

THE SMART APPROACH

TO CASH
MANAGEMENT

A NOTE FROM OUR FOUNDERS

Contents

- 1 A note from our founders
- 2 About Us
- 4 Why manage your cash through Flagstone?
- 6 How it works
- 8 How to get started
- 10 Frequently Asked Questions
- 14 Contact information

Hello and welcome to a smarter approach to cash management.

We're delighted that you're interested in maximising your returns on cash. We hope you will find this booklet a useful guide on how Flagstone can help you achieve exactly that. We'll show you how our innovative platform will simplify how you manage your cash, help reduce your risk exposure, and spare you from mountains of paperwork and weeks of waiting around.

Our promise is to provide you with an efficient and user friendly solution that will help you make the most of your cash.

Welcome to smarter cash with Flagstone.



Andrew Thatcher
Managing Partner



Simon Merchant
Managing Partner

ABOUT US

The Flagstone story

Flagstone was established in 2013 by former Principal at GLG Partners and Man Group, Andrew Thatcher. He was then joined by ex-Group CFO of Virgin Group, Mark Poole and ex-Morgan Stanley investment banker and successful technology entrepreneur Simon Merchant.

This heavyweight management team - whose shared corporate, financial services and technology experience spans more than 75 years - spotted a clear gap in the market for a simple and streamlined cash management platform.

By 2013 there had already been several years of declining interest rates making it harder for private investors, businesses and charities alike, to see any meaningful return on their cash. In addition, the global financial crisis had led to heightened sensitivity to bank counter party risk and was creating a greater need for low-risk diversification options.

Of course, savvy investors and wealth managers had always been aware that there were attractive savings rates available in the market – but few had the time to research these elusive rates, consider the risk profile of every institution and then endure the administrative hassle and delays involved in opening and managing multiple accounts.

Hence Flagstone was conceived. Flagstone is an innovative but simple fintech solution - the first and only one of its kind in the UK - that is shaking up an old-fashioned market by doing away with all this hassle. It offers an easy and efficient way for you to manage your cash for greater profit. And you do this following an introduction from your St. James's Place Partner.

The Flagstone platform gives you 24/7 online access to hundreds of higher interest deposit accounts at the click of a button, ensuring you're always aware of leading deposit rates. Each institution on the platform is fully risk assessed in a simple and transparent way using Flagstone's proprietary risk methodology to enable informed choices. All execution is electronic so you can easily diversify and optimise returns, making the entire process simple and efficient.

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Flagstone has built strong relationships with some of the world's leading banks in order to bring more choice to depositors.

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Bank relationships

Flagstone has built strong relationships with some of the world's leading banks to bring more choice to depositors. An unerring focus on expanding our banking relationships has seen the number of banks joining the platform grow quarter on quarter since we launched. Our plan is to maintain this consistent growth to enable us to offer you an even wider choice in the future.

Our uncompromising commitment to transparency means that we neither charge commissions to our bank partners nor ask for retrocessions on deposits placed. The selection of deposit accounts is entirely up to you, and the accounts and rates available on the platform are included and displayed objectively and without bias.

Security

The Flagstone platform has been built with client security at its core. The company, Flagstone Investment Management Limited, is FCA authorised and regulated, meaning we are subject to the highest level of reporting and control. In addition, all the UK banks on the Flagstone platform are regulated by both the FCA and the Prudential Regulation Authority, so you can trust that your money is always handled safely and securely.

WHY MANAGE YOUR CASH THROUGH FLAGSTONE?

Maximise your interest

Flagstone gives you access to market leading interest rates on hundreds of bank deposit accounts. Our clients typically increase the interest paid on their cash by 2-5 times net of fees.

Minimise your risk exposure

With so many deposit account products at your fingertips you can easily reduce the risk exposure on your cash through greater diversification. The platform enables you to spread your deposits across multiple accounts in order to maintain your Financial Services Compensation Scheme ('FSCS') protection.

