provided the Custodian has held the balance concerned for at least six years following the last movement on the Client's account (disregarding any payment or receipt of interest, charges or similar items); and the Custodian has taken reasonable steps to trace the Client concerned to return the balance. Any such action taken by the Custodian does not stop the Client from making a claim in the future in accordance with the FCA Rules

1.9 Contractual Settlement

- 1.9.1 The Custodian may make available a provisional credit of settlement, maturity or redemption cash proceeds, or income and dividends on a Contractual Settlement basis or predetermined income basis, as the case may be ('Contractual Settlement'), in markets and for Securities deemed appropriate for that practice by the Custodian and agreed with the Client
- 1.9.2 Where Contractual Settlement is extended on a sale, redemption or maturity event, the corresponding Securities shall be debited from the Securities account and held by the Custodian or sub-custodian pending settlement. Securities purchased will not be available for use until actual settlement
- 1.9.3 The Custodian reserves the right to reverse any such credit at any time before actual receipt of the item associated with the credit when the Custodian determines in its reasonable judgement that actual receipt may not be received for that item. Where it is possible the Custodian will give advance notice of the reversal (but it shall not be obliged to do so where the Custodian determines it needs to act sooner or where the Custodian's ability to recover may be compromised). Where there is any requirement of reversal of previously advanced cash the Custodian may charge the appropriate Client Money account for the expense of providing funds associated with the advance pursuant to section 1.8 of these Terms
- 1.9.4 Any provisional credits provided under these Terms shall be considered as cash advance for the purposes of section 1.8 of these Terms to the extent they cannot be reversed in accordance the preceding clauses

1.10 Conflicts of Interest Policy

- 1.10.1 The Custodian has adopted a formal policy with a view to ensuring that in any situation in which its interests conflict with those of Clients and/or Fusion Wealth, all parties receive fair treatment. A summary of that policy is available upon request

1.11 Custody fees

- 1.11.1 The Client will not have to pay any fees to the Custodian for the provision of the Services provided the Client continues to use the Services via Fusion Wealth. The Custodian will receive fees and be reimbursed for expenses as agreed between the Custodian and Fusion Wealth

1.12 Reporting and valuation/pricing

- 1.12.1 The Custodian will provide each Client with periodic statements of their Client Assets and Client Money held by SEI at least once per quarter in accordance with the FCA Rules
- 1.12.2 To the extent that the Custodian provides values of, and pricing information in relation to, Securities, the Custodian may use generally recognised pricing services including brokers, dealers, market makers and Fusion Wealth. The Custodian shall not be liable for, and makes no assurance or warranties in relation to, the accuracy or completeness of such value or information

1.13 Limits on liability

- 1.13.1 Neither the Custodian nor the Client will be liable to the other under or in connection with these Terms for any
- a. Loss of profit
 - b. Loss of revenue, loss of production or loss of business (in each case whether direct, indirect or losses that are not directly associated)
 - c. Loss of goodwill, loss of reputation or loss of opportunity; or
 - d. Loss of anticipated savings or loss of margin

- 1.13.2 The Custodian and the Client will only be liable for costs which are incurred as a direct consequence of the event which led to the other making a claim under these Terms
- 1.13.3 The Custodian will not be liable to the Client for any inaccurate, misleading or unfair information issued or produced by Fund Managers under these Terms
- 1.13.4 Nothing in these Terms will exclude or limit a party's liability that
- a. SEI or the Client may incur to the other in respect of death, personal injury, fraud, under the FCA Rules or any other kind of liability that by law cannot be excluded
or in the case of;
 - b. Any failure by the Custodian or an Affiliate to account for assets or cash to the person entitled to them under these Terms or otherwise to comply with its obligations under the FCA Rules, unless any such failure by the Custodian or an Affiliate is the result of the acts or omissions of Client or Fusion Wealth
- 1.13.5 Each of the Custodian and the Client will take reasonable steps to mitigate any loss for which the other may be liable under these Terms
- 1.13.6 Neither the Custodian nor the Client will be liable under or in connection with these Terms for any breach of these Terms resulting from any reason or circumstances beyond the reasonable control of the Custodian or, as the case may be, the Client

