

Income Series

# FTSE 100 EW45 CONDITIONAL MEMORY AUTOCALL



**Issue 25**  
**Closes 16<sup>th</sup>**  
**October 2024**

Public Offer.

Opportunity for quarterly income payments, depending on the performance of the FTSE 100 Equally Weighted 45 Point Decrement Index.

Maximum 10 year term (but your investment could mature early, on quarterly dates from 19<sup>th</sup> October 2026).

Issued by Citigroup Global Markets Funding Luxembourg S.C.A.

Capital is not protected, and you may lose some or all of your investment.

## ABOUT HILBERT INVESTMENT SOLUTIONS

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Our goal is to provide investors with relevant and innovative solutions, drawing inspiration from our research to design products that are forward thinking. We also aim to explain these products clearly to potential investors, being fully transparent about how our products work and the risks associated with investing.

We are responsible for the design, marketing and administration of your investment in the Plan. Citigroup will issue the securities that provide the return for your Plan. Both are highly experienced at providing investment services for individuals in the UK and France.



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## LONDON

Established in Paris in 2012, we have already built a solid reputation for developing and distributing structured investment solutions for a wide range of clients, from individuals to institutional investors.



## PARIS

From our offices in London and Paris, our highly experienced team look to offer products that are designed with specific investment needs in mind.

## PLAN SUMMARY

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<b>INVESTMENT TERM</b>	Up to 10 years. However, the Plan will mature early from 19 <sup>th</sup> October 2026 if certain criteria are met (see “Early Maturity” below).
<b>UNDERLYING ASSETS</b>	The FTSE 100 Equally Weighted 45 Point Decrement Index.
<b>COUNTERPARTY</b>	Citigroup Global Markets Funding Luxembourg S.C.A. ('Citigroup')
<b>ADMINISTRATOR AND CUSTODIAN</b>	Hilbert Investment Solutions.
<b>INCOME</b>	You will receive an income payment of 1.87% for each Quarterly Measurement Date that the Closing Level of the Underlying Asset is at least equal to 80% of its Opening Level. The income is paid gross. If the Closing Level of the Underlying Asset is below 80% of its Opening Level on a Quarterly Measurement Date, no income will be paid for that quarter. However the Memory Feature means that any missed income payments are carried forward to future Quarterly Observation Dates together with the income payment due for that quarter. Once the Plan has matured, no further income will be paid.
<b>EARLY MATURITY</b>	The Plan will mature early if the Closing Level of the Underlying Asset is at least equal to 100% of its Opening Level on any Quarterly Measurement Date from 19 <sup>th</sup> October 2026. If this happens, you will receive the income payment for that quarter, and the repayment of your original investment in full at this point.
<b>REPAYMENT OF YOUR INVESTMENT IF NO EARLY MATURITY</b>	If the Final Level of the Underlying Asset is more than 50% below its Opening Level, you will receive back significantly less than your original investment. The amount of your investment you receive back will be reduced by the same percentage amount that the Underlying Asset has fallen in value from the Start Date.
<b>EXPECTED TAX TREATMENT</b>	Income Tax
<b>OUR FEE</b>	We will receive a one-off distribution fee of 2.5% on average. This is to cover our costs for marketing the Plan. No part of this fee is used to pay a financial adviser.

## KEY DATES

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<b>INVESTMENT DEADLINES</b>	<ul style="list-style-type: none"> <li>• If you are transferring an existing ISA: 10<sup>th</sup> October 2024</li> <li>• If you are paying by bank transfer: 16<sup>th</sup> October 2024</li> </ul>
<b>START DATE</b>	17 <sup>th</sup> October 2024. This is the date that the Opening Level of the Underlying Asset is recorded (the official index closing level).
<b>MATURITY DATE</b>	31 <sup>st</sup> October 2034 (10 Business Days immediately following the Final Valuation Date, which is the date the Final Level of the Underlying Assets are recorded).
<b>QUARTERLY MEASUREMENT DATES</b>	The first Quarterly Measurement Date will be on 17 <sup>th</sup> January 2025. After that, the Quarterly Measurement Dates will be the 17 <sup>th</sup> of April, July, October, and January up to the Final Valuation Date. If a Quarterly Measurement Date falls on a non-Business Day, then the Closing Level of the Underlying Asset will be recorded on the next business day. The first Quarterly Measurement Date on which an early maturity could be triggered will be on 19 <sup>th</sup> October 2026.

Please note that the payment of income from your investment is made by Hilbert Investment Solutions approximately 15 Business Days after the relevant Quarterly Measurement Date.

## IMPORTANT INFORMATION

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- We have designed this Plan for a specific type of investor, who has the investment needs as described on page 8. To be absolutely certain that this Plan is right for you, you should talk to a financial adviser. Hilbert Investment Solutions does not provide financial advice.
  - Any information on tax included in this document is based on our current understanding of tax rates, legislation, regulations and practice, which could change at any time (with any changes being applied retrospectively). We do not offer guidance on tax issues, you should therefore conduct your own independent investigation of the tax treatment as appropriate.
  - This brochure has been approved and issued by Hilbert Investment Solutions as a financial promotion, subject to Section 21 of the Financial Services and Markets Act 2000 ('FSMA'). It is for information only, and does not constitute investment, legal or tax advice.
  - All capitalised terms are as defined in the Plan Summary on page 3.
- You should make sure you read and understand this document in full and in conjunction with the Key Information Document (KID) prepared by the Issuer; Citigroup Global Markets Funding Luxembourg S.C.A. Please read both documents before deciding to invest and then keep them in a safe place for future reference.

# ABOUT THE CUSTODIAN & THE COUNTERPARTY

## Custodian

Hilbert Investment Solutions has a number of custodian relationships including the The Bank of New York Mellon, unless alternative custodial arrangements are agreed, your Securities will be held collectively in an account with our custodian and, although the amount of Securities that you hold will be recorded and separately identified by the Plan Manager, your holding may not be identifiable by separate documents or certificates of title. Therefore, in the event of default, any shortfall in the Securities may be shared pro rata among all investors in the Plan whose Securities are held with our custodian.

## Counterparty

We are able to potentially deliver you the Income and repayment of investment described in this document by investing your capital in securities issued by Citigroup, acting through its Luxembourg entity Citigroup Global Markets Funding Luxembourg S.C.A. ("CGMFL").

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

## Long-term credit ratings for Citigroup

Credit ratings and outlooks are subject to change at any time. For the latest credit ratings, please visit <https://www.citigroup.com/citi/investor/rate.htm>

Citigroup is a publicly traded company, with shares listed in New York. More information on the company can be found at [www.citigroup.com](http://www.citigroup.com) The payment and delivery of all amounts due in respect of the Notes issued by CGMFL will be unconditionally and irrevocably guaranteed by Citigroup Global Markets Limited ("CGML").

Citigroup has not prepared this document and therefore accepts no responsibility for its contents, nor any liability for any losses in connection with the information contained herein.

RATING AGENCY	FITCH	STANDARD & POOR'S
Rating	A+	A+
Date rating issued	22 April 2020	22 April 2020
Outlook	Stable	Stable
Date outlook effective	12 May 2021	16 December 2021

The Credit Ratings/Outlooks of the Counterparty provided in this Brochure are correct at the time of publication (3<sup>rd</sup> September 2024). The Credit Ratings/Outlooks assigned to the Counterparty can change at any time.

## What are credit ratings, and what do they mean?

Credit ratings can be a useful tool to help you assess the risk of a company defaulting on its obligations to you. They are assigned by independent ratings agencies and are reviewed regularly. They reflect the agencies assessment on how likely a company is able to pay its debts.

Ratings range from AAA (the highest, and assigned to companies that are considered to be at very low risk of defaulting on their debts) to D (the lowest, and assigned to companies that are in default). A company is considered to be 'investment grade' if it has a rating ranging from AAA to BBB-, and 'non-investment grade' if it has a rating below this.



# HOW DOES THE PLAN WORK?

## Potential for quarterly income

Any income payments due to you from the Plan are linked to the FTSE 100 Equally Weighted 45 Point Decrement Index (The 'Underlying Asset').

On each Quarterly Measurement Date, we will compare the Closing Level of the Underlying Asset at that time with the Opening Level:

- If the Closing Level of the Underlying Asset is at least equal to 80% of its Opening Level, you will be paid a gross income of 1.87% for that quarter.
- If the Closing Level of the Underlying Asset is below 80% of its Opening Level, you will receive no income for that quarter.
- If any income payments are missed they are carried forward, e.g. if an income payment is missed in a quarter, (but the Underlying Asset is equal to or above 80% of its Opening Level on the next Quarterly Observation Date), an income payment of 3.74% will be made (1.87% carried forward from the previous quarter + 1.87% in the current quarter).

## The early maturity feature

The Plan includes an early maturity feature, meaning that it could mature as early as 19<sup>th</sup> October 2026, or on any Quarterly Measurement Date from that point.

The Plan will mature early if the Closing Level of the Underlying Asset is at least equal to 100% of its Opening Level on one of the Quarterly Measurement Dates. If this happens, you will receive the income for that quarter and the repayment of your original investment in full at this point.

