



I N F I B A

Infiba Vermögensverwaltungs AG

Paulusgasse 12, Postfach 3304, CH-4002 Basel, Tel. 061 271 30 82, Fax 061 271 30 84

General Information on Asset Management

New regulations in Switzerland (FIDLEG/FINIG) and the EU (MiFID II) require financial service providers to explain the characteristics of a service and to ensure that clients know the characteristics, the costs as well as the risks of the service offered. That is the purpose of this information sheet, which we request that you take note of and to sign as consent.

Who is INFIBA Vermögensverwaltungs AG?

INFIBA was entered in the commercial register on 26 March 2001 as a Swiss corporation with capital of CHF 100,000.00. It is audited by Copartner Revision AG, 4052 Basel, and supervised by OSFIN, organization of financial supervisory, Florastrasse 20, 8008 Zurich.

INFIBA is subject to the Swiss investors' and client protection law called FIDLEG as well as the Swiss law for financial institutions called FINIG. These laws regulate the collaboration with asset managers in Switzerland. To protect investors confidence there is a liability insurance with AXA Winterthur in the amount of CHF 1 million per event.

In the event of diverging views on contractual interpretations or other complaints, we refer to the official mediator Swiss state-approved ombudsman service for financial service providers FINOS, Talstrasse 20, 8001 Zurich, which can be contacted by www.finos.ch or phone +41 44 552 08 00.

You can find more about INFIBA on our homepage www.infiba.ch.

What is asset management?

A contract within the meaning of articles Art. 394 - 406 of the Swiss Code of Obligations (OR). In a contractual relationship INFIBA assumes the investment, monitoring and management of client securities assets at a stipulated depository bank. The *Agreement on Asset Management* and all additional related INFIBA forms, such as the *Fee Agreement*, *Risk Profile* and *Investment Profile* signed by the client serve as guidelines for the contract. You can find details of the scope of the work, authorities, remuneration and liability from the contact in the *Agreement on Asset Management* and the additional INFIBA forms.

INFIBA exercises the greatest possible diligence of a prudent asset manager when selecting financial instruments and investment vehicles. It uses such information on the enterprise in question that is publicly available. A more extensive monitoring of issuers, investment funds or their managers, marketing companies or other third parties, in particular through acquiring information that is not publicly accessible, does not take place.

What is the purpose of the Client Profile, the Risk Profile and the Investment Profile?

The *Client Profile* records the client's personal and financial situation (personal data, familial structure, income and financial circumstances, origin of assets, taxes, contact data etc.). The *Risk Profile* clarifies the risk appetite (what fluctuations a client tolerates) and the ability to carry risk (what fluctuations a client can stand). The *Investment Profile* combines all findings from the Client and Risk Profile into an investment strategy that appears suitable and appropriate. This is called the strategic asset allocation. INFIBA implements this investment strategy tactically in the interest of the client.



I N F I B A

Infiba Vermögensverwaltungs AG

Paulusgasse 12, Postfach 3304, CH-4002 Basel, Tel. 061 271 30 82, Fax 061 271 30 84

What investment strategies are there and what risks do they harbor?

The higher the expected return of a particular investment strategy compared to the expected market yield, the higher the risk for the investor, in particular with respect to fluctuations in value and yield. So, while a higher share in risk securities may offer a higher potential return, there is also a higher risk of losing returns and capital.

The *Yield Strategy* is defined by a maximum share of **25% in risk securities** (stocks, equity-like securities or other shares, investments generally susceptible to fluctuation). The remaining 75% is invested in securities historically less susceptible to fluctuation (bonds or money market). It is suitable for conservative investors or for shorter investment horizons (up to 5 years). With this strategy, a market crash could bring losses of about 10% in one year.

The *Balanced Strategy* is defined by a maximum share of **50% in risk securities**. The other 50% is invested in securities historically less susceptible to fluctuation. It is suitable for more daring investors with at least a mid-term investment horizon (5-10 years) who expect greater returns. With this strategy, a market crash could bring losses of about 20% in one year.

The *Growth Strategy* is defined by a maximum share of **75% in risk securities**. The remaining 25% is invested in securities historically less susceptible to fluctuation. It is suitable for risk-seeking investors with a long investment horizon (10 years or more) who expect a higher return. With this strategy, a market crash could bring losses of well above 30% in one year.

INFIBA deliberately speaks of the maximum share in risk securities. Given looming bear markets or other turbulence, this percentage can also temporarily trend toward zero.

Moreover, investors have the option of defining a customized investment strategy based on their personal requirements. The investment strategy can be based on those mentioned above and purposely deviate from them, be it with higher or lower risk than the original strategy. In the extreme case this can be a pure equities or pure fixed income strategy. Lastly, the client can also give investment restrictions (e.g. industries or companies etc. to be avoided). The client must be fully aware of the risk taken in each case; INFIBA always informs the client of the risk clearly and unambiguously.

What is the significance of the Reference Currency in the Investment Profile?