1.14 Data protection and confidentiality

- 1.14.1 In order to provide the Services, the Custodian may store, use or process personal information about the Client that is provided to it from the Client and/or the Investment Service Provider in accordance with and subject to the Data Protection Legislation. The Custodian collects and uses the personal information because it has contractual, legal and regulatory obligations it has to discharge. Further information about the personal information the Custodian collects and uses is set out within the Custodian's privacy notice available on its website: www.seic.com/enUK/about.htm
- 1.14.2 Any information about the Client that the Custodian has access to that is of a confidential nature shall be treated as such, provided that it is not already in the public domain. The confidential information will only be used as necessary for the provision of the Services. The Custodian may also disclose the information about the Client to third parties (including its Affiliates) in the following circumstances:
- a. If required by law or if requested by any regulatory authority
 - b. To investigate or prevent any illegal activity
 - c. In connection with the provision of the Services; or
 - d. At the Client's request or consent
- 1.14.3 By entering into these Terms, the Client acknowledges and agrees that the Custodian is allowed to send personal information about the Client internationally including to countries outside the European Economic Area (EEA) such as the United States of America. Where transfers outside the EEA are made, the Custodian will always take steps to ensure that information about each Client is protected in a manner that is consistent with how personal information will be protected in the EEA. Any such transfers outside the EEA will be made in accordance with the Data Protection Legislation

1.15 Disputes

- 1.15.1 If the Client has any questions or comments in relation to the Services, these should be raised in the first instance with Fusion Wealth. If the Client wishes to make a formal complaint about the Services this should be sent to Fusion Wealth marked for the attention of SEI or directly sent to SEI at the following address:

The Compliance Officer
SEI Investments (Europe) Limited
PO Box 73147
London
EC2P 2PZ

- 1.15.2 If SEI does not deal with the Client's complaint about the Services to their satisfaction, the Client may be able to refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

- 1.15.3 Subject to the above, any dispute or difference arising out of or in connection with these Terms or the provision of the Services will be subject to the jurisdiction of the English courts

1.16 Regulatory information

- 1.16.1 1SEI is authorised and regulated by the Financial Conduct Authority ('FCA') and entered on the FCA's register with number 191713. The FCA's address is:

12 Endeavour Square
London
E20 1JN

- 1.16.2 SEI will treat each Client as a retail client under the FCA Rules, giving them the greatest level of protection under the FCA Rules

- 1.16.3 SEI's contact details are:

SEI Investments (Europe) Ltd
P.O. Box 73147
London
EC2P 2PZ

1.17 Law and language

- 1.17.1 These Terms are governed by and shall be construed in accordance with the laws of England

- 1.17.2 All communications from SEI to the Client under these Terms will be in English

1.18 Variation

- 1.18.1 The Custodian may change these Terms by giving the Client at least 60 days' written notice, unless shorter notice is required in order to comply with the FCA Rules. This would be for reasons such as:

- a. To take account of changes in legal, tax or regulatory requirements
- b. To fix any errors, inaccuracies or ambiguities we may discover in the future
- c. To make these Terms clearer; and/or
- d. To provide for the introduction of new or improved systems, methods of operation, services or facilities

- 1.18.2 If the Client does not agree with any change that the Custodian proposes to make, the Client should inform the Custodian by communicating its concerns with Fusion Wealth

1.19 Termination

- 1.19.1 The Custodian may terminate these Terms at any time by giving the Client 60 days' written notice (subject to applicable law and regulatory requirements). There is no minimum duration of these Terms

- 1.19.2 The Custodian may also terminate these Terms with immediate effect by written notice if required to do so for legal or regulatory reasons or on instructions from Fusion Wealth

- 1.19.3 On termination, Fusion Wealth will instruct the Custodian where to transfer the Client Assets and Client Money. If Fusion Wealth does not do so promptly, or if Fusion Wealth no longer represents the Client, then the Client will on request give the relevant instruction. The Custodian will transfer Client Assets and Client Money in accordance with the relevant instruction or, if it is unable to obtain instructions, it will transfer them to the Client. These Terms will continue to apply until such transfer of the Client Assets and Client Money is complete

- 1.19.4 The Client can withdraw the Client Assets and Client Money from the Client at any time

2. Your relationship with SEI – FAQs

2.1 General information

What is SEI's relationship with Fusion Wealth and you?

Fusion Wealth has entered into an agreement with SEI whereby Fusion Wealth has arranged for SEI to provide safe custody, administration and other associated services for Fusion Wealth clients. Fusion Wealth entered the agreement as your agent and so there is a direct relationship between you and SEI which is governed by the enclosed Custody Terms.

