

**Addidi Factsheet - Investor Protection**

**Disclaimer: The following fact sheet provides an overview of the various forms of compensation that may be available and is not a guarantee of any eligibility. Please refer to your product literature for further information.**

**1. CASH COMPENSATION SCHEMES - UK and Overseas****UK- Financial Services Compensation Scheme**

The Financial Service Compensation Scheme (FSCS) covers individuals or small business with retail accounts at UK authorised firms up to a maximum of £85,000 per person per firm; joint accounts are covered up to a maximum of £170,000 per firm.

**UK - National Savings**

National Savings (NS&I) products are not covered by the Financial Services Compensation Scheme (FSCS), but are backed by HM Treasury and are therefore considered to be 100% secure.

**EU**

Savers with EU regulated retail bank accounts may receive a similar amount to those in the UK, the equivalent of up to €100,000 per individual firm. However, one should check with the institution as to where they are licenced, as the account may fall under different compensation limits dependent upon the jurisdiction.

Banks and building societies operating in the crown dependencies of Gibraltar, Guernsey, Isle of Man and Jersey will have different compensation limits to that offered by the UK Financial Services Compensation Scheme / EU regulations.

**Isle of Man - Depositors' Compensation Scheme**

The Depositors' Compensation Scheme (DCS) will pay out a maximum of £50,000 per person per covered bank (for individuals) or £20,000 for most other kinds of depositor. Compensation is based on net deposits per person per firm (net deposits means that any loans will be offset against deposits when compensation is calculated). There is no minimum compensation.

**Jersey - Depositors' Compensation Scheme**

The Depositors' Compensation Scheme (DCS) is operated by an independent body. It provides individual depositors with protection for up to £50,000 of savings in the event that a Jersey bank should fail. An interim payment of up to £5,000 will be made within 7 working days and the balance of compensation within 3 months. The £50,000 limit will apply per person, so a £100,000 deposit held in a joint account by 2 people would be completely covered. The maximum liability of the DCS will be capped at £100 million in any 5 year period, in line with the Guernsey scheme.

**Guernsey - Deposit Compensation Scheme**

The Guernsey Deposit Compensation Scheme (DCS) covers all 'qualifying deposits' (mainly those from personal retail depositors, wherever they live) and provides compensation of up to £50,000 per qualifying deposit in respect of that bank. The scheme is operated by an independent statutory Board which is separate from

both the Guernsey Financial Services Commission and the States of Guernsey. The maximum total amount of compensation is capped at £100 million in any 5 year period.

#### **Gibraltar - Deposit Guarantee Scheme**

The Gibraltar Deposit Guarantee Scheme covers monies held in banks that are licensed by the Gibraltar Financial Services Commission. The maximum compensation is €100,000 or equivalent, per depositor, per authorised bank. Compensation payments are made in £ sterling

## **2. INVESTMENT COMPENSATION SCHEMES - UK and Overseas**

### **UK - Financial Services Compensation Scheme**

In the UK, the Financial Services Compensation Scheme (FSCS) protects investors who have suffered losses as the result of a provider company being unable to meet its liabilities (i.e. insolvency). As from April 2019, the scheme will protect 100% of the first £85,000 per eligible person, per firm.

### **Ireland Domicile funds**

Irish Domicile funds are not covered by the UK Investor Protection Scheme. The Irish scheme will compensate individuals only 90% of the amount lost, subject to a maximum of €20,000 per client. However, the structure of the fund may remove eligibility and as such you should check with the relevant institution to confirm eligibility.

### **Luxembourg**

Luxembourg has the strongest investor protection scheme in Europe thanks to a government sponsored custodian scheme. The Scheme is overseen by the CSSF (Commission de Surveillance du Secteur Financier).

For investments in real assets, the Luxembourg structure offers complete segregation of client assets from either the creditors of the investment firm or any of its custodian banks. All assets must be held by a custodian bank approved by the regulator, to reinforce the segregation of policyholder assets from corporate assets and to prevent exposure to the investment firm's credit risk. The custodian bank must hold all these assets in separate custodian accounts, so they do not form part of the bank's balance sheets and therefore are not exposed to its credit risk. The only part that may be possibly exposed is the part of the portfolio which is left on deposit rather than invested.

### **Isle of Man**

The Isle of Man has its own Authorised Collective Investment Schemes' Compensation Scheme ("ACISCS") designed to compensate investors in authorised collective investment schemes.

The scheme partially compensates investors if an authorised collective investment scheme fails to pay when money is due. Compensation may be due if a manager or trustee of an authorised collective investment scheme fails to repay when required by the terms of the scheme.

Compensation is limited to 100% of the first £ 30,000 plus 90% of the next £20,000 subject to a maximum compensation of £48,000. It is paid out of levies collected from other authorised scheme managers and trustees ("authorised persons") in the Isle of Man. There is no "standing fund" of compensation (i.e. money is not collected in advance).

### **Jersey**

The Collective Investment Funds (Compensation for Investors) (Recognized Funds) (Jersey) Regulations 1988 provides that should the custodian, manager or trustee of a Recognized Fund become bankrupt, or be unable to satisfy claims in respect of any description of civil liability incurred in connection with a Recognized Fund, then compensation will be payable in accordance with the formula set out in the Regulation.

- If the total amount of the liability does not exceed £30k then no limit applies
- If the liability exceeds £30k but no more than £50k then the maximum payment is £30k plus 90% of the remainder
- If the liability is over £50k then the maximum payable is £48k
- The overall maximum compensation that will be paid by the scheme to all claimants in a calendar year is £5m.