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WealthTek Limited Liability Partnership (trading as WealthTek, Vertem Asset Management and Malloch Melville) - In Investment Bank Special Administration

Update to Clients
15 September 2023

The Financial Services Compensation Scheme ('FSCS') published an update on its website on 14 September 2023, which can be viewed using the following link: [Wealth Tek LLP - latest customer info | FSCS](#).

The FSCS has confirmed that it anticipates that, for eligible customers, it is likely to meet any losses suffered in relation to the following:

- the costs of returning client money;
- the costs of transferring any assets to a new broker (provided that the assets are covered by the FSCS's rules);
- shortfalls suffered on any client money claim; and
- shortfalls suffered on any client/custody asset claim.

Further information regarding eligibility for FSCS compensation can be found via the following link: <https://www.fscs.org.uk/making-a-claim/claims-process/eligibility-rules/>.

Any compensation payable by the FSCS will be subject to the statutory limit of £85,000 per eligible customer. The FSCS has also confirmed that customers of WealthTek do not need to take any further action at this stage.

As previously advised, the Joint Special Administrators ('JSAs') are required to return client assets under the terms of a Distribution Plan, which must be approved by both the Clients' and Creditors' Committee ('the Committee') and the Court. The JSAs and their legal team are currently in the process of preparing the Distribution Plan, however (and without waiving any legal privilege), the JSAs have been required to obtain advice from leading counsel on a number of issues arising from their investigations (including, in particular, issues arising from the shortfall in client assets) in order to determine how they should be dealt with in the Distribution Plan. The JSAs will continue to work closely with the FSCS and the Committee in relation to the preparation of the Distribution Plan.

The JSAs are not yet in a position to confirm when the application seeking approval of the Distribution Plan will be filed at Court although, based on current information, they anticipate that they will be in a position to make the application before the end of the calendar year, with an anticipated date for a Court hearing during the first quarter of 2024. Clients will be provided with further updates on timing as our work progresses. As part of this process, clients can expect to receive an individual client statement setting out the anticipated shortfall on their accounts around the same time as the application is made to Court.

Clients may continue to contact the JSAs' team either via email at wealthtekclients@bdo.co.uk or by calling our helpline on +44(0)151 351 4700 or +44(0)113 521 4470.