Upon entering into the Fusion Wealth End Client Agreement, by signing the **Fusion Wealth Declaration**, you are legally bound by the Custody Terms and become a client of SEI in relation to the services provided under those Terms. SEI will be responsible for complying with the regulatory requirements relating to the Custody Terms and will treat you as a retail client giving you the highest level of regulatory protection available. Fusion Wealth will retain regulatory responsibility for all other aspects of the services provided to you including the provision of Discretionary Fund Management and the execution of any trades carried out on your behalf.

How is SEI regulated?

SEI is authorised and regulated by the Financial Conduct Authority ('FCA'). SEI's Firm Reference Number is 191713. You can find more detailed information on 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 E20 1JN. Further contact details for the FCA can be found at www.fca.org.uk.

Will SEI communicate with you directly?

Unless SEI is obligated to do otherwise by the FCA, all of SEI's communications with you will be through Fusion Wealth. All communications will be in English.

Will you receive statements from SEI?

As your Custodian SEI is obligated to provide you with a periodic Custody Statement of the investments and money that SEI holds for you. SEI will provide this at least once a quarter either as part of the Valuation Statement provided by Fusion Wealth or as a standalone Custody Statement.

If you have opted to receive your Valuation Statements in electronic format, SEI will facilitate the provision of an electronic Valuation Statement via Fusion Wealth who will be able to provide more detail on how this will be made available to you upon request. In these circumstances, SEI will not provide you with an additional paper copy.

What fees does SEI charge for the services that it provides to you?

The services provided to you by SEI are part of a broader suite of services provided to Fusion Wealth and SEI receives a bundled fee from Fusion Wealth directly in relation to these services. Fusion Wealth may charge you a fee which incorporates the services provided by SEI.

Please note that SEI may retain some of the interest earned in Client Money bank accounts and may charge you for overdrafts on your account(s) should they occur. See section 1.8 above for further details on when this may occur.

2.2 Client Money

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. These rules require SEI to hold your money in 'Client Money' Bank accounts which are established with statutory trust status. This means that money held within the accounts is recognised by the Bank as belonging to clients of SEI rather than SEI itself. In this way SEI holds your money as a trustee.

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 Clients and not SEI.

How does SEI choose where it holds your money?

You will deposit money into SEI's UK Client Money bank accounts. This money may be subsequently deposited into Client Money bank accounts at a range of other banks chosen by SEI. The spreading of Client Money across a number of banks is designed to help reduce the risk of Client Money being lost in the event of any one bank failing.

SEI may deposit Client Money in a bank outside of the UK, in Europe or the United States, where deemed prudent to do so. In such circumstances, it is important to note that such banks will be subject to a different legal and regulatory regime from that of UK banks and the rights and protections afforded to you under the FCA Rules will not be available to you. For example, the Client Money 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 is responsible for exercising reasonable care and due diligence in the initial selection and on-going monitoring of all banks where Client Money is deposited with the security of Client Money being SEI's primary consideration. However, SEI will not be responsible for any acts, omissions or failure of the banks.

SEI may place a portion of Client Money in the Client Money pool into unbreakable time deposits at a third-party deposit taker, in line with the FCA's Client Money rules. Client Money may be placed in a mix of terms, between instant access and unbreakable term deposits up to the maximum allowed by the FCA Rules. The mix of terms will be balanced by SEI to deliver an appropriate combination of interest, diversification of risk and timely access to cash at the individual Client level. In the unlikely event that SEI places too much money on a time deposit it may take longer to return some cash.

A list of the Banks that SEI uses to hold Client Money is available on request.

What protections are in place for the Client Money bank accounts in the event of the failure of a UK bank?

If any of the UK Banks chosen by SEI fail and cannot return your money, you may be eligible to claim compensation under the Financial Services Compensation Scheme ('FSCS') depending on your individual circumstances. The current compensation limit is £85,000 per eligible claimant, per bank, and the limit covers all money held with the bank whether through SEI or directly. Full details of the arrangements under the FSCS are available on their website at www.fscs.org.uk.

It is important to note that if one of the Banks fails, your money will be pooled with money held in Client Money bank accounts for other SEI Clients and you will have a claim against the common pool of money rather than a claim against a specific sum in a specific account. As a result, any shortfall in the Client Money bank accounts will be shared pro-rata between all SEI Clients (whose money is held by SEI).

Does SEI have any rights in relation to your money?

In the event that you owe a debt to SEI in relation to services SEI has provided under the Custody Terms, SEI may use any of the money held for you to pay off or reduce that debt.

Can SEI pay fees that you owe to Fusion Wealth from a Client Money bank account?

Under the Custody Terms, you have permitted SEI to collect and pay fees that you owe to Fusion Wealth from money held for you in a Client Money bank account.

