

## Reyker Securities plc - In Special Administration ("the Company")

### Update for Clients and other stakeholders 29 January 2021

This is an update for Clients and other stakeholders affected by the Special Administration of the Company. It sets out updated details on the return of Client Money and Custody Assets belonging to the Clients of the Company.

#### IMPORTANT UPDATE FOR CLIENTS WITH CUSTODY ASSETS & CORPORATE ACTION INCOME

The JSAs are pleased to advise that on 29 December 2020 the JSAs wrote to approximately 95% of Clients to confirm:

- The identity of their Nominated Broker(s);
- The date on which the Transfer of their Custody Assets will begin;
- That their Client Assets Return Statement is available to view on the Portal; and
- Their legal rights under the terms of the Distribution Plan.

This letter also set a deadline of 22 January 2021 to opt out of this Transfer and for Clients to meet any outstanding Transfer conditions. This deadline has now passed and the JSAs are working closely with the Nominated Brokers to start transferring assets. No further opt-out requests will be accepted by the JSAs.

Working with Clients directly, and the FSCS and Investment Managers where appropriate, the JSAs helped more than 99.5% of eligible Clients meet their Transfer conditions.

Only 8% of eligible Clients opted out of the Transfer to their Nominated Broker(s) with the overwhelming majority of these being represented by three Investment Managers who ultimately wanted their clients to be transferred to a broker of their respective (different) choice. This low drop-out rate supports the JSAs' strategy to make transfers to five Nominated Brokers.

Although the process of transferring so many assets will still take some time, I am pleased to set out some more information about the transfer process for each Nominated Broker below.

#### James Bearley & Sons Limited ("JB")

The JSAs and JB transferred the majority of the Custody Assets held by the Company on Euroclear depositories on Friday 29 January 2021. JB set aside Friday and, if necessary, the weekend, to complete the processing of more than 16,500 stock records so that all transferred Custody Assets Custody Assets should visible in their JB client accounts from Monday 1 February 2021.

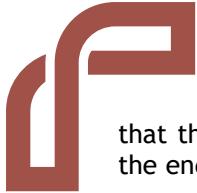
Most Custody Assets held on other electronic depositories should be transferred in the week commencing 8 February 2021. Once transferred Custody Assets should be visible in Client's accounts the following day.

The JSAs anticipate transferring all Corporate Action Income to JB in the week commencing 8 February 2021. Clients will see the cash in their online JB client account on the day following the transfer. Clients should check their client account, via the portal details provided to them by JB, to see the funds deposited into their account.

The JSAs and JB will be working to re-register all fund positions in the coming weeks and anticipate that the majority of these will be reflected in client accounts by late February or early March 2021.

Paper (certificated) holdings will be transferred as soon as possible but Clients should note that the re-registration process requires action to be taken by third party registrars that may currently be working to a reduced capacity due to COVID, so some transfers may take longer. The JSAs anticipate





that the majority of these Custody Assets will be transferred and reflected in JB client account by the end of March 2021.

### **Logic Investments Limited (“Logic”)**

The JSAs anticipate transferring Custody Assets held by the Company on its Euroclear depository on Monday 8 February 2021 to Logic’s sub-custodian, Jarvis Investment Management Limited (“Jarvis”). Custody Assets held on other electronic depositories should be transferred in the week commencing 15 February 2021. Transferred Custody Assets should usually be visible in Client’s accounts the following day.

The JSAs and Logic will be working to re-register all fund positions in the coming weeks and anticipate that the majority of these will be reflected in client accounts by late February 2021 or early March 2021.

Paper (certificated) holdings will be transferred as soon as possible but Clients should note that the re-registration process requires action to be taken by third party registrars that may currently be working to a reduced capacity due to COVID so some transfers may take longer. The JSAs anticipate that the majority of these Custody Assets will be transferred and reflected in Logic’s client account by the end of March 2021 (unless otherwise requested by a client).

The JSAs anticipate transferring all Corporate Action Income to Logic in the week commencing 8 February 2021 or sooner.

Clients should receive a notification from Jarvis once assets are transferred into their account. Logic will also be notifying Clients, or their Investment Manager, directly within 24 hours of assets or cash having been transferred into their account.

### **Kin Capital Partners LLP (“Kin”)**

All Clients transferring to Kin have met their transfer conditions and no Clients opted out. This, together with considerable assistance from Kin, under the terms of the Transfer Agreement, has allowed the JSAs to provide all of the necessary paperwork for the share transfers to be re-registered in the name of the new custodian.

The JSAs will now continue to work with Kin and the relevant company registrars to complete the transfer of these Custody Assets to the new custodian.

Clients should please note that the re-registration process requires action to be taken by third party registrars that may currently be working to a reduced capacity due to COVID so some transfers may take longer than others. The JSAs anticipate that the majority of these Custody Assets will be transferred and reflected in Kin client account by the end of March 2021.

