

# Information about the Financial Services of HF SWISS AG

Dear Sir or Madam,

This information brochure serves for information about HF SWISS AG (hereinafter referred to as the "Asset Manager"), our measures to prevent contactless and dormant assets, the financial services we offer and risks therewith, our handling of conflicts of interest, and how to initiate mediation proceedings before the ombudsman's office. The information in this brochure may be amended from time to time.

Information about the costs and fees of the financial services offered by us will occur separately.

For information on risks generally associated with financial instruments, please refer to the enclosed brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association (*Schweizerische Bankiervereinigung*), made available on the Internet at [https://www.swissbanking.ch/\\_Resources/Persitent/6/1/3/c/613cf17d17e7628788b2135114e5d399e822778d/SBA\\_Risks\\_Involved\\_in\\_Trading\\_Financial\\_Instruments\\_2019\\_EN.pdf](https://www.swissbanking.ch/_Resources/Persitent/6/1/3/c/613cf17d17e7628788b2135114e5d399e822778d/SBA_Risks_Involved_in_Trading_Financial_Instruments_2019_EN.pdf).

This brochure satisfies the requirements for the duty to provide information under the Swiss Federal Act on Financial Services (FINSA) and is intended to provide you with an overview of the Asset Manager's financial services. Should you require further information, we will be pleased to be at your disposal.

Yours

HF SWISS AG

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## 1. Information about the Asset Manager

### 1.1 Name and address

<b>Name</b>	HF Swiss AG
<b>Address</b>	Alfred Escher Strasse 17
<b>Zip code / Place</b>	8002 Zürich
<b>Phone</b>	+41 44 202 11 50
<b>Fax</b>	+41 43 260 91 11
<b>Email</b>	info@hfswiss.ch
<b>Website</b>	www.hfswiss.ch

**VAT ID** CHE-199.771.383

### 1.2 Field of activity

The Asset Manager has its registered office in Zurich. The Asset Manager offers asset management (mandates) and execution only services.

### 1.3 Supervisory status, competent authority, and supervisory organization

The Asset Manager is applying for a licence pursuant to Article 5 para. 1 of the Swiss Federal Act on Financial Institutions (FINIA), which will be granted to the Asset Manager by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, 3003 Bern. Furthermore, the Asset Manager is supervised by the AOOS – Schweizerische Aktiengesellschaft für Aufsicht, Clausiusstrasse 50, 8006 Zürich.

### 1.4 Professional secrecy

The Asset Manager is subject to professional secrecy in accordance with the Swiss Federal Act on Financial Institutions (FINIA).

## 2. Contactless and dormant assets

Contact with clients may be broken off, leading the assets entrusted to the Asset Manager to become dormant. Such assets may be in danger of being permanently forgotten by clients and their heirs. The following measures are recommended to avoid contactless or dormant assets:

- **Address and name change:** notify the Asset Manager immediately on changes related to the Client's domicile, address, or name.
- **Special Instructions:** inform the Asset Manager about longer absences of the Client and about possible redirection of correspondence to a third-party address as well as about the Client's availability in urgent cases during such absences.
- **Granting of powers of attorney:** It may be advisable for the Client to designate an authorized agent whom the Asset Manager can approach in the event of the contact having broken off.
- **Orientation of trusted persons and testamentary disposition:** Further options to avoid contactless and dormant assets include for the Client to inform a trusted person of the relationship with the Asset Manager. Clients should note that the Asset Manager shall provide information to such trusted person only if having been authorized to do so in writing. Furthermore, the relevant assets may be mentioned, for example, in a testamentary disposition.

The Asset Manager will be pleased to answer any questions on this subject.

### 3. Information about the financial services offered by the Asset Manager

#### 3.1 Discretionary Asset Management

##### 3.1.1 Nature, characteristics, and functioning of the financial service

Discretionary asset management consists of the Asset Manager managing the Client's assets deposited with a custodian bank in the name, for account, and at the risk of the Client. The Asset Manager carries out transactions at its own discretion and without consultation of the Client. The Asset Manager ensures that any transaction executed by the Asset Manager is in line with the Client's financial situation and investment objectives, as well as the investment strategy agreed with the Client, and ensures further that the structuring of the portfolio is suitable for the Client.

##### 3.1.2 Rights and duties

Discretionary asset management services grant the Client the right of management of the assets in the Client's portfolio. The Asset Manager applies due care when selecting the investments to be included in the portfolio from within the market offer taken into account. The Asset Manager shall ensure an appropriate diversification of risk in the confinements of the investment strategy. The Asset Manager monitors the managed assets regularly and ensures that the investments are in line with the agreed investment strategy and suitable for the Client.