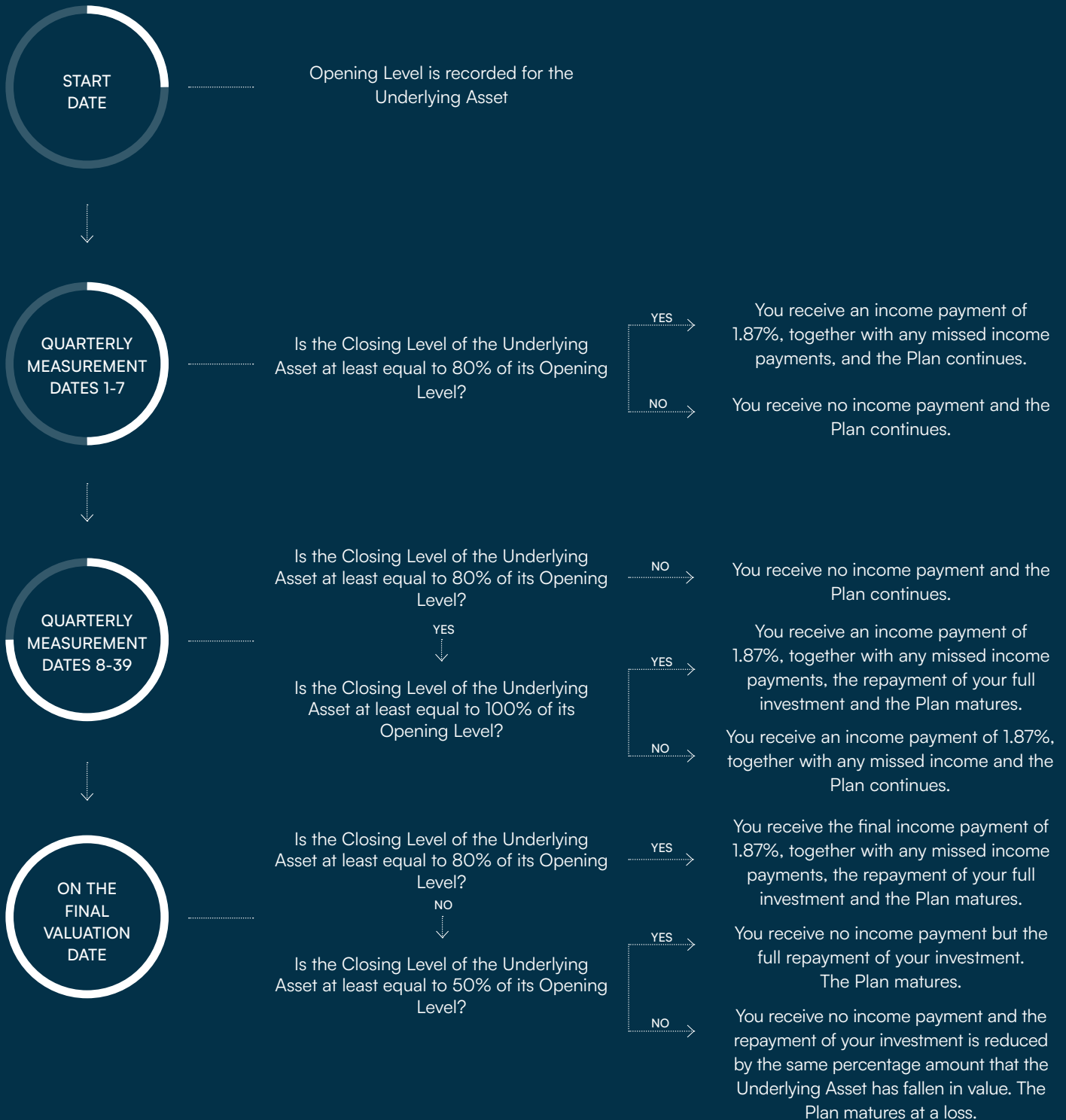
You will not have the option to remain invested in the Plan if this happens, and you will receive no further income from this point.

## The repayment of your investment if no early maturity occurs

If the Plan continues for the full 10 year Investment Term, there is the risk that you receive back less than your original investment. On the Final Valuation Date, the Closing Level of the Underlying Asset is recorded (the 'Final Level') and this is compared to its Opening Level:

- If the Final Level of the Underlying Asset is at least equal to 80% of its Opening Level, you will receive the final income payment of 1.87% together with any missed income payments, and be repaid your original investment in full.
- If the Final Level of the Underlying Asset is below 80% of its Opening Level, but at least equal to 50% of its Opening Level, you will receive no income payment, but will be repaid your original investment in full.
- If the Final Level of the Underlying Asset is below 50% of its Opening Level, you will make a loss. You will receive no income payment and the repayment of your investment will be reduced by the same percentage amount that the Underlying Asset has fallen in value from its Opening Level to its Final Level. For example, if you had invested £10,000 into the Plan and the Underlying Asset had fallen by 51%, the repayment of your investment would be reduced by 51%, to £4,900.

# HOW DOES THE PLAN WORK?



## WHO HAS THIS PLAN BEEN DESIGNED FOR?

This Plan has been designed for investors with specific investment needs. The below diagram should help you determine whether an investment in the Plan will help you to meet your investment needs. Please note that this information has been provided to you for information only, and Hilbert Investment Solutions do not provide investment advice. You are strongly encouraged to speak to a financial adviser who will assess the suitability of this Plan for your investment needs in more detail.



**This Plan might be suitable for your needs**

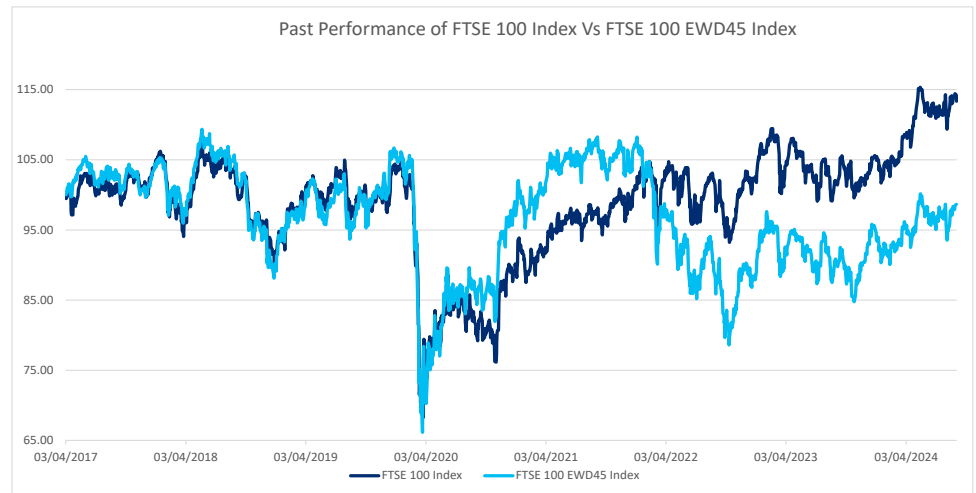
\* provided that you accept the income payments are not guaranteed and that you may lose some or all of your investment.

## THE UNDERLYING ASSET

The chart shows the performance of the Underlying Asset from 3<sup>rd</sup> April 2017 to 3<sup>rd</sup> September 2024.

Source: Hilbert Investment Solutions, 3<sup>rd</sup> September 2024. Past performance is not a reliable indicator of future performance. Light blue represents FTSE 100 Equally Weighted 45 Point Decrement Index, Dark blue represents FTSE 100 Index.

To find the current level of the FTSE 100 Equally Weighted 45 Point Decrement Index, please visit the ft.com website: <https://www.ftserussell.com/products/indices/decrement>



### What is the FTSE 100 Equally Weighted 45 Point Decrement Index?

The FTSE 100 Equally Weighted 45 Point Decrement Index is a share index that was launched in March 2022, and is calculated and published by FTSE Russell, a global index provider responsible for the FTSE range of indices (including the FTSE 100 Index).

It comprised of the same 100 largest companies as the FTSE 100 which is a Price Return Index that excludes all dividends. The FTSE 100 Equally Weighted 45 Point Decrement Index however reinvests 100% of dividends paid by the companies and removes an annual fixed dividend of 45 points allowing the counterparty to reduce the costs and uncertainty of hedging future dividends, in turn leading to products with improved terms compared to a comparable product referencing the FTSE 100.

Unlike the FTSE 100 Index where components are weighted according to their market capitalisation, the FTSE 100 Equally Weighted 45 Point Decrement Index applies the same weight to all of its constituent companies. Thus, each stock represents 1% of the total weight of the Index on each quarterly rebalancing date.

### What is an 'equal weight' index?

The FTSE 100 Index weights each of its 100 constituent companies according to its size (market capitalisation) meaning exposure is concentrated to a few of its largest companies. As an example, the top 3 companies from the FTSE 100 Index may account for a larger percentage of the total weight Index, Company A may account for 5% of the Index, Company B 4.5% and Company C 4% with the other constituents making up the rest to total 100%.

In comparison, the FTSE 100 Equally Weighted 45 Point

Decrement Index applies the same weight to all of its constituent companies, meaning each one of the same 100 companies represent 1% of the FTSE 100 Equally Weighted 45 Point Decrement Index. Therefore, the same top 3 companies of the FTSE 100 Index represent 1% each of the total weight of the FTSE 100 Equally Weighted 45 Point Decrement Index, or 3% of the Index in total.

### What is meant by 'fixed dividend'?

The FTSE 100 Index is a 'price return index' meaning it is based purely on the performance of the constituent companies share price excluding all dividends paid by those companies. The FTSE 100 Equally Weighted 45 Point Decrement Index however, re-invests all dividends paid by the constituent companies and then makes a fractional point deduction to the Index level on a daily basis, equivalent to the removal of an annual fixed dividend of 45 Index points.

This 45 point deduction helps the Plan achieve the higher returns offered compared to a comparable product referencing the FTSE 100, however it's impact will vary on the Plan depending on the performance of the index.

For example, if the Initial Index Level is 900, the 45 points fixed dividend, in percentage terms, is equivalent to 5%.

- If the Index were to rise 25% in value to 1125, the same 45 points would now be equivalent to 4% of the Index level.
- If the Index were to fall 25% in value to 675, the same 45 points would now be equivalent to 6.7% of the Index level.

