# Client Information Brochure

Kaiser Partner
Financial Advisors Ltd.

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FINANCIAL ADVISORS

Kaiser Partner Financial Advisors AG (hereinafter „KP FA") seeks to provide appropriate investor protection to its clients. In accordance with the Swiss Financial Services Act (FinSA), this brochure discloses important information regarding KP FA and its practices as well as the clients' rights and obligations.

KP FA seeks to perform following measures:

- Performing appropriateness and suitability assessments depending on the client segment and service provided to the clients
- Providing relevant information on financial services and instruments, such as risks
- Applying methods to ensure best execution of trades

## Which segments are our clients assigned to?

KP FA assigns clients to the following segments: Retail Clients, Professional Clients and Institutional Clients. The scope of the individual investor protection obligations varies depending on the client segment.

**Retail Clients**
A retail client is defined as a person who cannot be clearly assigned to the Professional or Institutional Client segments. By being classified as a Retail Client, the client enjoys the highest level of protection provided by law.

**Professional Clients**
Professional Clients are defined as:

- public entities with professional treasury operations;
- occupational pension schemes with professional treasury operations and other occupational pension institutions providing professional treasury operations;
- corporations with professional treasury operations;
- large companies;
- private investment structures with professional treasury operations created for high-net-worth retail clients.

For a Professional Client a lower level of protection applies compared to a Retail Client. In contrast to a Retail Client, KP FA can assume that when dealing with a Professional Client, the relevant persons have the required level of knowledge and experience to make investment decisions and are able to assess and financially bear the investment risks associated with the financial service.

Furthermore, Professional Clients may release KP FA from applying the code of conduct set out in Articles 8, 9, 15 and 16 of the FinSA (information, documentation and accountability obligations).

**Institutional Clients**
According to the law, only supervised legal entities such as financial intermediaries under the Banking Act of 8 November 1934 (BankA), the Financial Institutions Act of 15 June 2018 (FinIA) and the CISA, insurance companies as defined in the ISA, foreign clients with subject to prudential supervision, central banks, and national and supranational public entities with professional treasury operations are considered institutional clients. They are subject to the lowest level of protection. For this category of clients, the provisions of art. 7 to 19 FinSA are not applicable per se.

**Change of client segment**
The following possibilities exist regarding a change of the client segment:

- Retail Clients can request from KP FA at any time, in writing, a change of their client classification to that of a Professional Client, if they fulfill at least one of the following criteria:
  - on the basis of training, education and professional experience or on the basis of comparable experience in the financial sector, they possess the necessary knowledge to understand the risks associated with the investments and have at their disposal assets of at least CHF 500,000; or
  - they have at their disposal assets of at least CHF 2 million;
- occupational pension schemes with professional treasury operations and other occupational pension institutions providing professional treasury operations, which serve the purpose of occupational pension plans as well as companies with professional treasury operations may declare that they wish to be treated as Institutional Clients instead of Professional Clients;
- Professional Clients may declare that they wish to be treated as Retail Clients;
- Institutional Clients can declare that they wish to be treated as Professional Clients.

Such a change is also associated with a change in the level of protection applicable to the client.

All declarations relating to the change of the client segment must be made in writing.

The client is obliged to inform KP FA of all changes that could influence his classification. If KP FA concludes that the client no longer meets the conditions of the client segment to which the client is assigned, KP FA is obliged to take action and adjust the client classification. KP FA will inform the client immediately in this case.

## What Services does KP FA offer?

**Discretionary Portfolio Management Services**
Discretionary portfolio management service is addressed to clients who wish to entrust the management of their assets entirely to KP FA within the framework of the investment policy of KP FA as well as individually defined and written criteria (investment strategy). The investment strategy considers the client's knowledge and experience as well as the client's investment objectives and financial circumstances. With a portfolio management contract, KP FA is authorized and empowered to make investments at its own discretion.