The JSAs anticipate transferring all Corporate Action Income to Kin in the week commencing 8 February 2021 or sooner.

Clients will be informed of completed Custody Assets transfers by their Investment Manager, Deepbridge Capital LLP (“Deepbridge”), who will be notified by Kin Capital of the re-registration of shares. Clients have already been informed that Corporate Action Income should be received in the week commencing 8 February 2021 and, again, this will be confirmed by Deepbridge.

### **Thompson Taraz (“TT Nominees”)**

The JSAs and TT Nominees have agreed the terms of a Deed of Transfer, Appointment and Retirement that will complete the transfer of all Custody Assets held via interests in a wholly owned subsidiary LLP. This document has been issued for execution by all parties and it is anticipated that this transfer will complete in the week commencing 8 February 2021.





The JSAs are working with TT Nominees and the relevant company registrars to complete the transfer of paper (certificated) Custody Assets to TT Nominees, the Nominated Broker. Clients should please note that the re-registration process requires action to be taken by third party registrars that may currently be working to a reduced capacity due to COVID so some transfers may take longer than others.

The JSAs anticipate that the majority of these Custody Assets will be transferred and reflected in TT Nominees client account by the end of February 2021. Some may however take longer for the reason set out above.

The JSAs anticipate transferring all Corporate Action Income to TT in the week commencing 8 February 2021. TT Nominees will notify the Clients' Investment Manager of the receipt of Corporate Action Income once the cash has been allocated to the respective client accounts. The Investment Manager will notify Clients of the receipt of Corporate Action Income once the cash has been allocated to the respective client accounts, as part of their regular client communications.

### **Pershing Securities Limited ("Pershing")**

The JSAs are working with Pershing and Puma Investment Management Limited ("Puma"), the Clients' Investment Manager, and the relevant company registrars to complete the transfer of paper (certificated) Custody Assets to the Nominated Broker.

Clients should note that the re-registration process requires action to be taken by third party registrars that may currently be working to a reduced capacity due to COVID so some transfers may take longer than others. The JSAs anticipate that the majority of these Custody Assets will be transferred and reflected in Pershing clients' accounts by the end of March 2021.

There is no Corporate Action Income to transfer to Pershing.

Pershing will notify Puma of the receipt of Custody Assets once the securities have been allocated to the respective client accounts. Puma will notify Clients as part of their regular communications with these Clients.

### **Disclaimer**

Neither Reyker nor the JSAs can give Clients any advice whatsoever in respect of their investments and / or the distribution of Client Money or transfer of Custody Assets and nothing within this document, the Website, the Portal, or any other associated literature issued by the JSAs should be treated as such. If you are uncertain as to the best option(s) for you and your investments and the financial consequences, please seek independent professional advice.

### **Fraudulent communication**

Further to recent updates and reports of fraudulent activity, Clients are reminded to remain vigilant to fraudulent communication at all times. Should Clients have any concerns in respect of any communications received, please contact Client Services on 0800 048 9512.

### **Further information**

Further information and frequently asked questions can be found on our website, or by clicking this link <https://smithandwilliamson.com/reyker-securities-plc/>

Should you have any queries, please contact Client Services by email at [clientservices@reyker.com](mailto:clientservices@reyker.com) or, alternatively, by calling 0800 048 9512.





## Glossary

Capitalised terms within this document are defined as follows:

Term	Definition
Client	A party for whom the Company held either Client Money or Custody Assets or both on their behalf
Client Assets	Client Money and Custody Assets
Client Money	Money of any currency that the Company has received or holds for, or on behalf of, a Client as at 8 October 2019
Creditors' Committee	The Creditors' Committee of Clients and Creditors established in order to take certain decisions on behalf of the Clients and Creditors as a whole.
Company / Reyker	Reyker Securities PLC - in Special Administration
Corporate Action Income	Income arising from Custody Assets and received on behalf of Clients following 8 October 2019
Custody Assets	The securities (including stock, shares and other investments) held for and on behalf of the Clients as at 8 October 2019
Distribution Plan	A statutory distribution plan, pursuant to the Regulations and the Rules, to facilitate the return of Custody Assets
Investment Manager	An organisation that manages investments in funds and other portfolios of Client Custody Assets on behalf of Clients under the terms of an investment management agreement
JSAs	The joint special administrators
Nominated Broker	One of the designated brokers who will receive a transfer of Client Assets following the approval of the Distribution Plan
Portal	The online Client Claim Portal, available at <a href="http://www.reykerportal.com">www.reykerportal.com</a>
Regulations	The Investment Bank Special Administration Regulations 2011 as amended by The Investment Bank (Amendment of Definition) and Special Administration (Amendment) Regulations 2017
Rules	The Investment Bank Special Administration (England and Wales) Rules 2011
S&W	Smith & Williamson LLP
Special Administration	The special administration of the Company