# EXPECTED RETURNS IN DIFFERENT SCENARIOS

If you are considering investing in the Plan, it is important to carefully consider the likelihood of making a loss. The following examples show you what return and repayment of your investment you might expect in different scenarios, depending on the performance of the Underlying Asset. *These scenarios are provided for information only, and each scenario does not have an equal likelihood of occurring. You should assess this information in the context of what you expect will happen to the FTSE 100 Equally Weighted 45 Point Decrement Index over the next 10 years. For the purpose of this analysis, we have ignored the possibility of loss arising from counterparty failure, which is described in more detail on page 11.*

## Scenario 1: The Underlying Asset performs well.

In this scenario, the Underlying Asset would be expected to rise in value. This means that it is very likely that the Underlying Asset would be above the level required for income to be paid and for the Plan to mature early. Because it is very likely that the Plan will mature early, you are unlikely to benefit from receiving the income payments for the full 10 years (as they are only paid to you up to the point where the Plan matures), however it is very likely that you will receive most, if not all, of the income payments up until the point that the Plan matures.

### How likely is it that....

The Plan will mature early?	<b>VERY LIKELY</b>
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You will receive most, if not all, of the income payments up to the point the Plan matures?	<b>VERY LIKELY</b>
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You will receive most, if not all, of the income payments for the full 10 years?	<b>VERY UNLIKELY</b>
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You will make a loss when the Plan matures?	<b>VERY UNLIKELY</b>
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## Scenario 2: The Underlying Asset falls in value slightly, or remains around the same level.

In this scenario, the Underlying Asset would be expected to not change much in value over the longer term, although its value might rise and fall at different points during the Investment Term. At certain points it might be below its Opening Level, while at others it might be above the Opening Level. This means that, at some point during the Investment Term, the Underlying asset may be above 100% of its Opening Level, meaning the Plan may mature early. In addition, because the Underlying Asset is only falling slightly in value, it is likely to be above 80% of its Opening Level on most of the Quarterly Measurement Dates, meaning that you should receive most of the income payments. Because the Plan may mature early, you are unlikely to benefit from receiving the income payments for the full 10 years.

### How likely is it that....

The Plan will mature early?	<b>NEITHER LIKELY NOR UNLIKELY</b>
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You will receive most, if not all, of the income payments up to the point the Plan matures?	<b>LIKELY</b>
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You will receive most, if not all, of the income payments for the full 10 years?	<b>UNLIKELY</b>
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You will make a loss when the Plan matures?	<b>UNLIKELY</b>
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## Scenario 3: The Underlying Asset performs poorly.

In this scenario, the Underlying Asset would be expected to fall in value, perhaps significantly. It is therefore unlikely that the closing level of the Underlying Asset will be above 100% of its Opening Level at any point during the term, meaning that the Plan is unlikely to mature early. There is also a greater risk that the closing level of the Underlying Asset will be below 80% of its Opening Level on the Quarterly Maturity Dates, meaning you are less likely to receive most, if any, of the income payments.

Because it is more likely that the Plan will continue for the full 10 year Investment Term, and more likely that the Underlying Asset will fall in value significantly (i.e. where its Final Level is more than 50% below their Opening Level), it is likely that you will lose some or all of your investment in this scenario.

### How likely is it that....

The Plan will mature early?	<b>VERY UNLIKELY</b>
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You will receive most, if not all, of the income payments up to the point the Plan matures?	<b>VERY UNLIKELY</b>
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You will receive most, if not all, of the income payments for the full 10 years?	<b>VERY UNLIKELY</b>
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You will make a loss when the Plan matures?	<b>MORE THAN LIKELY</b>
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# UNDERSTANDING THE RISKS

As with any investment product, there are risks associated with this Plan that you should accept and understand before investing. If you do not understand these risks, you should ask your financial adviser for more information.

## Counterparty risk

By investing in this Plan, your subscription proceeds will be used to purchase securities issued by Citigroup, which are designed to provide the returns as described in this brochure. There is the risk that Citigroup enters financial difficulties or becomes insolvent and, as a result, fails to make the payments to you as described. If this happens, you are likely to lose most, if not all of your investment and any outstanding income payments.

The Plan is not the same as a deposit account. You will not be able to claim compensation from the Financial Services Compensation Scheme or any other organisation if Citigroup were to fail to make the payments due to you.

## Market risks

The income payments and repayment of your investment depend on the performance of the Underlying Asset. There is no guarantee that you will receive the income payments, or that you will be repaid your investment in full when the Plan matures. The income payments and repayment of your investment depend on the performance of the Underlying Asset only. There is a limit to the amount of income you can receive from investing in the Plan. Even if the Underlying Asset increased in value significantly, you cannot receive more than the income on offer.

The performance of the Underlying Asset depends on the Closing Level recorded on set dates only (the Start Date, the Quarterly Measurement Dates, the Annual Measurement Dates and the Final Valuation Date). Large changes in the value of the Underlying Asset on these dates could impact the return you receive significantly.

The Opening Level of the Underlying Asset

is set on the Start Date of the plan, and are not recorded on the date that you apply. The Closing Level of the Underlying Asset may vary significantly between these two dates.

## Decrement risk

Where the Underlying(s) has a decrement feature, the return on such Underlying(s) will be calculated by reinvesting net dividends or gross dividends (depending on the type and rules of such Underlying(s)) paid by its components and by subtracting on a daily basis a pre-defined amount, and this may result in a lower return than that of a traditional "price return" or "total return" index, or a direct investment in the components of the Underlying(s). As the deduction of such pre-defined amount is defined as a fixed number of index points rather than as a percentage of the index level of the Underlying(s), such fixed deduction will have a greater negative impact on the index level of the Underlying(s) in a falling equities market.

In the event of a bear market, the fall in the index will be accelerated and amplified because the fixed decrement will have a larger impact relative to the index level.

We draw your attention to the fact that the annual fixed dividend of 45 points has historically been higher than the level of gross dividends distributed by the shares making up the Index.

By way of illustration, an annual fixed dividend of 45 index points for a level of the FTSE 100 Equally Weighted 45 Point Decrement Index at 816.57 points (level of the Index as of 3/7/2024) corresponds to 5.51% of the value of the Index on that date. For information, the average level of gross dividends distributed by the shares making up the FTSE 100 Equally Weighted Index has averaged 3.67% over the past one year.

## Inflation risk

The income payments and repayment of your investment will remain at the levels described in this document and will not be adjusted for inflation. Positive inflation will

reduce the real value of your investment over time.

## Term risk

The Plan is designed to be held until it matures. While the Plan Manager does offer regular opportunities for you to sell back your Plan early if you need to, there is no guarantee that this will be possible. If you do sell back the Plan early, the price you receive may be significantly less than your original investment.

## Cancellation Risk

The Administrator and Custodian reserves the right to cancel the launch of the Plan for any reason, but particularly if they do not receive sufficient subscriptions for the Plan to go ahead. Equally, they may reject your application if the Plan is oversubscribed. If your application is rejected for one of these reasons, you will be repaid the entire amount you subscribed, however you may need to discuss with your financial adviser whether you are entitled to a refund for any fee you have paid to them, including any fee you have asked the Administrator and Custodian to pay them on your behalf.

## Business Disruption/Market Disruption/Adjustment Events

Business Disruption, Market Disruption and Adjustment Events can arise for many different reasons (including but not limited to terrorist threats, technology or systems failure, or threats to the stock exchange) and may affect stock markets, indexes and or individual companies.

These events can take several forms, some examples could be but are not limited to, stock splits, insolvency, suspension, merger, takeover, and a number of others.

## UNDERSTANDING THE RISKS (CONTINUED)

Should the Underlying experience an event of the nature of the examples, which has or may have a diluting effect on the value of the index, the Counterparty or one of its affiliates acting as the calculation agent of the Investments, may at its sole and absolute discretion and in good faith, determine whether any adjustment to the terms and conditions of the Investments is required.

Adjustments could include amendments to the Start Level, removal, substitution of the affected company, amendments to the terms and conditions or early redemption. In the case of early and unscheduled redemption it is possible that you may receive back less than the amount you invested.

Hilbert Investment Solutions is committed to advise those clients of any adjustment to be made to the terms and condition as soon as practicable. Further information is available within the Prospectus which is available upon request.



## HOW TO INVEST

There are a number of ways you can invest in the Plan:

### As an individual

You can invest directly into the plan, either as an individual, jointly, or on behalf of a child under the age of 18.

### As a Stocks & Shares ISA

You can invest through an ISA. For the 2024/25 tax year the ISA allowance is £20,000. You can also transfer the value of any existing ISAs you hold into the Plan.

### By pension arrangements

Subject to the terms of your pension scheme, you can hold this Plan as a permitted investment within any type of pension arrangement, including a SIPP (Self-Invested Personal Pension) or SSAS (Small Self-Administered Scheme).

### By trustees, companies and charities

The Plan may be held by corporations, subject to their articles of association permitting such an investment. Application forms can be found on our website, [www.hilbert-is.com](http://www.hilbert-is.com). Please make sure you use the correct application form and that you complete all relevant

sections.

Your financial adviser will also be expected to sign the application form before sending it on to the administrator, at the address detailed on the form.

### Regardless of how you invest, please note the following restrictions:

You must invest at least £5,000. The maximum you can invest is £2,000,000, with the exception of new ISA investments, where you cannot invest more than the £20,000 annual ISA limit.



## FAQS

### How will the income payments be taxed?

How much tax you need to pay will depend on your personal circumstances and the way in which you have invested in the plan. The following information is provided to you as a guide only, and does not constitute tax advice. It is based on our current understanding of tax legislation, regulations and practice and could change at any time (with any such changes being applied retrospectively):

If you have invested via an ISA or pension arrangement, any gains made should be free of tax. If you invest as an individual outside of an ISA, or via a trust, the income payments will likely be subject to income tax depending on your personal allowance.

