

**Client Information of PRIVUS AG**

Appendix IV to the Asset Management Agreement

Please note that providing information to our clients is a dynamic process. The most recent version of this client information is available at: [www.privusag.com](http://www.privusag.com). Clients are kindly requested to consult this page regularly in order to stay informed about the latest developments.

**General Information about PRIVUS AG**

PRIVUS AG (hereinafter “PRIVUS”) is a joint-stock company (Aktiengesellschaft) incorporated under Swiss law, with its registered office in 8002 Zurich (Switzerland) and its domicile at Tödistrasse 36. PRIVUS provides asset management and investment advisory services to its clients. The Chairman of the Board of Directors of PRIVUS is Mr. Thomas Flothen. Further members of the Board of Directors are Ms. Petra Glettig-Tröndle and Messrs. Thomas Schmidbauer, Oliver Schicker and Christian Fäh. The Board of Directors also assumes the management of the Company.

The provision of financial services by PRIVUS is subject to the rules of conduct set out in the Swiss Financial Services Act (FinSA; German: Finanzdienstleistungsgesetz, “FIDLEG”). Since 27 July 2022, PRIVUS AG has been authorised by the Swiss Financial Market Supervisory Authority (FINMA) as an asset manager pursuant to Art. 17 of the Swiss Financial Institutions Act (FinIA; German: Finanzinstitutsgesetz, “FINIG”), in conjunction with Art. 620 et seq. of the Swiss Code of Obligations (CO) — a recognised mark of quality.

Swiss Financial Market Supervisory Authority FINMA

Laupenstrasse 27

3003 Bern

Switzerland

Telephone hotline for enquiries, complaints and notices: +41 31 327 98 88

E-mail: [info@finma.ch](mailto:info@finma.ch)

Website: [www.finma.ch](http://www.finma.ch)

In addition, PRIVUS AG is supervised by AOOS — an oversight organisation for asset managers and trustees. This ongoing supervision monitors the business activities of affiliated asset managers and trustees with regard to compliance with statutory requirements and licensing conditions. AOOS itself is authorised and supervised by FINMA.

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The latest client information is available at: [www.privusag.com](http://www.privusag.com). Please consult this page regularly.

AOOS – Swiss Supervisory Organisation Ltd.

Clausiusstrasse 50

8006 Zurich

Telephone: +41 44 215 98 98

E-mail: [info@aoos.ch](mailto:info@aoos.ch)

Website: [www.aos.ch](http://www.aos.ch)

In compliance with the statutory provisions of FINMA, PRIVUS has affiliated itself with an ombudsman's office. Clients are hereby informed that, in the event of any dispute, they have the possibility to initiate mediation proceedings before the ombudsman's office:

OFS Ombud Finance Switzerland

16 Boulevard des Tranchées

1206 Geneva

Telephone: +41 22 808 04 51

[contact@ombudfinance.ch](mailto:contact@ombudfinance.ch)

Website: <https://ombudfinance.ch/home-de/>

Unless otherwise agreed, PRIVUS manages client assets deposited with a custodian bank on the basis of a power of attorney limited to asset management actions. PRIVUS enters into a written asset management agreement with its clients, which governs the duties and powers of PRIVUS as well as the client's rights.

PRIVUS is authorised exclusively in Switzerland to provide asset management and investment advisory services. The legal relationship between the client and PRIVUS is governed exclusively by Swiss law. PRIVUS assumes that the client is aware of this upon entering into the business relationship.

### **Services and Information on Ties to Third Parties**

PRIVUS provides its asset management and investment advisory services independently of banks and providers of financial products. There are no exclusive arrangements. Upon request, PRIVUS recommends custodian banks for the safekeeping of the client's assets which, in PRIVUS's assessment, offer best execution of client orders from both a pricing and quality perspective. In doing so, the size of the client's assets and their relationship to the aggregate volume of assets managed by PRIVUS are also considered. If the client requests a specific bank as custodian, best

execution of client orders will be carried out exclusively within the framework of the business relationship with the bank designated by the client.

## **Client Segmentation**

Financial service providers must assign their clients to a client segment prescribed by law and comply with the corresponding duties of conduct. FinSA distinguishes between “retail clients”, “professional clients” and “institutional clients”. PRIVUS determines a client classification for each client in the course of the relationship. Subject to certain statutory requirements, the client may change the classification by submitting a corresponding written declaration.

## **Risk Disclosure**

PRIVUS informs the client, without being requested to do so, of the risks associated with the services to be provided that go beyond the usual risks linked to buying, selling and holding securities (“specific risks”). If the client also wishes to be informed about risks that are not specific risks arising from PRIVUS’s activities, the client must expressly request this. Risk disclosure is provided by means of factsheets and brochures. The client may request individual explanations of the risks associated with the services provided by PRIVUS at any time. The same applies if the client states to PRIVUS that he/she does not understand the risks described in the factsheets or brochures provided.

Where, in the context of asset management and portfolio-related investment advice, atypical risk concentrations in client portfolios cannot be excluded, the financial service provider will indicate the nature and extent of such concentration risks. Indicators of atypical risk concentrations include:

- Concentrations of 10% or more in individual securities;
- Concentrations of 20% or more with individual issuers.