Eliminate hassle

We've done away with the usual administration and waiting time associated with opening and managing multiple accounts. You sign just one agreement to get started on Flagstone and after this manage all your account selection and opening effortlessly and electronically through the platform without any further paperwork.

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Our clients typically increase the interest paid on their cash by 2-5 times net of fees.
”

Enjoy total peace of mind

Flagstone is authorised and regulated by the Financial Conduct Authority ('FCA') and all the banks we partner with in the UK are regulated by both the FCA and the Prudential Regulation Authority. So you can trust that your money is in good hands.

Make informed choices

Every bank available through Flagstone comes with our proprietary credit research data so that you can easily assess and compare the relative risks and returns of each account before making a selection. In addition, our clients benefit from our weekly risk alerts on banks.

High quality reporting

The Flagstone platform provides clients with monthly statements and a consolidated annual tax statement showing interest earned on all deposits.

Retain total control

The selection of deposit accounts is entirely up to you. With 24/7 secure online access to your portfolio and our customised reporting, you retain full control of your money.

HOW IT WORKS

Flagstone is designed to make the management of your cash deposits much easier. Below is a breakdown of how we've simplified cash management to deliver you the best returns for the least effort.



1. SPEAK TO YOUR ST. JAMES'S PLACE PARTNER

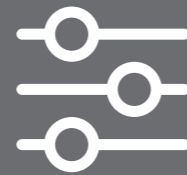
Once your details have been registered please complete our application form and return it to your Partner.



2. OPEN YOUR HUB ACCOUNT

Once your application has been approved we will open your Hub Account and send you your login details.

Your Hub Account will be held with Barclays Bank. This is the account into which you will make your initial transfer and to and from which all subsequent deposits will flow in and out.



3. SET YOUR INVESTMENT CRITERIA

Use the platform to filter accounts based on your personal liquidity and return needs, risk profile and currency preferences.



4. BROWSE AND FILTER ACCOUNTS

Browse accounts in Sterling, Euros and US Dollars from a range of our banking partners that match your investment criteria. View key risk information on each of our banking partners in a simple and transparent format.



5. SELECT AND EXECUTE

Highlight the deposit accounts you want and click to place them into your portfolio. View the overall interest rate payable on your portfolio and when you are happy with your selections, just click to confirm. Flagstone will then automatically execute on your behalf.

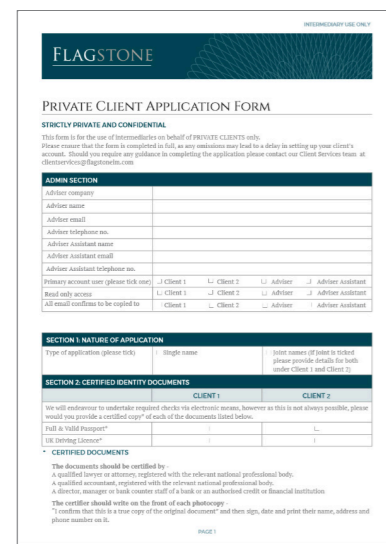


6. ACCESS REPORTING

View all your deposits at a glance with 24/7 secure online access and get consolidated monthly statements and annual tax reporting.

HOW TO GET STARTED

Getting up and running on Flagstone couldn't be simpler.



FLAGSTONE

PRIVATE CLIENT APPLICATION FORM

STRICTLY PRIVATE AND CONFIDENTIAL

This form is for the use of intermediaries on behalf of PRIVATE CLIENTS only. Please ensure that the form is completed in full, as any omissions may lead to a delay in setting up your client's account. Should you require any guidance in completing the application please contact our Client Services team at clientservices@flagstoneim.com.