What happens to unclaimed Client Money

Where SEI has held your Client Money for 6 years, following the last movement on your account (not including any applicable interest payment, fee collection or similar) and Fusion Wealth or SEI has been unable to trace and contact you, to pay you this money, over that time, SEI is able to treat this balance as unclaimed Client Money. This means SEI will cease treating the amount as Client Money and is able to pay the balance away to a registered charity of SEI's choice.

In accordance with FCA Rules, SEI will retain a record of this action, which does not stop you from claiming this balance from SEI even after it has been paid away.

What is Contractual Settlement?

Contractual Settlement is a tool that facilitates cash and liquidity management for the investor. SEI will move money 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 your Adviser will be notified by Fusion Wealth.

2.3 Custody

Where are your Assets held?

SEI is responsible for holding the Assets within your Fusion Wealth account in safe custody. Your Assets are held in the name of SEI Global Nominee Ltd on behalf of you as a Client of SEI and Fusion Wealth.

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

SEI Global Nominee Ltd is used to assist in ensuring all Client Assets are segregated from the assets of SEI. SEI Global Nominee Ltd is a Nominee Company which is used by SEI as it has no material liabilities and is a separate entity from SEI. Therefore, your Assets would not be available to an administrator or liquidator of SEI, or its parent company, SEI Investments Company, in the event that bankruptcy proceedings against SEI should ever occur.

Are there any other Custodians holding your Assets?

SEI may use a number of third-party custodians (also known as sub-custodians) to administer and hold some of your Assets.

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

In certain circumstances, SEI may select a sub-custodian outside of the UK where deemed prudent to do so. 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 the rights and protections afforded to you under the FCA Rules may not be available to you. 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 sub-custodian.

How does SEI protect your 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 procedures in place designed to meet the following obligations:

- a. Records and accounts are kept as necessary to enable SEI to distinguish Assets held for one Client from the Assets held for any other Client and from SEI's own assets; and
- b. Reconciliations are made to SEI's own internal accounts and records and those of any sub-custodians with whom your Assets are held

All Client Assets will be held in omnibus accounts by SEI Global Nominee Ltd. This means that SEI Global Nominee Ltd 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 Global Nominee Ltd or a sub-custodian, you may not receive your full entitlement and may share any losses pro-rata with other Clients.

What happens to unclaimed custody Assets?

Under FCA Rules, where SEI has custodied an asset for you for over 12 years, and in that time you have not sent any instruction to Fusion Wealth or SEI with respect to that asset and Fusion Wealth or SEI has been unable to trace and contact you about the holding, SEI is able to liquidate the holding 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.

In accordance with FCA Rules, SEI will retain a record of this action, which does not stop you from claiming a sum equal to the value of the holding at the time it was paid away/gifted.

What compensation is available to you in the event of the failure of SEI in its role as Custodian?

In the event that SEI is unable to meet any of its liabilities, compensation may be available to you under the Financial Services Compensation Scheme ('FSCS'). The current compensation limit in relation to investment business is £85,000 per eligible claimant. Full details of the arrangements under the FSCS are available as outlined above.

2.4 Conflicts of interest

How does SEI identify conflicts of interest?

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

- a. Is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- b. 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
- c. 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
- d. Carries on the same business as its client(s); or

- e. Receives or will receive from a person other than its client(s), an inducement in relation to a service provided to its the client(s), in the form of monies, goods or services, other than the standard commission or fee for that service

How does SEI manage conflicts of interest?

SEI is obligated to manage conflicts of interest fairly, both between itself and its clients and between one client or group of clients and another client or group of clients. SEI has both a Conflicts of Interest Policy and other Compliance Policies intended to operate, monitor and maintain effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest.

What happens if SEI is unable to manage conflicts of interest through usual procedures?

Whilst SEI makes every effort to ensure that all reasonable steps are taken to prevent conflicts of interest, in certain situations, a conflict may arise. If SEI is unable to manage conflicts through its Compliance Policies SEI may disclose the nature and/or source of conflicts of interest with and between its clients or may refuse to enter, or be forced to terminate, a relationship.

Further information regarding SEI's Conflicts of Interest Policy is available upon request.

Important information: Fusion Wealth Limited is authorised and regulated by the Financial Conduct Authority; the registration number is 541404. Registered office: Broadlands Business Campus, Langhurst Wood Road, Horsham, West Sussex, England, RH12 4QP. Registered in England and Wales No 07469060.