The taxation of any income received by charities or companies will depend on the tax position of that organisation. Regardless of how you have invested in the Plan, any income made to you will be paid gross (i.e. before the deduction of any tax due), meaning that it is your responsibility to declare this on your tax return and pay any tax due.

### Where can I find a copy of the Prospectus and Final Terms?

While this document describes an investment in the Plan, there are separate documents, the Prospectus and Final Terms, which provide more detail about the securities that make up the Plan. If you would like to view the Prospectus or Final Terms before investing, you can request a copy by writing to the Plan Manager at Hilbert Investment Solutions, St Clements House, 27-28 Clements Lane, London, EC4N 7AE or calling 0203 318 1742 or by visiting [www.hilbert-is.com](http://www.hilbert-is.com).

### What fees and charges do I need to pay?

Our fee for marketing, administering and managing the plan will be 2.5% on average, and this fee is already accounted for the terms of the Plan. It will not affect the income or repayment of your investment described in this

document.

We do not apply any charges on maturity and there are no annual management or ongoing servicing charges.

You may also need to pay your financial adviser for their services in assessing whether the Plan is right for you. The amount you need to pay for advice needs to be agreed between yourself and your adviser. You can either pay your financial adviser their fee directly, or you can ask us to deduct their fee from the amount you invest and make the payment to your financial adviser on your behalf.

### Are there compensation arrangements?

If you lose money because the Counterparty has failed to make any payments that are due to you, for this reason alone you will not be entitled to compensation from the Financial Services Compensation Scheme ('FSCS').

The Administrator and Custodian is covered by the FSCS. Therefore, you may be entitled to compensation if the Administrator and Custodian is declared to be in default and you have suffered a loss as a result of its actions or negligence. In this event, you can claim up to £85,000 per investor.

Before the Start Date, we will hold your subscription proceeds in a Client Money account at a UK regulated bank (i.e. an account where your money is held separately from any other money or assets belonging to the Administrator and Custodian or the UK regulated Bank).

Your money will not earn any interest while it is being held in this account. Similarly, once the Plan matures, the funds due will be held in the same way (i.e. in a non-interest bearing Client Money account at a UK regulated bank) until they can be returned to you.

While your money is being held in the UK regulated bank, you may be eligible to make a claim from the FSCS for any losses you incur if the UK regulated

bank becomes insolvent while holding your money. In this event, you may claim up to £85,000 per investor.

Please note that the FSCS compensation limits apply to all holdings you have with an insolvent bank and any other members of its group. In addition, the limits are subject to change. For further information on the FSCS, including restrictions on who is eligible to claim, please visit [www.fscs.org.uk](http://www.fscs.org.uk).

### Can I change my mind?

Yes. We will send you a cancellation notice when we receive your application, giving you the right to cancel your investment within 14 days. If we receive your request to cancel before the Start Date, you will be repaid your original investment in full. However if we do not receive your request to cancel until after the Start Date, we will sell your holdings and return the proceeds to you. In this instance, the amount you receive is likely to be less than your original investment.

You will usually receive the proceeds from cancelling your Plan within 15 business days of the us receiving your cancellation notice, however this could be delayed if there is a delay in the Counterparty making the payment to us.

Please note that if you have asked us to pay your financial adviser on your behalf, you will be responsible for obtaining any refund of those fees with your financial adviser directly.

### What happens if the Plan is over-subscribed, or cancelled?

In exceptional circumstances, such as the Plan receiving too many or too few applications, we may reject your application to invest in the Plan. For ISA transfers, we will endeavour to return your investment to your previous ISA manager.

Alternatively, we will await your written instruction to transfer the investment to another ISA manager. For all other types of investment, your investment will be



## FAQS

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repaid to you in full.

### Is there anything else I need to know if I am transferring an ISA into the Plan?

If you wish to transfer an existing ISA it must be done in cash, meaning that your existing ISA manager will need to sell your investment. This means that there is the risk of loss if markets rise while your transfer is being processed. They may also charge you a fee for transferring your ISA to a new manager.

If your existing ISA manager is unable to transfer us the funds before the Start Date, we will be unable to accept your application and the funds will be returned to your existing ISA manager. Remember that if you ask us to pay a fee to your adviser in respect of an ISA transfer, this will reduce the amount that gets invested within the tax advantages of an ISA wrapper.

### How will you keep me informed?

We will send you a acknowledgement letter with cancellation rights after we receive your application, followed by a strike letter and contract note shortly after the Start Date. You will then receive statements at least annually thereafter.

Please keep us updated if your contact information changes. You can contact us by calling 0203 318 1782 (Telephone calls may be recorded) or by writing to Hilbert Investment Solutions, St Clements House, 27-28 Clements Lane, London EC4N 7AE.

### What should I do if I have a complaint?

This can be made verbally, by telephone or in person, or via a written communication delivered in person, via post, e-mail or fax. In the first instance, the complaint will be handled by the

Compliance Officer who will conduct an initial investigation and attempt to reach a fair and impartial conclusion.

### Can I sell back my Plan (or transfer it to a new ISA manager) before it matures?

We will allow you to sell back your Plan early under normal market conditions. However this means we will need to sell the Securities that make up the plan, and the proceeds of this sale is likely to be less than your original investment. This is because the value of the Securities during the Investment Term depends on a number of factors, including, but not limited to, the value of the Underlying Asset, interest rates, and the credit quality of the Counterparty.

You can call Hilbert Investment Solutions on 0203 318 1742 if you require a free valuation of your Plan at any point. Please note that the valuation will be accurate as of a certain date (which will be communicated to you at the time) and it may be different to the value of the Plan on the day that your Plan is sold.

If you do decide to sell back your Plan early, you should send your signed instructions in writing to Hilbert Investment Solutions. An administration charge of £100 is to be debited from you for this service (this is automatically done at Contract execution), and we will then redeem your Plan at the next possible dealing day (usually the next business day). Proceeds should then be paid to you within 15 working days (however this could be longer if there is a delay in the Counterparty making the payment to them).

### What happens to my investment in the Plan if I die?

If you die before the Plan matures, the Plan can be closed or transferred to another person upon instruction from your personal representatives. If a Plan was held jointly, all instructions must be authorised by the remaining joint holders. If the Plan was held as an ISA it will continue to benefit as such until either:

- Your executor closes it.
- The administration of your estate is completed.

Otherwise, your ISA will be closed 3 years and 1 day after you die.

There will be no Income Tax or Capital Gains Tax to pay up to that date, but ISA investments will form part of your estate for Inheritance Tax purposes.

## FINAL CHECKLIST

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For your own protection, you should read this document carefully in conjunction with the Key Information Document (KID) before deciding to invest and seek further information from your financial adviser on any sections that you do not understand. In particular, you should be confident that the Plan is designed to meet your own investment needs.

The below checklist can help you consider whether this Plan is right for you.

If you are able to say 'yes' to all the following statements, an investment in the Plan may be right for you (although we strongly recommend that you seek advice from a qualified financial adviser to confirm). If you cannot agree to all these statements, another investment product might be more suitable for you.

- 
- ☒ I am looking for an investment product that can generate an income (and am comfortable that the income available from this product is not guaranteed).
- 
- ☒ I am comfortable and can afford to leave my money invested for up to 10 years, and have access to other savings to cover me for emergencies during this time.
- 
- ☒ I am looking to secure an investment return above that available from a deposit-based investment and accept the risk indicator set out in the Key Information Document (KID).
- 
- ☒ I am familiar with the Underlying Asset The FTSE 100 Equally Weighted 45 Point Decrement Index, and accept that the income and repayment of my investment depend on the performance of the index over the Investment Term.
- 
- ☒ I accept that this Plan puts my original investment at risk.
- 
- ☒ I accept that I cannot earn more than the income payments described in this document.
- 
- ☒ I accept that I am likely to lose most, if not all, of my investment if the Counterparty defaults and that I will not have access to the FSCS to compensate me for any losses in this scenario.
- 
- ☒ I would be holding this investment as part of a broader investment portfolio.

# ADMINISTRATOR AND CUSTODIAN TERMS AND CONDITIONS

## 1. Introduction

These Terms and Conditions apply to your Structured Product or Structured Deposit Plan. Your Plan will have the features and risks set out in this Brochure and the Application and you should read all these documents. These Terms and Conditions apply from when your Application is accepted (including the time your money is held as cash either before the Start Date or after the Maturity Date). They are in addition to any terms and conditions that relate to any other investment account you may have with Hilbert Investment Solutions. Not all these Terms and Conditions necessarily apply to your investment.

## 2. Acceptance

(a) We will open a Plan in your name once we have received an Application which is in a form acceptable to us and your Payment has cleared. All Applications are subject to anti money laundering and other regulatory checks as appropriate and determined by us from time to time. You will be classified as a Retail Client in accordance with the FCA's Conduct of Business rules unless we specify otherwise in correspondence with you. An Application will not be acceptable if in our reasonable opinion:

(i) you are not eligible to hold a Plan.  
(ii) the Application is incomplete or needs clarification or the information provided is insufficient.  
(iii) any Application and/or Payment is received after the close of the Plan Opening Period. If any such late Payment is a Transfer Amount then the Payment will not be banked and will be returned to the previous ISA manager.

(b) A Payment received without an Application can be held for no longer than twenty-four (24) hours and in such a case if the relevant Application is not received the Payment will be returned to the account from which it was paid.

(c) The Manager has the right to close the Plan Opening Period early or terminate the offering prior to the Start Date.

For example, if sufficient Plan Payments

are not received or the Plan is oversubscribed or if the Counterparty requires it as a result of changes to market conditions or changes to laws or regulations. If the Plan is closed early and your Application is not accepted we will return your Plan Payment to you. We cannot return any sums you sent to us for the payment of Adviser Fees once your Adviser has been paid.