The *Reference Currency* is primarily that currency in which an investor thinks and calculates. The success of the investment - that means the performance - is also presented in this currency. However, a reference currency does not mean that an investment strategy may only be implemented in that currency. An appropriate share of foreign currency investments often makes sense for diversification reasons (risk diversification).

Which client categories are there at INFIBA?

Legislation requires us to segment clients into the categories "*Private Clients*", "*Professional Clients*" and "*Institutional Clients*". Private Clients enjoy the highest level of protection when it comes to assessing a client's investment knowledge or experience in the event of disagreement. The other two categories are based on a higher level of knowledge and experience in investment matters. A change to another client category may be requested by the client under certain circumstances and make sense. Ask your client advisor for more information.

Unless otherwise agreed, INFIBA clients are basically "Private Clients".



I N F I B A

Infiba Vermögensverwaltungs AG

Paulusgasse 12, Postfach 3304, CH-4002 Basel, Tel. 061 271 30 82, Fax 061 271 30 84

How is the investment process executed at INFIBA?

The investment strategy selected by the client (*strategic asset allocation*) is implemented based on the predefined Investment Profile which is, on his part, based on the Client and Risk Profile. The investment decisions are implemented during the course of the *tactical asset allocation* based on our estimates of the financial markets. The tactical asset allocation is aimed at generating greater yields for the portfolio by deliberately deviating from the general asset orientation in the strategic asset allocation. In each case, the decision for a tactical over- or underweighting of the strategic share of an investment class is the responsibility of the Investment Committee under the direction of Portfolio Management.

How does INFIBA make product selection for me?

After soundly analyzing the various investment classes, during tactical asset allocation we use existing inefficiencies in the markets to earn greater yields. Using skillful diversification, we seek to attain a balanced risk-reward ratio for our clientele. Investment funds, structured products or alternative investment forms are used where they make sense for diversification reasons (small share in the custodial account) or due to insufficient insight into a market (e.g. in emerging markets or a specialized sector).

During this process INFIBA selects the "best in class" product from the investment universe of all possible providers free of any business constraints. The investment process also includes the ongoing monitoring of the client's portfolio and reacting to changed market conditions if necessary.

And who guarantees me the yields?

No one can, even with the best will in the world, because investments do not follow unambiguously calculable laws but rather depend on events in this world and on the corresponding behavior of the investors in the markets.

INFIBA will carry out the tasks transferred to it with the diligence of a prudent business person. But it cannot guarantee any specified economic success in connection with asset management. INFIBA is liable for willful and grossly negligent actions and failures to act in connection with this agreement. Additional liabilities are expressly excluded - to the extent permitted by law.

INFIBA does not perform any legal or tax consulting in connection with asset management. Each client must clarify their tax situation themselves. In particular, INFIBA cannot assume any liability for possible negative tax effects from investments made in connection with asset management. INFIBA expressly recommends that, when necessary, every client obtain their own legal and tax advice from suitably qualified individuals.

What does a client report look like and how frequently is one made?

INFIBA adheres to the common industry standards and generally plans at least annual reports. INFIBA follows the GIPS (Global Investment Performance Standards, www.gipsstandards.org) with regard to calculation and valuation methods, selected periods and any comparison indices).

The report gives an overview of the status of the managed assets in the reference currency selected by the client on the reporting date. It also provides information on the development of the managed assets during a specified period - this always after all expenses and fees. The reporting date is either the meeting date and/or the end of the expired quarter.

INFIBA reserves the right to assign fulfillment of the aforementioned reporting obligations to a suitable third-party service provider (e.g. the depositary bank).



I N F I B A

Infiba Vermögensverwaltungs AG

Paulusgasse 12, Postfach 3304, CH-4002 Basel, Tel. 061 271 30 82, Fax 061 271 30 84

What are the rules with regard to communication and correspondence?

INFIBA communicates with its clients using all common means of communication. If a client does not want one of the means of communication, the client informs INFIBA accordingly.

Communications among the counterparties are deemed to have been made properly and in a legally-binding manner if they are sent or kept at the client's disposal pursuant to the client's most recent instructions (or deviating therefrom for the client's protection).

INFIBA is not liable for damage (e.g. loss, delay, misunderstandings or duplication) resulting from the use of mail, telephone, fax, email and other means of transmission or transport unless INFIBA is guilty of gross negligence.

Should it become necessary to amend the *Agreement on Asset Management* or this *General Information on Asset Management*, in particular due to statutory supervisory requirements, then INFIBA shall be entitled to amend these contractual provisions and shall inform the client of this in writing. These amendments shall be deemed approved if the client does not object in writing or by the agreed electronic means within four weeks.

What remuneration does INFIBA receive for asset management?

INFIBA is generally compensated with a fixed percentage of the managed assets for the management work. This is stipulated in the Fee Agreement.