The Asset Manager shall report on the agreed and provided asset management services to the Client on a regular basis.

##### 3.1.3 Risks

The following risks, pertaining to the risk sphere of the Client and, therefore, borne by the Client, are generally inherent to discretionary asset management:

- **Risk of the selected investment strategy:** Different risks may arise from the investment strategy selected by and agreed with the Client (see below). The Client will bear these risks to their full extent. An overview of the risks is provided, and respective risk disclosures are made before the investment strategy is agreed upon.
- **Asset preservation risk,** or, respectively, the risk that financial instruments in the portfolio may lose value: This risk, which may vary depending on the respective financial instrument, is borne in full by the Client. For risks of individual financial instruments, reference is made to the brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association (*Schweizerische Bankiervereinigung*).
- **Information risk on the part of the Asset Manager** or, respectively, the risk that the Asset Manager is provided with insufficient information to make an informed investment decision: When managing assets, the Asset Manager considers the Client's financial situation and investment objectives (suitability assessment). Should the Client provide the Asset Manager with insufficient or inaccurate information regarding the Client's financial situation and/or investment objectives, the potential risk arises that the Asset Manager will not be able to make investment decisions that are suitable for the Client.
- **Risk of qualified investors in collective investment schemes:** Clients taking advantage of asset management services within the framework of a long-term asset management relationship are considered qualified investors within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA, *Kollektivanlagengesetz*). Qualified investors have access to specific types of collective investment schemes open exclusively to such qualified investors. The status of qualified investor allows consideration of a broader range of financial instruments in the design of the portfolio. Collective investment schemes for qualified investors may be exempt from certain regulatory requirements. Such financial instruments may therefore not or only partially be subject to pertaining Swiss regulation. This may result in heightened risks, in particular, of liquidity, investment strategy, or transparency. Detailed information on the risk profile of a particular collective investment scheme can be found in the constitutional documents and, where applicable, in the key information document and the prospectus.

Furthermore, asset management services entail risks that are within the Asset Manager's risk sphere and for which the Asset Manager shall generally be liable to the Client. The Asset Manager has taken

appropriate measures to mitigate these risks, in particular by observing the principle of good faith and the principle of equal treatment when processing Client orders. Furthermore, the Asset Manager ensures the best possible execution of Client orders.

### 3.1.4 Market offer taken into account

The market offer taken into account when selecting financial instruments covers third party only financial instruments. Within the scope of the asset management services, the following financial instruments are available to the Client:

- shares, listed securities;
- debt securities (bonds);
- Units in collective investment schemes (funds);
- exchange traded funds (ETF)
- alternative investment funds

## 3.2 Execution of Transactions (Execution Only)

### 3.2.1 Nature, characteristics, and functioning of financial services

The scope of execution of transactions (execution only) is limited to the transmission of client orders by the Asset Manager without the provision of any advisory or asset management services. In the context of such execution of transactions, orders are exclusively initiated by the Client and are transmitted by the Asset Manager. The Asset Manager will not review any such transactions as to their conformity with the Client's knowledge and experience (appropriateness), or with the Client's financial situation and investment objectives (suitability). The Asset Manager shall not reiterate that no appropriateness or suitability assessment will occur on the occasion of future Client orders.

### 3.2.2 Rights and duties

Agreement on an execution of transactions relationship grants the Client the right to place orders to acquire or dispose of financial instruments within the scope of the market offer taken into account. The Asset Manager shall apply the same level of care as he applies in his own affairs when transmitting orders of the Client for execution.

The Asset Manager shall promptly inform the Client of any significant difficulties that may affect due processing of orders. Furthermore, the Asset Manager shall regularly report on the agreed and provided investment advisory services to the Client.

### 3.2.3 Risks

The following risks, pertaining to the risk sphere of the Client and, therefore, borne by the Client, are generally inherent to execution of transactions:

- **Asset preservation risk**, or, respectively, the risk that the financial instruments in the portfolio will lose value: This risk, which may vary depending on the respective financial instrument, is borne in full by the Client. For risks of individual financial instruments, reference is made to the brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association (*Schweizerische Bankiervereinigung*).
- **Information risk on the part of the Client** or, respectively, the risk that the Client is in possession of insufficient information to make an informed investment decision: Within the scope of execution of transactions, the Client will make investment decisions at its discretion and without the Asset Manager's assistance. Accordingly, the Client requires specialist knowledge to understand financial instruments and sufficient time to deal with financial markets. In this context, the potential risk arises for the Client to invest in a financial instrument that is inappropriate for the Client due to missing or inadequate knowledge and experience. Missing or inadequate financial knowledge of the Client may also lead the Client to make investment decisions which are not in conformity with the Client's financial situation and/or investment objectives.