ADMIN SECTION

Client name
 Address name
 Address email
 Address telephone no.
 Address Assistant name
 Address Assistant email
 Address Assistant telephone no.
 Primary account user (please tick one)
 Read only access
 All email confirmations to be copied to

SECTION 1: NATURE OF APPLICATION

Type of application (please tick)
 Joint names (if none to tick please provide details for both under Client 1 and Client 2)

SECTION 2: CERTIFIED IDENTITY DOCUMENTS

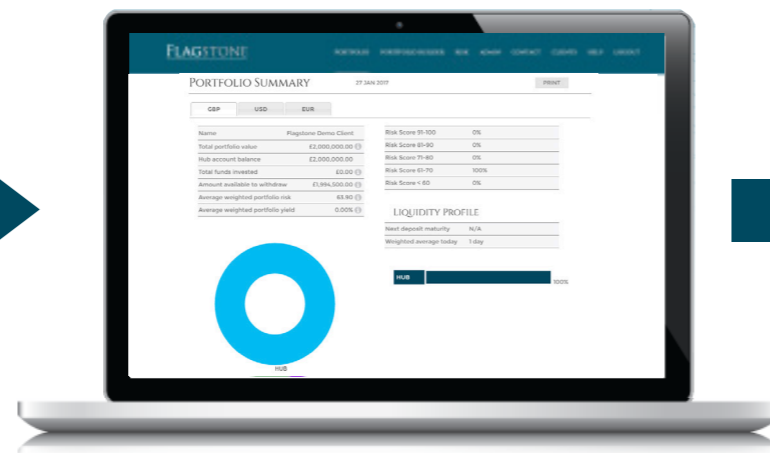
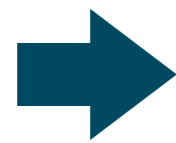
We will endeavour to undertake required checks via electronic means, however as this is not always possible, please email us provide a certified copy of each of the documents listed below.

Full & Valid Passport
 UK Driving Licence

CERTIFIED DOCUMENTS

The documents should be certified by:
 A qualified lawyer or attorney, registered with the relevant national professional body.
 A qualified notary public, registered with the relevant national professional body.
 A Director, manager or bank counter staff of a bank or an authorised credit or financial institution.
 The certifier should write on the front of each photograph:
 "I confirm that this is a true copy of the original document" and then sign, date and print their name, address and phone number on it.

PAGE 1



The Application

Your St. James's Place Partner will discuss the benefits of the Flagstone cash management solution with you. Flagstone can then send you the relevant application which your St. James's Place Partner can help you to complete. On receipt of your application Flagstone will check that we have all the required information and will complete all the necessary regulatory checks.

Your Hub Account

Once your application is approved, we'll set up your Flagstone Hub Account, hosted by Barclays. You can make your initial transfer into your Hub Account electronically or by cheque. Once the payment is cleared, you are good to go.

Up and running

Once you're up and running you will select and manage your deposit accounts and we'll keep you up to date with new rate alerts, risk information, monthly statements and platform updates.

Ongoing support

The Flagstone platform is designed to let you control your money, however we're always here should you need a little help.

You can contact our client services team on +44 (0)20 3745 8130 or at clientservices@flagstoneim.com

FREQUENTLY ASKED QUESTIONS

We understand you may have a few questions about using the platform and how we work. Below are answers to some of the most common questions we receive from clients.

What is the relationship between St. James's Place and Flagstone?

Flagstone has been subject to a comprehensive due diligence process carried out by St. James's Place and is approved as the exclusive provider of cash management services to clients of St. James's Place.

How can Flagstone access better interest rates for me?

Through the relationships we have developed with our partner banks and due to the volume of deposits we intermediate, Flagstone is often able to access deposit rates which are not available to direct client applications.

Do I maintain FSCS protection with deposits made through Flagstone?

Yes. The level of protection is exactly the same as if you placed the deposit directly. In the event that one of the banks on the platform goes into administration, assuming the bank in question was a member of the Financial Services Compensation Scheme (FSCS), then (if you are eligible), you would have a single claim under the FSCS scheme up to the deposit compensation limit (currently £85,000¹). Equivalent compensation rules would apply for any EU bank on the platform

going into administration, under the deposit protection arrangements in your 'home' EU member state.

