



# LHCM Ltd (“LHCM”) Client Assets Protection Statement

8 March 2024

## Client Asset Protection

As an FCA regulated investment service provider, LHCM is authorised to arrange and make deals and transactions in investments (both as agent and principal), safeguard and administer assets, as well as hold and control client money. These are the means by which we are able to operate and maintain our trading platform services. For further details, we invite you to search the Financial Services register (<https://register.fca.org.uk/s/>) using firm reference number 789421.

Under its client money responsibilities (CASS 7), LHCM must deposit client funds, separate from its own cash, in a client money bank account with an authorised bank and protect all client money flows that arise from clients' investment business. Custody of clients' assets is in accordance with the rules (CASS 6) and entrusted to a globally recognised custodian. LHCM carries out extensive due diligence on third-parties as part of our risk management framework.

In the unlikely event of an insolvency, this means the client money accounts would be held separate to LHCM's money and be available to the insolvency practitioner to distribute to the respective clients who have a valid claim on the balance.

## Due Diligence

In appointing and using a third party to provide banking or custody services in relation to client money and/or client assets, we exercise all due skill, care and diligence in the election, appointment and periodic review of the third party taking into account the standing, expertise and market reputation of the third party; we ensure compliance with the FCA CASS rules by conducting regular due diligence on our banks and custodians.



## Compensation Schemes

There are financial compensation schemes in operation that cover deposits with financial institutions that are licensed under the schemes, or investments made with appropriately authorised firms.

In the UK, we have the Financial Services Compensation Scheme ("FSCS") which is an independent body created under the Financial Services and Markets Act 2000.

The FSCS may pay compensation equal to all or some of the claim if a firm is unable, or likely to be unable, to pay claims against it. This will generally be because the firm has stopped trading and has insufficient assets to meet claims, or is in insolvency – otherwise known as default.

There are limits for all compensation schemes and they may not cover the entire balance of your client money or client assets held.

## Compensation Limits

The actual level of compensation you receive will depend on the basis of your claim. For example, the FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category (listed below).

## The Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (FSCS) is funded by the UK financial services industry and provides free protection to eligible consumers, up to £85,000 per person per authorised firm. The FSCS does not cover investment performance, but eligible investors who invest through the LHCM Platform may have rights to compensation in the event of LHCM becoming insolvent (for further details, see [www.fscs.org.uk](http://www.fscs.org.uk)).

## The Financial Conduct Authority

LHCM is authorised and regulated by the FCA one of whose prime functions is to ensure investor protection through the regulation of financial services markets, exchanges and firms. When LHCM provides services to our clients, it does so subject to rules on the conduct of its business set by the FCA and designed to protect the interests of clients. These rules include an obligation to ensure that assets belonging to clients (such as investments and cash) when under the control of LHCM are clearly segregated from assets of LHCM itself.



## Complaints

We take complaints very seriously and have established procedures in accordance with the FCA's requirements for the consideration and handling of complaints which ensures that they are dealt with fairly and promptly. Our written complaints policy is available upon request. If in the future you would like to make a complaint you can either speak to your usual point of contact at LHCM or contact our Complaints Officer at [complaints@lhcm.uk](mailto:complaints@lhcm.uk)