- **Risk regarding the timing of order placement** or, respectively, the risk that the Client times the placing of orders in an inadequate manner, which may lead to price losses.
- **Risk of inadequate monitoring** or, respectively, the risk that the Client monitors the portfolio inadequately or fails to monitor the portfolio altogether: The Asset Manager will at no point in time be subject to any duty of monitoring, warning, or information when discharging his services under the agreement on execution of transactions. Inadequate monitoring of the Client may entail various risks, such as cluster risks.

Furthermore, execution of transactions entails risks that are within the Asset Manager's risk sphere and for which the Asset Manager shall generally be liable to the Client. The Asset Manager has taken appropriate measures to mitigate these risks, in particular by observing the principle of good faith and the principle of equal treatment when processing Client orders. Furthermore, the Asset Manager ensures the best possible execution of Client orders.

### **3.2.4 Market offer taken into account**

The market offer taken into account when selecting financial instruments is based on the market offer of the custodian bank as appointed by the Client.

## **4. Dealing with conflicts of interest**

### **4.1 In general**

Conflicts of interest of the Asset Manager may arise when:

- financial benefits can be obtained, or financial losses avoided at the expense of clients and in breach of good faith;
- interests in the outcome of financial services rendered to certain clients run contrary to those of other clients;
- financial or other incentives linked to the provision of financial services to certain clients lead to outweighing the interests of such clients over the interests of other clients; or
- incentives from third parties in the form of monetary or non-monetary benefits or services, which are related to financial services provided to clients, are accepted.

Conflicts of interest may arise in connection with execution of transactions (execution only) and asset management. They arise in particular from the coincidence of:

- multiple client orders;
- client orders and the Asset Manager's own orders or other proprietary interests of the Asset Manager; or
- client orders and transactions of the Asset Manager's employees.

To identify conflicts of interest and prevent such conflicts from having a detrimental effect on clients, the Asset Manager has issued internal directives and taken organizational precautions:

- The Asset Manager has established an independent control function that continuously monitors the Asset Manager's investment and employee transactions, and compliance with market conduct rules. The Asset Manager can thus avoid conflicts of interest through effective controls and sanction measures.
- When executing orders, the Asset Manager observes the priority principle, i.e., all orders are entered immediately in the chronological order in which they are received.
- The Asset Manager shall require his employees to disclose mandates that may lead to conflicts of interest.
- The Asset Manager shall design its remuneration policy in a way to discourage frowned upon behavior.
- The Asset Manager shall train its employees on a regular basis and ensure that they have the required expertise.

- The Asset Manager shall consult control function in matters which may entail a conflict of interest and shall seek their approval for such matters.

#### **4.2 Compensation from and to third parties in particular**

The Asset Manager may accept compensation from third parties when providing financial services to clients. The Asset Manager shall inform clients about the nature, scope, parameters of calculation, and range of compensation from third parties which may accrue to the Asset Manager in the provision of financial services. The Client irrevocably waives any rights to any third-party compensation and agrees that the Asset Manager shall retain such compensation. The Asset Manager has taken appropriate internal measures to avoid any resulting conflicts of interest.

Intermediaries who refer clients to the Asset Manager may receive a share of or the entire management fee/expense remuneration from the Asset Manager.

#### **4.3 Further information**

The Asset Manager will be pleased to provide you with further information on possible conflicts of interest in connection with the services provided by the Asset Manager and the precautions taken to protect clients upon request.

#### **5. Ombudsman's office**

Your satisfaction with our services is our main concern. Should the Asset Manager have concluded to reject a claim made by you, you may initiate a mediation proceeding through the ombudsman's office. For this purpose, you may contact:

<b>Name</b>	OFS Ombud Finance Suisse
<b>Address</b>	16 Boulevard des Tranchées
<b>Zip code / Place</b>	1206 Genève
<b>Phone</b>	+41 22 808 04 51
<b>Website</b>	<a href="https://ombudfinance.ch/">https://ombudfinance.ch/</a>