What is a Hub Account and what is it used for?

A Hub Account is a segregated trust account set up specifically to safeguard client assets. Flagstone's Hub Account partner for onshore funds is Barclays Bank Plc. The Hub Account is established to receive the initial monies transferred by the client on to the Flagstone platform before they are sent on to a deposit account. Furthermore, the Hub Account acts as the account to which all monies (principal and interest) must be returned by the relevant Flagstone banking partner at a maturity event or when they are requested back by a client in respect of an instant access or notice account

What are the fees for using Flagstone and how are they charged?

For clients of St. James's Place, Flagstone charges a flat fee of up to 0.25% p.a. on the total value of a client's account.

Additionally, a one-off Administration Fee of £500 is charged to set-up a new client account on the platform. For clients opening US Dollar accounts or Euro accounts this one-off Administration Fee for each account is \$500 for US Dollar accounts or €500 for Euro accounts.

¹ Correct as at 6 February 2017
For current FSCS compensation limits please refer to www.fscs.org.uk

Does Flagstone take commissions or retrocessions from the banks on its platform?

No. Flagstone does not take any commissions or retrocessions from the banks on its platform in respect of the deposits it intermediates.

Does St. James's Place earn a fee on the cash managed through the Flagstone platform?

Yes. St. James's Place earns a flat fee of up to 0.10% p.a. on the total value of a client's account. This is taken from the Management Fee and paid to St. James's Place directly by Flagstone.

How are the fees taken?

The Annual Management Fee of up to 0.25% is accrued daily and debited monthly in arrears from your Hub Account.

The one-off Administration Fee of £500 (or \$500 for US Dollar accounts and €500 for Euro accounts) is deducted from amounts credited to the client's Hub Account within 30 days of the first deposit being made into that account.

The St. James's Place fee of up to 0.10% is paid to St. James's Place by Flagstone from the Annual Management Fee.

Will I receive statements directly from each bank I place deposits with through the Flagstone platform?

No. All reporting is consolidated and monthly statements, as well as consolidated annual tax statements covering all banks, are available via the Flagstone platform.

What is the Flagstone risk scoring methodology and how does it work?

The Flagstone risk methodology is designed to help you understand the balance sheet strength of any bank on the Flagstone platform. Our aim is to offer our clients some key data in order to allow them to carry out an element of due diligence and make their own informed assessment of a bank.

The Flagstone risk score is prepared for illustrative purposes only, is based solely on publicly available information and is in no way designed to confer advice to a client or infer that Flagstone 'rates' any particular institution to be more creditworthy than another. Full details of the methodology are available on the Flagstone platform.

In the event that Flagstone goes into liquidation, how are my monies protected?

Flagstone is obliged under law to implement safeguarding measures to protect client funds. For this reason, all funds held by Flagstone on behalf of clients are separated from Flagstone's own funds and only held in

designated trust accounts. Furthermore, each client's individual deposits are held against a unique alphanumeric reference number which is recorded by both Flagstone and the relevant bank. Were Flagstone to be placed in administration or wound up, our clients retain full beneficial ownership of their funds at all times and as such these would be paid back to the client by the administrator.

A full set of our FAQs is available upon request.



CONTACT INFORMATION

A smarter approach to cash management

+44 (0)20 3745 8130
clientservices@flagstoneim.com
www.flagstoneim.com

Flagstone
17th Floor, New Zealand House
80 Haymarket
London SW1Y 4TE

Follow Flagstone for regular
company and industry updates

 @FlagstoneIM

 Flagstone Investment Management

Flagstone
17th Floor, New Zealand House
80 Haymarket
London SW1Y 4TE

+44 (0)20 3745 8130

clientservices@flagstoneim.com

www.flagstoneim.com