Concentrations resulting from collective investment schemes that are subject to regulatory risk diversification rules are excluded.

## **Fees and Compensation**

PRIVUS’s remuneration for its services consists of (i) the management fee paid by its clients and (ii) compensations received from banks, fund management companies and issuers. Provided that

the custodian bank has agreed its customary fees and charges with the client, PRIVUS AG receives the following compensations from the amounts charged by the bank:

- Custody fees: up to 50%
- Brokerage fees (commissions): up to 57.5%

Upon entering into the asset management mandate with PRIVUS, the parties agree the individual fee, which consists of the asset management fee and the corresponding compensations from third-party institutions. Depending on the model, compensations from banks may also be passed on to the client as a “rebate”. In addition, for clients domiciled abroad, a quarterly flat fee of CHF 50.00 is charged to cover compliance-related efforts.

Depending on the financial instruments used by PRIVUS in the course of its services, retrocessions may arise. Indicative ranges of retrocessions by instrument are as follows:

Instrument	Indicative retrocession range
Structured products	from 0.1%
<u>Third-party funds:</u> Bond funds Convertible bond funds Equity funds Hedge funds	0.5% to 1.25%
<u>PRIVUS products:</u> PRIVUS Europe Fund AMC: PRIVUS Next Generation AMC: Swiss Champion	1.0% up to max. 1.5%

Each portfolio is managed by PRIVUS on an individual basis. Accordingly, fees are also individual to each portfolio. Below is an overview of the indicative ranges of the total expense ratio (TER – total expense ratio) at portfolio level:

TER at portfolio level	Indicative TER range
Interest income	up to max. 1.5%
Income	up to max. 1.7%
Balanced	up to max. 2.0%
Growth	up to max. 2.0%
Dynamic	up to max. 2.0%

PRIVUS may receive from fund management companies a compensation of up to 50% of the management fee charged to the fund's assets. PRIVUS endeavours to acquire fund units for its clients without front-end loads. These payments compensate, inter alia, PRIVUS's services vis-à-vis banks, fund management companies and issuers, in particular in regulatory matters. No allocation of these payments to specific areas is made.

Clients of PRIVUS may request disclosure of payments received from banks, fund management companies and issuers to the extent that such payments can be allocated to the client relationship with reasonable effort.

The individual asset management agreement specifies whether and to what extent PRIVUS credits or passes on benefits received from third parties to the client. As a rule, pass-through of compensations from fund management companies is prohibited for regulatory reasons.

Depending on the investment strategy, so-called "double dips" may occur, meaning that fees may be charged more than once for a given investment. For example, custody fees may be charged on PRIVUS products, while the PRIVUS products may additionally remunerate PRIVUS for its role as investment advisor.

PRIVUS strives to offer its clients an appropriate cost/benefit ratio and focuses on the client's total costs. Employee remuneration is not directly dependent on benefits received from third parties. Compensations from banks, fund management companies and issuers serve to cover operating costs that contribute to improving service quality (e.g., technical information systems, financial analysis and selection of financial instruments, staff training).

In asset management and investment advisory services, conflicts of interest cannot always be fully avoided. The interests of clients and the interests of PRIVUS, its employees and shareholders may

conflict. PRIVUS therefore discloses the following to its clients in connection with potential conflicts of interest:

Compensations from banks, fund management companies and issuers may create incentives to trade securities or to select products that trigger higher compensations, even if this is not the best choice in the client's interests. PRIVUS endeavours, where possible, to eliminate such incentives and to select investments solely on the basis of qualitative criteria.

PRIVUS renders account to its clients solely on the basis of custodian bank statements. In the custodian bank statements and account extracts, PRIVUS's asset management fee is shown as a payment and not as an asset management cost. Performance expressed as a percentage may therefore be shown as slightly higher than the effective net performance after costs.

### **Information on the Market Offering Considered**

PRIVUS generally follows an "open universe approach" and seeks to make the best possible selection of financial instruments for the client. PRIVUS also offers its own financial instruments, which may be used within an asset management mandate or recommended within the framework of investment advice.

Where PRIVUS considers both proprietary and third-party financial instruments within its market offering, it implements appropriate organisational measures, such as a selection procedure based on objective, industry-standard criteria. If disadvantage to clients cannot be excluded, PRIVUS will disclose this to clients.

### **Suitability Assessment in Portfolio-Related Investment Advice and Asset Management**

In portfolio-related advisory mandates, PRIVUS provides investment advice taking the client portfolio into account. In asset management, PRIVUS likewise considers the portfolio as a whole; however, unlike in advisory mandates, PRIVUS makes the investment decisions itself.

In both cases, PRIVUS collects information on the client's financial circumstances and investment objectives, as well as the client's knowledge and experience. The information collected reflects the investment strategy, the complexity of the investments and the risk profile. In particular, PRIVUS ascertains the client's knowledge and experience in relation to each relevant investment category used in the financial services provided by PRIVUS.