(d) We will have no liability for any Adviser Fees you have paid when a Plan is closed in line with our Terms and Conditions.

(e) Where you wish to invest in the Plan by transferring an ISA amount to us, please be aware that an ISA transfer can take up to 30 days to effect and that if after deduction of any Adviser Fee your Plan Payment is less than the minimum allowable your Application will not be accepted and we will return your Payment to your previous ISA Manager. The minimum allowable Plan Payment is detailed in the Brochure

(f) You confirm that you are not relying on any communication/advice (written or oral) from the Manager or the Plan Manager.

## 3. What we do with your Payment

(a) We will deposit your Payment, including any Adviser Fee into a Client Money Account, if the deposit is made by electronic means, funds will be deposited immediately upon receipt; if the funds are sent to Hilbert by means of a cheque, the firm will bank it within one business days of receipt. This account will be held with a UK regulated bank (or such other bank or authorised institution as we may nominate from time to time). We are obliged to treat money held by us on your behalf in accordance with FCA's Client Assets Sourcebook (CASS).

The bank may hold such money with other clients' money in a pooled client money bank account in the name of Hilbert Investment Solutions Limited.

In the event that one of the banks with which we place client money

fails, you may be entitled to seek compensation from the UK Financial Services Compensation Scheme (FSCS). Any losses will be borne by all clients in proportion to their entitlement in accordance with FCA rules.

(b) On acceptance of your Application, any amount sent by you to pay an Adviser Fee will be paid from your Client Money Account to our own account within three Business Days. This amount will no longer be your property once payment has been made to us. We will pay the Adviser Fee amount to the adviser's firm.

(c) Under the terms of your Application, we use all your Plan Payment to acquire Investments on the Start Date. If for any reason the Investments are not issued, we will return your Plan Payment to you. We cannot return any sums you sent to us for the payment of Adviser Fees. We will not pay fees until after settlement.

## 4. Dealing and investing

(a) Aggregating Orders - We may combine your order with our own orders and orders of other customers. By combining your orders with those of other customers we must reasonably believe that we will obtain a more favorable outcome for you than if your order had been executed separately. However, on occasions aggregation may result in you being disadvantaged by obtaining a less favorable outcome.

Purchases and sales effected by us on your instructions will be done in compliance of applicable FCA rules in accordance with our Order Execution Policy (summarised below) When we execute an order on your behalf we will be acting as your agent and not as principal unless agreed otherwise. We may execute the order directly with the market, however we may execute trades using a 'Direct Market Access' arrangement which means that trades are routed through a fellow group company rather than being executed directly on the exchange. This does not detract from our best execution obligation. There may be circumstances where we may deal through a third party firm (e.g. for

# ADMINISTRATOR AND CUSTODIAN TERMS AND CONDITIONS

reasons of market access or liquidity) and in these instances we will pass on the broker's charges to you.

(b) Off-exchange Transactions - We may deal for you in circumstances in which the relevant transaction is not governed by the rules of any investment exchange (either a regulated market, multi-lateral trading facility or organised trading facility) By signing this agreement you give your express consent to transactions being executed in this way.

(c) Orderly Execution - There may be a delay in executing your order if we have received prior orders in the same security which have not been fully executed. We reserve the right to postpone your order if we reasonably believe that postponing the order is in your best interests. We will not be liable for any losses caused by such a delay or postponement.

(d) Limit Orders - Where we accept an order from you where execution is dependent on the price of the security concerned at a future point in time (a 'limit' order) we will only do so on a 'best endeavors' basis. Share prices can move quickly and investments may not be available at the required price for sufficient time or in sufficient volume to allow us to execute your order. We therefore do not guarantee execution of such orders even if the conditions stipulated when you placed the order are met and we will not be liable for any losses caused by us or any agent used by us failing to execute your order.

In the case of a limit order in respect of shares admitted to trading on a regulated market or a multi-lateral trading facility or an organised trading facility which is not immediately executed under prevailing market conditions, you expressly instruct us not to make the order public.

We do not accept 'good till cancelled orders'. If a limit placed by you is not completed by the end of the day we will cancel this order unless specifically instructed to keep it open. The maximum period for which we will keep an order open is 4 business days after the end of the day on which the

order is placed with us; after which we will cancel the order without further reference to you.

Further details are included in our Execution Policy. This policy may be updated from time to time and is available on our website or from any of our offices.

## 5. Your right to cancel - the cooling off period

(a) When we have received your Payment and accepted your Application we will send you in writing by post or email as applicable, an acknowledgement incorporating a cancellation notice. This means that you will not be sent an acknowledgement for an ISA Account set up by way of an ISA transfer until we have received the Transfer Amount.

(b) If you decide not to proceed with your investment in the Plan and wish to cancel you must send the completed cancellation notice form to us at the address set out in clause 26 within 14 days from the date you receive the cancellation notice.

(c) If we receive your cancellation notice on or before the Start Date. We will cancel your Plan and you will receive a full refund of your Plan Payment by direct credit. We cannot return any sums you sent us for the payment of Adviser Fees.

(d) If we receive your cancellation notice form after the Start Date and the Investment has already been purchased we will sell your Investment on the Business Day following the next Dealing Deadline subject to the Counterparty providing a price for the Investment on that date or such later date as the Counterparty is able to provide such a price.

The amount we return to you will be affected by any market movement in the value of the Investment. Therefore, the amount we return to you may be less than the amount you subscribed to the Plan.

(e) If you exercise your right to cancel

in relation to an ISA transfer, you will permanently lose your ISA entitlement relating to that transfer.

(f) Payments for a cancellation will be made once we are certain of cleared funds in respect of your investment (banks and building societies may take up to seven working days to fully honour any Payment). Any cancellation payments will be returned to you by direct credit except for ISA transfers and in exceptional circumstances.

(g) We will not return any money you sent us for the payment of an Adviser Fee following a cancellation because the amount you instructed us to pay your adviser will have ceased to be your property (as explained in more detail in clause 3).

(h) We will have no liability for any Adviser Fee you have paid when a Plan is closed in line with our Terms and Conditions.

## 6. Ownership of investments and how they are held

(a) Hilbert Investment Solutions has a number of custodian relationships including The Bank of New York Mellon, unless alternative custodial arrangements are agreed, your Investments will be held collectively in an account with our custodian and, although the amount that you hold will be recorded and separately identified by the Plan Manager, your holding may not be identifiable by separate documents or certificates of title.

(b) Investments may be held on a pooled basis. An Investment that we hold for you on a pooled basis may attract different treatment during corporate actions or other events from what it would attract if the investment was held in a separately designated account.

Your options may therefore be limited, in such cases, any rights or other benefits will be shared proportionately among all holders whose holdings are affected. If your Investment is held in safe custody, we will send you a list of all such investments held on your behalf quarterly. We will not be obliged

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to send you annual reports and other documents issued by companies whose securities are held on your behalf where no decision is required by you unless you instruct us in writing to do so. Investments held on your behalf may be held by a third party.

In order to protect investments and money held in custody, we carefully select the third parties on whom we place reliance. We also ensure that we have adequate internal controls which, amongst other things, ensure that regular reconciliations are performed.

We also maintain insurance cover and are protected by the Financial Services Compensation Scheme.

(c) You may not charge, pledge or otherwise use your Investment as security for any loan or other obligation and agree to remain the sole beneficial owner of the Investment.

(d) The Investment will be held on your behalf until the Maturity Date, unless the Plan is terminated earlier in accordance with these Terms and Conditions.

## 7. Frozen accounts

Where your account has been frozen we will (to the extent not restricted by Applicable Law):

(a) Action instructions to sell stock but will keep the proceeds on deposit;  
(b) Collect dividends and interest on your behalf and place the proceeds on deposit;

(c) Exercise any rights on your behalf where we have the authority to do so; We will NOT:

(e) Action any instruction to purchase stock;

(f) Transfer any funds or assets out of the account to another account held by you or a third party;

(g) Accept any deposits of monies or assets from any source whatsoever. Any such money or assets will be returned to source.

## 8. Management and Maturity

(a) After the Start Date, we will send you

a contract note detailing the purchase of the Investments in your Plan. Subsequently we will also send you a valuation of your Plan every quarter, and if we hold a cash balance for you we will send you a statement of your cash account quarterly. In addition, we will send you a safe custody statement listing the investments we hold for you every quarter. Details of the exact statement dates are available on request from us at our address as set out in clause 26. Please note that there is no annual report or accounts or any other information issued other than your statement. There are no shareholders' or Investment holders' mailings or voting rights applicable to your Plan. Valuations are available online via our Web Portal.

Where applicable to your Plan, we will arrange if you request, for you to receive a copy of the annual report and accounts and any other information issued to shareholders, securities holders or unit holders by every company or other concern in respect of shares, securities or units which are held directly in your Plan. Further, we will arrange if you request, for you to attend shareholders', securities holders' or unit holders' meetings to vote.

(b) All information we provide to you may be provided in electronic format via email and/or via the Hilbert Investment Solutions Web Portal. The Web Portal is a secure online platform through which clients can obtain a valuation or statement of their account. Clients can log into the Web Portal by providing an email address when they subscribe for a Plan or subsequently by contacting Hilbert Investment Solutions directly.

(c) Where we hold investments in custody on your behalf, any dividends, interest or other income received in respect of those investments will be held in an income cash account. Unless agreed otherwise, the balance of your income cash account will be paid to you every month. Interest will be paid on your income cash account as set out below.

(d) Other than for ISAs where we operate a deposit account for you your account will have two elements: an income cash account into which

dividends and interest will be paid and a capital account. Unless agreed otherwise, income will be transferred from the income cash account to the capital account on a monthly basis.

