



## Information on Custody Services

### What is Custody Services?

Custody services, refer to financial services for the safe-keeping and management of financial assets. Custody services typically involve the secure storage, accounting, transfer and servicing of equities, bonds, options, and other tradable instruments. At Bermuda Commercial Bank, we provide clients with secure custodial accounts and ledgering services, as well as other administrative services like dividend and interest calculations, market data and pricing information.

Custody services allow clients to manage large amounts of assets in a safe, reliable manner. A bank's custody services typically involve holding, safekeeping and transferring financial assets such as stocks, bonds, mutual funds, and exchange traded funds. Clients can use custody services to store their investments, track their performance, and maintain security of their investments.

With a custody account, clients have access to the bank's secure, sophisticated technology that enables safe transactions with the highest levels of security. These features include monitoring for fraud and ensuring that all transactions comply with the regulations and industry standards. They may also offer automated statements and performance reports.

Bank provided custody services also include services such as asset transfer, asset valuation, and portfolio administration. With asset transfer, clients can move their assets between accounts as needed. Asset valuation ensures that clients receive proper market prices to reflect the current value of their investments. And through portfolio administration, clients can adjust their portfolios to optimize their holdings and maximize returns.

### Features

- Safekeeping services where client assets will be securely stored on behalf of the bank while maintaining access for the client.
- Fast, accurate and secure transacting - receiving and managing funds, paying interest and dividends, and processing any other securities related transactions.
- Individualised Monthly/Quarterly portfolio reporting provides clients with the ability to monitor their financial position and to keep track of investments and other related transactions.
- The Terms and conditions of the Custodial relationship will be set out in the Custody Agreement and Fee Schedule, which all parties will sign and be legally bound by once onboarded.
- Reliable partnership with JP Morgan Chase which extends our market reach worldwide.
- Custodian services

### Things you should consider before applying for a Custody Account



The terms and conditions for the Custodial relationship are set out in the Custody Agreement and Fee Schedule. These fees are not inclusive of any external brokerage fees that are applied on a trade-by-trade basis once executed. Customers should also consider the following: -

- **Volatility of the stock market:** The market is unpredictable and there will be fluctuations from month to month and most certainly year to year. Fluctuations are not uncommon, these may be caused by changes in interest rates, changes in banking regulations, or other economic indicators that can affect the market.. When leveraging custodial services, you need to consider how potential losses will impact your overall financial position and whether you can withstand these losses.
- **Investment Advice:** BCB does not offer investment advice, as such, you should consider a relationship with an investment advisor to help you make decisions relating to your investment objectives prior to making investment decisions.
- **Duration:** The intended duration of an investment for custody services in a bank is typically three to five years. The duration will impact the value of your investment, and you should determine if you are able to be without the funds for an extended period.
- **Emergency Access:** You should ensure that you understand how and under what circumstances you are able to access your funds in an emergency.

## Risk

Risks should outline what could go wrong for the client while using the product. Even if these risks are mitigated or minimum, we should examine them and determine if they should be included on the fact sheet

- **Volatility of the market:** market risk refers to the potential loss that might occur due to adverse movements in the financial markets, this might result in losses to the value of your portfolio and potential income.
- **Lower liquidity:** Custody relationships are not as liquid as standard savings accounts; this means that you may not be able to access your funds as quickly as you would like.

## Key Terms

List of terms that the client should know and understand relating to the product

Term	Definition
Market Volatility	There are many factors that will impact the performance of the market. This adds to the unpredictability of the market and the up and down movements that occur. The factors that may have an impact and add to the volatility are negative company news, interest rate changes, global



	events and of course, political instability.
Risk	The perceived risk of investing is something one should consider when thinking of getting into the stock market. Always remember, there are no guarantees when investing. Market risk is real, and one needs to be prepared for what may happen and stay informed after investing.
Portfolio Valuation	Reporting which provides you with an overview of your holdings monthly or quarterly. This will enable you to gauge your cost price against the current market values.
Fees	Ensure you are fully aware of all fees associated with trading. These fees include the external brokerage charges, BCB internal fees, and quarterly custody fees.

### Why Choose Bermuda Commercial Bank?

Bermuda Commercial Bank Limited is the specialist Bermuda Bank delivering innovative and effective solutions to provide a superior customer experience. We offer tailored financial solutions and personal attention to both offshore and local clients.

We understand you have choices when seeking a banking partner, BCB differentiates itself from the competition in several important ways. We offer our clients:

- **Competitive Fees:** Bermuda Commercial Bank strives to offer fair and competitive pricing for each of our fee structures
- **Personalized Service:** BCB is relationship driven and our staff offer fast and personalized hands on service to clients throughout the process of opening and maintaining a custody relationship.
- **Service Driven and Client Focused:** We pride ourselves on providing a high level of customer service focused on ensuring we meet the expectations of our clients.