Reimbursements by banks or other financial service providers e.g. on asset size (as with funds), on deposit or transaction fees can be used as follows:

- a) As a rule, they are due to INFIBA and lead to a reduced INFIBA fee for customers.
- b) Clients receive these in the form of discounts, the INFIBA fee is correspondingly higher.
- c) A flat fee is negotiated with the custodian bank, here too the INFIBA fee is correspondingly higher.

Without the explicit choice of the discount model b) or the flat fee model c), the client acknowledges the existence of such reimbursements and approves them in the awareness of a possible conflict of interest. However, INFIBA undertakes to always place the client's interests in the foreground.

The custodian banks charge the usual ordinary bank charges for clients in asset management and charge these directly. This means that the client does not incur any additional costs as a result of reimbursements. On the contrary, INFIBA endeavors to negotiate discounts, rebates or advantageous rates with banks and other contractual partners from which the client benefits directly.

More on the subject of reimbursements can be found in the *Agreement on Asset Management* section 7.

How are conflicts of interest avoided at INFIBA?

INFIBA has written special internal guidelines on this topic and undertakes to avoid conflicts of interest if possible or to always inform its clients on resulting conflicts of interest. This internal guidelines could be reviewed if required.

Three of our own products should be mentioned under this heading, which we also place in our clients depots depending on their needs and suitability:

The **UBS Strategy Certificate on European Equity 600 Basket**, a pan-European equity investment certificate denominated in EUR.



I N F I B A

Infiba Vermögensverwaltungs AG

Paulusgasse 12, Postfach 3304, CH-4002 Basel, Tel. 061 271 30 82, Fax 061 271 30 84

The **IVA Bond Opportunities Euro Fund**, a fund investing primarily in EUR bonds whose currency risk is hedged against CHF, USD or GBP in the unit classes.

The **Best of Class Global CB Fund**, which invests exclusively in convertible bonds worldwide and whose currency risk in the unit classes is hedged against CHF, CAD, EUR and USD.

INFIBA is the investment advisor or the portfolio manager for all these forms of investment and receives a management fee for this tasks.

The above-mentioned investment vehicles are placed in client custody accounts, for example, if the size of the custody account does not permit risk diversification in any other way or if the currency hedging contained makes sense for the client in question. For further details, please contact your client advisor at INFIBA.

Are there economic restraints or interconnections with third parties?

No - and none such are planned for the future. INFIBA wants to always put the interests of its clients in the forefront as a free and neutral asset manager. In so doing, banks and other financial services providers are merely providers of information, processors, custodians of securities etc., and as such, can be replaced by competing institutes at all times. Economic restraints or interconnections with third parties would conflict with INFIBA core values.

How do I proceed if I want to complain about INFIBA?

To submit a complaint, please use the form as instructed in the attachment and send it to us by mail or electronically at info@infiba.ch. We will endeavor to compile and review all relevant evidence and information with regard to the complaint. You will then receive our opinion on your complaint within 20 days following receipt of the complaint.

You then have the option to take your concerns to the Conciliation Board (ombudsman) indicated below. However, it is recommended that you first wait for our opinion.

Ombudsman for financial service providers FINOS
www.finos.ch (g/e/ff/it)

phone
email

+ 41 44 552 08 00 (g/e)
info@finos.ch

This Conciliation Board is not a court, nor does it have judicial authority. Rather, it promotes the dialog between the parties involved and puts forward a negotiated settlement. As the parties are not bound by the Conciliation Board's recommendation, they are free to accept it or to take others, such as legal, measures.

Will data or information be stored in contact with me?

INFIBA has the right to make recordings of telephone conversations with clients or their representatives. It can save other electronic communication such as email, faxes etc. Saved communications can be used as evidence. These records are kept pursuant to the legal basis. Records in connection with the acceptance, transfer and execution of client orders will be provided upon request by the client for a period of five years.

And how is data protection ensured at INFIBA?

All INFIBA employees and bodies, as well as their mandatories, are obliged by law to maintain the secrecy of client data and of information made available to them as a result of business relationships for an unlimited period of time due to legal provisions on the protection of secrets, data protection and other professional secrets.



I N F I B A

Infiba Vermögensverwaltungs AG

Paulusgasse 12, Postfach 3304, CH-4002 Basel, Tel. 061 271 30 82, Fax 061 271 30 84

In order to provide its services and to safeguard its legitimate claims, INFIBA may be required to pass on client data covered by secrecy protection to third parties domestically or abroad, e.g. within the framework of statutory reporting obligations. In this case, the client expressly releases INFIBA from the obligation of secrecy and authorizes INFIBA to pass on the legally required client data.

In any case, INFIBA complies with the currently valid data protection regulations.

If you would like to find out more about INFIBA's data protection, your rights or the complaint procedure, you will find a corresponding link "Data Protection Declaration" for clients on the start page of our homepage www.infiba.ch.

Or, if you have any questions about data protection, simply contact the INFIBA data protection officer on +41 61 271 30 82.

It is great that you are working with us!

Your Team by INFIBA Vermögensverwaltungs AG

I have understood the product *Asset Management* and take note of the above remarks:

Location, date

Name in block letters

Client signature(s)