(e) Any interest will be payable separately on balances in income cash accounts and capital accounts, and if payable, will only be paid on money that has been held in excess of 10 days.

(f) Interest rates on cash held on deposit are linked to, and will be less than, the rate received by us from the bank. As a result of this they may change from time to time. Any interest will be credited on a monthly basis but no interest will be paid in any particular month where the amount due to you would be less than 25p per month.

Any interest earned by cash held as client money will not be made payable to you and instead will be claimed by us.

(g) Where we receive client money on your behalf which is in a foreign currency (i.e. not sterling) you instruct us to convert the money into sterling and hold it in sterling unless otherwise agreed.

(h) On the basis of current UK tax legislation, UK income tax will not be deducted from interest which may be paid. You will be responsible for accounting to HMRC for any tax due.

(k) On the Maturity Payment Date the Counterparty is required to pay the Maturity Payment on the Investments. Shortly after the Maturity Date we will write to you outlining the options available to you. Until we receive your Written instructions we will hold your Maturity Payment in a Client Money Account for a reasonable period of time.

(l) If we do not receive your Written instructions within a reasonable period of time.

We reserve the right to transfer your Maturity Payment (plus any interest) into a non-interest bearing Client Money Account and/or transfer such payment back into your nominated bank or building society account. We will notify you if by failure to satisfy the provisions



# ADMINISTRATOR AND CUSTODIAN TERMS AND CONDITIONS

of the ISA Regulations your account has or will become void.

## 9. Withdrawal, termination or early encashment

(a) The Plan is structured to be held until the Maturity Date. You may however, encash some or all of your Investment in a Plan and close it completely before the Maturity Date by giving notice to that effect to the Manager. The notice must be in Writing.

You must be aware that if we receive your request to withdraw after the Start Date the amount you will receive on encashment may be considerably less than the amount of your original Plan Payment. You will also be charged an administration fee as set out below (although this will not apply if your cancellation is made during the cooling off period as described in clause 5). This is subject to the Counterparty providing a price for the Investment on that date, or such later date, as the Counterparty provides a price.

(b) For a withdrawal or early encashment of an Investment before the Maturity Date (including the transfer of the proceeds of an Investment to a new ISA Manager) you will be charged an administration fee of £100. The £100 payable to us is to cover our administrative and processing costs in relation to receiving your instructions, making identity checks, executing and clearing the trade i.e. the sale of the security and its settlement, acting as collecting agent and transferring the sale proceeds to you and informing you of the status of your instruction in writing. You will be notified of any change in advance.

(c) If we receive your request to encash after the Investment has been purchased we will sell the Investment in your Plan on the Business Day following the next Dealing Deadline subject to the Counterparty providing a price for the Investment on that date or such later date as the Counterparty provides a price. The amount you receive is dependent on the market value of the Investment at the time of sale. This will be affected by a number of

factors including but not limited to the marketability of the Investment, interest rates, foreign exchange rates, the level of the stock and indices to which they relate and other market data. The value of your Investment is likely to be less than the amount you originally invested for a substantial part of the Plan's term.

(d) We will pay you the proceeds of the sale of your Investment within approximately 2 Business Days of receiving them from the Counterparty. Payments will be paid into the bank or building society account you provided us with in your Application or to the account that you subsequently informed us of in Writing. Where a withdrawal is made shortly after a Payment is made, the proceeds will only be paid once we are assured of cleared funds in respect of that Payment and will not include any Adviser Fee amount you agreed.

(e) If we receive your request to encash on or before the Start Date before the Investment has been bought, we will cancel your Plan and you will receive a full refund of your Plan Payment without any interest by direct credit.

(f) We will not return any sums you sent to us for the payment of an Adviser Fee following a withdrawal.

(g) Where we have good reason to query a signature or the validity of a withdrawal instruction we will not pay you until the query has been resolved to our satisfaction.

(h) If you instruct us to make a payment to a non-sterling bank account, payment will be made in sterling and we will not pay any costs for currency conversion.

Payments to anyone other than you will only be made on death (see clause 13) or when transferring to another ISA Account manager (see clause 11).

(i) Payments will not be made to individuals holding powers of attorney unless they operate a Client Money Account.

(j) We reserve the right to deduct any outstanding fees, charges and expenses from the amount due to be paid to you.

(k) If for whatever reason we cannot pay you we will hold the money in a Client Money Account. If you have not provided us with revised payment details within six years, we may write to you at your last known address. We will inform you that it is no longer our intention to treat this as client money. You will have 28 days to make a claim for this money. We will then transfer this amount from the Client Money Account. However, we will make good any valid claims that are subsequently received.

(l) In certain circumstances we may no longer be able or willing to act as Manager. Examples of these circumstances are:

(i) HMRC removes its approval for us to act as ISA Manager;

(ii) we are no longer qualified to act as Manager due to a change in applicable law or regulation;

(iii) we voluntarily cease to be Manager (in which case we will give you no less than 30 days' notice of our intention to cease acting as Manager).

In the event that we no longer act as Manager we will write to you 30 days before the change is made wherever possible to let you know how it will affect the way your investment is managed.

(m) Your account will become void in the following circumstances:

- a change to the ISA Regulations causes us to be unable to continue to offer the Plan;
- HMRC policy changes;
- subscription level breaches;
- you are or become a US resident;
- incorrect application form;
- you breach ISA subscription limits in a tax year;
- incorrect action on death of investor;
- balance of ISA falls below minimum subscription amount if applicable;
- you have failed to comply with these Terms and Conditions.

If any of the above circumstances arise we will do our best to give you 30

# ADMINISTRATOR AND CUSTODIAN TERMS AND CONDITIONS

days' prior notice that your account will become void. We will also write to you to explain what will happen to your account and the options available to you.

## 10. Allocated But Unclaimed Client Money & Assets

Unclaimed money: In accordance with applicable Law, you consent to us releasing the balance of any unclaimed money which we hold on your behalf from our client money bank account and paying the balance to a registered charity of our choice, in which case we will no longer treat it as client money, where:

(a) we have been unable to trace you, after taking reasonable steps to contact you as required by the FCA CASS Rules, where we will attempt to contact you at your last known address and will give you at least 28 days from the date of our notification to you of our intention to cease to treat the balance as client money to make a claim; and

(b) the balance on the account is £25 or more and there has no movement on your balance for at least 6 years (except for our periodic charges or debit or credit interest).

Where we do this, however, we agree to make good any valid claim made by you on your behalf against any balances we treat in this way where you have provided evidence to support your claim.

Unclaimed assets: If we have received no instructions in respect of your Assets which we hold in safe custody for a period of at least 12 years (notwithstanding any receipts of dividends or similar items), and we have been unable to contact you having taken reasonable steps in accordance with the FCA CASS Rules to trace you and return such Assets, (which will include us attempting to contact you at your last known address and giving you at least 28 days from the date of our notification to you of our intention to cease to treat the balance as custody Assets to make a claim) we may decide to:

(i) liquidate any such Assets at market value and pay away the proceeds;

(ii) pay away any such Assets, in either case to a registered charity of our choice.

Where we do this, however, we will unconditionally agree to pay you a sum equal to the value of the relevant custody Assets at the time they were liquidated or paid away, in the event you seek to claim the custody Assets where you have provided evidence to support your claim.

However, where the balance is under £25 and we have taken the steps required by the FCA CASS Rules to contact you, we may stop treating the balance as client money and donate it to a registered charity of our choice but we will not make good any claim by you against the balance.

## 11. Taxation

(a) If your investment in the Plan is an ISA and you live in the UK you will not, under current tax rules, have to pay UK income tax or UK capital gains tax on any income payments or capital growth you make from your investment in the Plan. Any losses on your investment in the Plan will be ignored for the purposes of UK capital gains tax.

(b) If your investment in the Plan is not through an ISA or pension you may, depending on your circumstances, have to pay tax on any income or gain that you receive.

(c) These taxation statements are based on Hilbert's understanding of current tax legislation, regulation and practice. Such tax legislation, regulation and practice are subject to change in the future and nothing in this Brochure constitutes tax advice.

We do not offer guidance on tax issues, you should therefore conduct your own independent investigation or speak with an adviser on the appropriate tax treatment.

(d) Where you receive interest gross you will be responsible for accounting to HMRC for any tax due.

(e) You confirm that you have taken tax advice as appropriate to your circumstances in respect of the Plan

and that you are not relying on any communication/advice (written or oral) from the Manager or the Plan Manager in this respect.

## 12. Investment by Pension Scheme Trustees

Where a pension scheme trustee ("First Trustee") purchases an Investment and the scheme member subsequently transfers to another pension scheme ("Second Scheme") we will seek to allow the transfer of the Investment from the First Trustee to the trustee of the Second Scheme by means of a simple re-registration agreement.

This agreement will allow the First Trustee to relinquish all interest in the Investment and for the Manager to allow the Investment to be re-registered in the name of the trustee of the Second Scheme who will take over the Investment on exactly the same terms as the First Trustee. The terms of the original investment cannot be changed in any way on transfer.

## 13. Death

(a) In the case of an Investment held in more than one name on the death of one of the investors the Plan will continue in the name of the surviving investor(s). However, it is important that correct re-registration instructions are provided by the Executors on a timely basis when probate is granted in accordance with clause 29.

(b) In the case of an ISA account, the account will continue to be treated as an ISA until either:

- Your executor closes it.
- The administration of your estate is completed.

Otherwise, your ISA will be closed 3 years and 1 day after you die. There will be no Income Tax or Capital Gains Tax to pay up to that date, but ISA investments will form part of your estate for Inheritance Tax purposes.