**Portfolio Advisory Services**
Portfolio advisory service is addressed to clients who wish to receive advice for investments in financial instruments. In contrast to the discretionary portfolio management service, the respective investment decision is always made by the clients themselves. With a portfolio advisory agreement, the decision-making power and thus ultimately also the investment responsibility lie solely with the client. Deposits with a portfolio advisory service may differ significantly in their orientation and structure from those under the discretionary portfolio management service. The law distinguishes between Investment Advice for individual transactions, where not the entire client portfolio is considered (transaction-related Investment Advice), and Investment Advice that takes the client portfolio into account (portfolio-related Investment Advice). KP FA offers portfolio-related as well as transaction-related Investment Advice.

Transaction-related Investment Advice is mainly provided in case the client wishes to purchase or sell a specific financial instrument.

**Hold-only**
Hold-only service is addressed to clients who wish to invest in financial instruments without prior Investment Advice from KP FA. Transactions are executed solely at the client's request. They are treated by KP FA as hold-only transactions, i.e. as pure execution transactions. In this context, KP FA is not required to conduct suitability or appropriateness assessments. However, as KP FA uses a standardized contract, the suitability assessment will be conducted for every client relationship. (see below).

## What is the Suitability and Appropriateness Assessment?

KP FA bases its assessment on the information provided by the client and presumes its accuracy. If the client does not provide the requested information and data, or if the client provides insufficient or incorrect information and data, KP FA will not be able to provide the services to the client in a suitable manner.

**Suitability Assessment**
When providing portfolio-related Advisory services and Discretionary Portfolio Management services, KP FA must obtain various information from the client to ensure that KP FA only gives Investment Advice or makes investment decisions that are suitable for the client (suitability assessment). This information includes – if applicable – details about:

- The knowledge and experience of the client in relation to the agreed financial service;
- The investment objectives of the client such as information on the time horizon and purpose of the investment, the client's risk capacity and willingness to take risks and any investment restrictions;
- The financial circumstances of the client, such as information on the type and amount of the client's regular income, their assets and their current and future financial obligations.

Based on this information, KP FA determines a risk profile with the client and agrees on an investment strategy with them.

**Appropriateness Assessment**
The Appropriateness Assessment only applies in cases of transaction-related Investment Advice. When providing such advice, KP FA must exclusively check whether the Investment Advice made is appropriate for the client and for that must enquire about the client's knowledge and experience in the investment business (appropriateness assessment). However, as KP FA uses a standardized contract, a suitability will be conducted for every client relationship.

**Presumption for Professional Clients**
If a client is classified as a Professional Client, KP FA assumes that the client in question has the required level of knowledge and experience and can bear the investment risks associated with the financial service.

**Representation relations and Joint Accounts**
When assessing the knowledge and experience of legal entities or in case of a power of attorney, KP FA will rely on the person acting in relation to KP FA. If the authorized person is only authorized to sign collectively, all persons that have signature authority must have the required level of knowledge and experience. When assessing the financial circumstances and investment objectives, KP FA always relies on the account holder. In case of an account with two or more account holders, KP FA always relies on the person with the weakest financial circumstances or lowest risk capacity.

## What market offers does KP FA consider when selecting financial instruments?

At KP FA, the investment universe taken into account when issuing investment recommendations or making investment decisions is determined by the Executive Board. The investment universe consists of standard banking investments such as shares, bonds, investment funds, hedge funds, derivatives, foreign exchange, commodities, precious metals (non-exhaustive list).

KP FA does not offer its own products and does not engage in any security lending arrangements.

## General risks associated with financial instruments

Information on the general risks associated with financial instruments are described in the brochure "Risks Involved in Trading Financial Instruments", which can be found under www.swissbanking.org.

## Risks associated with the offered services

For a description of the various risks that may arise from the investment strategy for clients' assets, please refer to the relevant investment agreements.