(c) For an Investment in one name, on the death of the investor before the Maturity Date following receipt of the

# ADMINISTRATOR AND CUSTODIAN

## TERMS AND CONDITIONS

information we require, your executors can elect to either:

(i) close your Plan in which case we will sell the Investment on the Business Day following the next Dealing Deadline. This is subject to the Counterparty providing a price for the Investment on that date, or such later date, as the Counterparty provides a price.

The proceeds (which if the sale is prior to the Maturity Date may be less than your original Plan Payment) less the administrative fee set out below will be sent to your personal representatives; or

(ii) transfer your Plan into the name of the executors or beneficiary(ies) of the estate so that the Plan is able to continue until the Maturity Date, subject to the executors or beneficiary(ies) agreeing to these Terms and Conditions.

(d) Should your executors elect to sell the Plan an administrative fee of £100 will be charged to cover our administrative and processing costs relating to the receipt of executors' instructions, obtaining grants of probate, death certificates and wills and confirming their validity, executing and clearing the trade, transferring the sale proceeds in accordance with the instructions of the executors and informing the executors of the status of their instruction in writing. No charge is applied if the plan is assigned to a beneficiary and remains in force until Maturity.

(e) The total value of your Investment forms part of your estate for inheritance tax purposes. If any tax credits were added to your Plan after the date of your death a sum equal to these credits will be deducted from the Plan and paid to HMRC and your executors will receive the cash value of the Plan subject to that deduction.

(f) If your executors require a Plan to be opened with us in another investor's name we may require verification of the identity of the new Plan holder.

### 14. Plan charge

A Plan Charge has already been taken

into account in the terms of your Plan. This Plan Charge is used to meet the Plan Manager's design and distribution costs and the Manager's administration costs and is disclosed in the Brochure.

### 15. Other Fees and Charges

(a) Your Plan is designed to be held for the full term. Should you subsequently encash withdraw or transfer your Investments at any time during the Plan's term an administration fee of £100 will be charged. The fee is to cover our administrative and processing costs in relation to receiving client instructions, arranging the sale and settlement of the Investment, transferring the sale proceeds to you and informing you of the status of your instruction in writing.

(b) We reserve the right to introduce an additional charge in the future to cover any additional expenses incurred by us for a valid reason, for example:

(i) to take account of significant regulatory change or material events outside our control such as but not limited to the administration or insolvency of a counterparty or promoter or manager;

(ii) to allow us to look after your Plan more effectively;

(iii) to provide services to you which you may reasonably be expected to require, in the event that Hilbert or any successor company to it is unable or unwilling to provide similar or related services in relation to your Plan.

No such additional charge will be introduced without giving you three months' written notice. If you are not in agreement with such a charge, you may terminate your Plan in accordance with clause 9.

(c) If our services become subject to Value Added Tax or any other tax, then it will be added to charges at the prevailing rate.

(d) As a result of the implementation of the Retail Distribution Review with effect from 1st January, 2013.

Commission or fees will only be payable to your financial adviser on the basis of an agreement reached between you and your adviser.

No fees or commissions will be paid to your adviser unless you have agreed the amount to be paid in writing. See clause 16 below dealing with the Adviser Fee.

(e) For certain deposit based Plans, commission may still be payable to your adviser. In such a case any commission payable will be detailed in correspondence sent to you.

### 16. Adviser Fee

(a) You may instruct us to pay an initial Adviser Fee from the money you send us as part of your Application. If you want to do this, you can instruct us to do so on your Application. We will pay the Adviser Fee deducted from the money you send us to your adviser's firm. The amount of the Adviser Fee must be included on your Application. In the case of a new ISA subscription, your Payment must be increased to take into account the amount of the Adviser Fee if you wish to use your annual ISA allowance in full.

(b) On acceptance of your Application, any Adviser Fee will be paid to the Manager within three Business Days. The Adviser Fee amount will no longer be your property once payment has been made. The Manager will pay the Adviser Fee amount to the adviser's firm. If you choose to use your ISA transfer money to pay an Adviser Fee you will permanently lose the ISA entitlement on the amount paid to your adviser. You will not be able to replace that money in your ISA unless you use your current tax year allowance.

(c) You should inform Hilbert of any change of adviser to enable us to keep our records up to date.

### 17. Extraordinary Circumstances, Adjustments and Disruption

(a) We will perform our obligations set out in these Terms and Conditions unless events outside our reasonable



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control prevent or restrict us from doing so. Such events are Extraordinary Events and are defined below.

If an Extraordinary Event occurs, one consequence may be that a payment due to you is adjusted, reduced or delayed. If an Extraordinary Event occurs, we will use due care when considering how to respond and our response will be fair and proportionate. We will not be liable for any failure or delay in performing our obligations as described in the Brochure or these Terms and Conditions caused by an Extraordinary Event but we will use 'reasonable efforts' to minimise any adverse impact on you as far as we reasonably can and if you are being disadvantaged we will tell you as soon as we can.

(b) An Extraordinary Event means a significant event which is outside our control. Examples are:

- Strikes, lockouts or other industrial action;
- Civil commotion, riot, invasion, terrorist attack or threat of terrorist attack, war or the threat or preparation for war;
- Fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural disaster;
- Restrictions imposed by legislation, regulation or other governmental initiatives that are not a result of our misconduct;
- Recession or significant economic collapse of a market or country;
- Failure of transport networks or other external utilities (for example telecommunications networks, water or power) leading to unavoidable disruption;
- A fundamental change to the method of calculation of the price of any Underlying;
- The suspension, limitation or material disruption of trading of any of the Underlying;
- The exchanges on which any Underlying is traded failing to open for trading or closing early;
- The announcement that the trading of any underlying stock is to cease;

- Any Underlying is replaced by another Underlying; or
- The level of an Underlying is not calculated or published.

These are examples of Extraordinary Events and there may be other significant events outside our control that we are unable to anticipate. If such an event impacts our ability to perform our obligations under the Plan we will advise you as soon as reasonably able and let you know how we intend to deal with it. How quickly we are able to notify you may depend upon the severity of the event.

(c) Any payment due to you under the Plan is dependent on payment being made by the Counterparty of the Investment in accordance with the terms of the Investment. These terms contain provisions which may result in adjustments to the calculation of your entitlement and/or the timing of such calculation as a result of certain adjustment or disruption events. Depending on the event or circumstance you may have to wait longer for the Maturity Payment than the Maturity Payment Date.

## 18. Counterparty and other risks

(a) During the term of the Plan you are exposed to the credit risk of the Counterparty and the risk that the Counterparty fails to pay back the money including any investment returns which are promised under the terms of the Investment. If, for whatever reason the Counterparty does not meet the terms of the Investment this will affect what you will get back from the Plan and you could lose some or all of your original investment and any investment returns. We are not responsible if the Counterparty does not comply with the terms of the Investment.

(b) The Plan may be closed early if the Investment is terminated early.

This could happen if the Counterparty is unable to comply with the terms of the Investment because a change in the law means that to do so would be illegal or impractical. If your Plan is opened

as an ISA Account the Plan could also be closed early if the Counterparty is required to pay additional tax on the Investment. In either of these circumstances the Plan may pay out less than expected or even nothing.

## 19. Conflicts of interests

During your investment, conflicts of interest may arise between you, Hilbert or Hilbert's employees, associated companies or representatives of Hilbert. To ensure we treat investors consistently and fairly, we are required to have a policy on how to identify and manage these conflicts. A summary of our policy is detailed below. A copy of the full policy is available on request from the address in clause 26. We:

(a) will consider the interests of all of our customers and treat them fairly;

(b) will manage conflicts of interest fairly to ensure that all customers are treated consistently and to prevent any conflict of interest giving rise to a material risk of damage to the interests of our customers;

(c) have in place procedures to ensure that staff identify and report any new conflicts;

(d) will keep a written record of any conflicts or potential conflicts;

(e) if appropriate, we will disclose any relevant conflict to a customer before undertaking business with them; and

(f) will ensure new business developments identify any new conflicts of interest.

This policy applies to any company to whom we delegate any of our responsibilities.

## 20. Delegation

We may delegate any of our duties under these Terms and Conditions to any Related Company or other agent and may provide them with information about you and your Plan and you agree that we may do so.

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However, we will remain liable to you for the performance of any delegated matters. We shall only delegate our duties under these Terms and Conditions where it is permitted by law and regulations.

In any event we will not delegate unless we are satisfied that the person to whom we delegate any of our duties is competent to carry them out.

## 21. Assignment

We may appoint another company to be the Manager of your Plan under these Terms and Conditions providing one month's notice has been given to you. The new Manager must be approved to act as an ISA Manager by the Commissioners of HMRC.

## 22. Disclosure of information and Data Protection

(a) The EU General Data Protection Regulation ("GDPR") and the Data Protection Act 2018 (DPA 2018) provide the current legal framework for the protection of personal data in the UK. All references to 'Data Protection Law' in the following clauses under this heading mean the GDPR and DPA 2018 or any other applicable law or regulation.

(b) The Data Protection Law governs the use of personal data by businesses and other organisations. In order to fulfil our agreement with you to provide products and services we need to collect, use, share and store personal data about you and your transactions.

(c) Personal data means information that relates to you and from which you can be identified, such as your name, address, telephone number, or date of birth. It may also include information about your financial affairs and transactions.

The personal data may also include 'sensitive personal data' as defined in the Data Protection Law (for example, information relating to criminal records).

(d) The personal data collected by us in our capacity as the Plan Manager may be obtained from you directly, or from third parties, such as employers, credit

reference agencies (who may search the Electoral Register), fraud prevention agencies or other parties associated with you, when you apply for any product or service, or which you or they give to us at any other time. e. In our capacity as Plan Manager we will use your personal data to provide:

- our services and products;
- process and store your application;
- understand your requirements;
- manage your accounts;
- provide you with periodic statements of your investment;
- prevent and detect fraud, money laundering and other crime;
- to carry out regulatory checks;
- to meet our obligations to any relevant regulatory authority;
- to undertake analysis of our business; and
- to develop and improve our services to you and to protect our legitimate interests.

(f) We will take appropriate measures to keep your personal data secure and confidential.

(g) You must notify the Plan Manager of changes to your data.

(h) We may disclose your personal data to the following third parties:

- our employees, consultants, and professional advisers;
- successors-in-title to, and potential purchasers and investors in, all or part of our business;
- Associated Companies (as defined in Section 416 of the Income and Corporation Taxes Act 1988) to process this application;
- your financial adviser by email or other means;
- you if you ask in accordance with your rights under a 'Data Subject Access Request';
- licensed credit reference and/or fraud prevention agencies to help make financial decisions during the application and on an ongoing basis. This information will be used to decide whether to continue to make products and services available to you. Our

enquiries or searches may be recorded and credit reference agencies may supply us with financial information;

- contractors who provide a service to us or are acting as our agents, on the understanding that they will keep the personal data confidential and secure; and/or
- other third parties where we are under a legal or regulatory obligation to do so, for example where we are required to share information with the FCA, HMRC, or any other regulatory body.

(i) We may collate, process and share statistics based on an aggregation of information we hold. No individuals will be identifiable from the resulting analysis.

(j) Where you provide us with the personal data of a third party (for example, about another individual in your household), you confirm that you have obtained their consent prior to disclosing that personal data to us.

(k) We may transfer your information to other countries, including countries outside the European Economic Area which may not have laws which provide the same level of protection to personal data as provided in the Data Protection Law. Where we do so we will ensure that such transfers are compliant with the Data Protection Law and that appropriate security measures are put in place.

(l) From time to time we may change the way we use your personal data.

Where we believe you may not reasonably expect such a change we will contact you by email or other means to notify you of the change.

(m) If you terminate your relationship with us we will retain the personal data we have collected on you for as long as permitted by Data Protection Law or as required by other legal and regulatory obligations.

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(n) You can request a copy of the personal data that we hold about you at any time by contacting the Data Protection Officer at Hilbert Investment Solutions, St Clements house, 27-28 Clements Lane, EC4N 7AE or contact@hilbert-is.com.

(o) You also have the right to have any of your personal data corrected if it is factually incorrect. For further information on your rights under Data Protection Law, including the right to have your data deleted and/or corrected, you can contact us as above, or visit the Information Commissioner's Office website at [www.ico.gov.uk](http://www.ico.gov.uk).

## 23. Our liability

(a) Hilbert Investment Solutions does not give any warranty as to the performance or profitability of the Plan. You must be aware that the price of Investments can go down as well as up and that there are both investment and counterparty risks attached to market linked investments. You may not get back the amount invested. You are reminded that past performance is no guarantee or indicator of future returns. In the event of any failure, interrupt on, or delay in the performance of their obligations resulting from any event or circumstance not reasonably within its control. Hilbert Investment Solutions shall not be liable or have any responsibility of any kind for any loss or damage you incur or suffer as a result.

(b) Hilbert Investment Solutions will not be liable or have any responsibility of any kind for any loss or damage you suffer as a result of any failure, Interruption or delay in carrying out our obligations resulting from:

- Breakdown or failure of any telecommunications or computer service;
- Failure of people other than Hilbert

Investment Solutions to carry out their obligations;

- Acts of governments or international authorities; and
- Any other significant or material event or circumstance that is not reasonably within our control when we have made all reasonable efforts to minimise the consequences of such events.

## 24. Changes to these Terms and Conditions

We may make fair and reasonable changes to these Terms and Conditions at any time by giving you prior written notice provided that such variations or changes are permitted under the Financial Conduct Authority Handbook. We will only make changes for good reasons as follows:

- to make our terms clearer or more favourable to you;
- to reflect legitimate increases or reductions in the cost of providing the Plan to you. Which include:
- changes to the basis of taxation applicable to the Plan or to us in connection with the Plan;
- costs associated with changes in staff, support services, technology or systems.
- to comply with applicable law, regulation, judgment of any court regulator or ombudsman or any regulatory guidance or codes;
- to reflect a change in our corporate structure that does not have an unfavourable impact on your Plan but does require us to change the terms of the Plan but not to close it;
- to provide for the introduction of new or improved system services or facilities;
- to correct any mistake that may be discovered;
- to reflect an Extraordinary Event (as further detailed in clause 17).

If you are unhappy with any change that we make to these terms you can exit the Plan (see clause 9).

## 25. Why do I need to prove my Identity?

To protect you and us from financial crime we may need to confirm your identity from time to time. We may do this by using reference agencies to search sources of information about you (an identity search). This will not affect your credit rating. If this identity search fails we may ask you for documents to confirm your identity. In certain circumstances we may need to contact you to obtain more information regarding you or your investment.

## 26. Notices or Requests

(a) We will send notices or other correspondence for you either to the address you have given us in your Application or if you have notified us in writing of a change to your new residential address. We will only carry out instructions if they are from you or your authorised representatives.

(b) You should send any notices, instructions, or requests for further information to us at:

Hilbert Investment Solutions, St Clements House, 27-28 Clements Lane, London, EC4N 7AE or to such other address that we tell you about after acceptance.

## 27. Complaints

(a) If you have a complaint about the Plan Manager you should make an oral or written complaint to the Compliance Officer at Hilbert Investment Solutions, St Clements House, 27-28 Clements Lane, London EC4N 7AE or calling +44 (0) 203 318 1742. Hilbert will provide details of their complaints procedure upon request, or automatically in the event that you make a complaint that is not satisfactorily resolved. Details of our complaints procedure are available from our website.

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(b) If you are not satisfied with the manner in which the matter is addressed you may refer your complaint to The Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London, E14 9SR. Making a complaint will not prejudice your right to take legal proceedings. More information on how to complain can be found on the Financial Ombudsman Services website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by calling them on 0800 023 4567.

(c) Should your complaint relate to any aspect of the service provided by the Counterparty we will refer your complaint to the Counterparty. Should your complaint relate to the service provided by your financial adviser, we will refer your complaint to your financial adviser.

## 28. Compensation

(a) In the event that we become insolvent and cannot meet our financial obligations to you, you may be entitled to compensation under the Financial Services Compensation Scheme. Details of your rights under this scheme are available from us on request and further information is available from either the FCA or the Financial Services Compensation Scheme (their websites are [www.fca.org.uk](http://www.fca.org.uk) and [www.fscs.org.uk](http://www.fscs.org.uk)).

The amount and scope of the compensation is presently 100% of the claim up to a maximum amount of £85,000.

(b) You will not be entitled to any compensation if the Counterparty bank from which we buy investments on your behalf fails to meet its financial commitments or if the investment performance of the asset underlying the Plan is poor.

(c) Prior to the trade date your money will be held in accordance with FCA client money rules with an approved UK

bank. The bank holding client money is a member of the FSCS. On the bank's default, if you are an eligible claimant under the compensation scheme rules you may be entitled to compensation of up to £85,000.

(d) The £85,000 compensation limit is the maximum amount of compensation you can claim per institution and not per product/asset. If you hold other products/assets with the same bank you cannot make a separate claim for each product/asset. A single banking license may apply to one or more financial institutions i.e. the parent and its subsidiary companies. You can only claim up to £85,000 across all institutions operating under a single license

(e) You will not be entitled to any compensation if the Counterparty bank from which we buy investments on your behalf fails to meet its financial commitments or if the investment performance of the asset underlying the Plan is poor.

## 29. Informing us of changes

You agree to inform us without delay of any change in your circumstances or status, including in particular any change of address, name, bank account or residency status or change of your financial adviser.

We shall not be responsible for any consequences of your failure to notify us of a change in respect of your personal information. Where we do not have an up to date address for you we may make enquiries to identify your new address and reclaim the cost of tracing. To this end we may need to share your details with trusted external parties.

We provide a broad range of products and services to UK residents. If you no longer reside in the UK you must inform us. For these purposes, you are considered to be a resident of a country if you have resided there for at least a

year or moved there with the intention of doing so. If you no longer reside in the UK, we might not be able to provide you with all of our products and services.

## 30. Law and jurisdiction

(a) This document is based on our understanding of current law of England and Wales and HMRC practice, both of which may change in the future.

(b) These Terms and Conditions will be governed by and construed in accordance with the laws of England.

(c) We will always communicate with you in English.

(d) All communications from us will normally be by email, letter or telephone.

(e) No particular meaning should be attributed to the use of upper or lower case letters in relation to whether a term is defined or not. The singular includes the plural and vice versa.

## 31. Entire Terms

These Terms and Conditions, the remainder of the Brochure and the completed Application constitute the entire terms on which the Plan is provided to you.

**Important Information**

The Plan is not a guaranteed investment. Returns depend on an investment with the Counterparty and in the event of the Counterparty being unable to meet its obligations, the benefits will fall short of those mentioned. The benefits are dependent on the investment being held until the Maturity Date. The value of your investment may fall as well as rise and is not guaranteed. The benefits are based on our understanding of current tax rules in the United Kingdom which are subject to change. Your liability to tax (if any) will depend on your individual circumstances. Transfers into the Plan do not take into account any withdrawal charges levied by existing providers. We will record telephone conversations, without the use of a warning, in order to assist with our monitoring and compliance procedures, and to avoid misunderstandings. Such records shall be our property and will be accepted by you as evidence of your order, instructions or any other conversation which is relevant to those orders or instructions, or the ongoing provision of our services. We may use recordings and/or transcripts thereof for any purpose which we deem desirable, to the extent permitted by applicable law.

Hilbert Investment Solutions is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 698380).

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