If unusual concentrations of risk within the client portfolio cannot be ruled out, the nature and extent of such concentration risks shall be disclosed to the client. Indicators of such unusual concentrations of risk are:

- a concentration of 10% or more in individual securities;
- a concentration of 20% or more in individual issuers.

Concentrations from collective investment schemes that are subject to regulatory risk diversification rules, such as UCITS funds and Swiss securities funds, are excluded.

In the case of investment advice, the financial institution shall provide its retail clients with the basic information sheet of the recommended financial instrument.

## General principles for the handling of conflicts of interest

KP FA seeks to protect and balance the interests of its clients, shareholders and employees. Nevertheless, conflicts of interest cannot always be completely ruled out. In general, conflicts of interest can arise between KP FA, its employees and its clients or between KP FA's clients. In this context, KP FA has taken the following organizational measures to manage potential conflicts of interest:

- Measures to identify conflicts of interest (e.g. reporting and disclosure requirements);
- Measures to prevent the exchange of information where it could be contrary to the client's interest ("Chinese Walls");
- Functional separation of the company's organization and the management of employees, if their main tasks could cause a conflict of interest between clients among themselves or between the interests of clients and those of the company;
- Design of a compensation system that does not encourage incentives to disregard legal obligations or to engage in detrimental behavior towards clients;
- Issuing rules for the purchase and sale of financial instruments or other financial market dealings for their personal account by employees.

Conflicts of interest that cannot be avoided by these measures are disclosed to the client before the service is provided.

## Commercial ties to third parties in particular

KP FA has commercial ties to third parties which could lead to a conflict of interest in connection with the provision of financial services. The possible conflict of interest results from the receipt of additional monetary or non-monetary services from third parties. Such conflicts may arise in particular in the case of the provision of services by third parties in connection with transactions in financial instruments for the client(s), a remuneration of the custodian bank dependent on the number of transactions, or a performance-related remuneration of agents or relationships with issuers of financial instruments.

To mitigate these risks, KP FA has committed to high ethical standards and has introduced appropriate measures, in particular a code of conduct that governs, among other things, the relationship with clients and third parties, professional integrity and the maintenance of objectivity and independence, the training of employees and the adoption of internal rules of conduct to ensure independence.

## General Information about Kaiser Partner Financial Advisors

Kaiser Partner Financial Advisors AG (hereinafter „KP FA") offers Discretionary Portfolio Management, Portfolio Advisory and hold-only services and is located at Freigutstrasse 16, CH-8002 Zurich. KP FA is registered as a public corporation in the Swiss Commercial Register.

KP FA is a SEC-registered investment adviser. All SEC-relevant information can be found in the ADV brochure.

KP FA is licensed as a Portfolio Manager with the Swiss Financial Market Supervisory Authority (FINMA) and is supervised by the latter in accordance with the Swiss Federal Law on Financial Institutions (FinIA) and the AOOS - Schweizerische Aktiengesellschaft für Aufsicht, Bahnhofstrasse 35, CH-8001 Zurich, a supervisory organization. In addition, KP FA is subject to the provisions of the Federal Law on Financial Services (FinSA).

## How do I contact KP FA?

Clients can communicate with KP FA in German and English. KP FA can be reached as follows:

Kaiser Partner Financial Advisors AG, Freigutstrasse 16, CH-8002 Zürich

**Phone** +41 44 752 51 11
**Fax** +41 44 752 51 53
**Mail** financial.advisors@kaiserpartner.com

Further details on how communication between KP FA and its clients will be regulated individually by contract.

## Which contractual and business conditions apply?

The rights and obligations applicable between KP FA and the client in connection with the provision of financial services are regulated in the individual account service agreement. The information in this document serves as supplementary information.

## Whom can the client turn to in case of a dispute?

KP FA strives to always provide the best possible service for its clients. Should the client nevertheless be dissatisfied with the services provided by KP FA, they have the option of initiating a mediation procedure with the Ombudsman's office " Stiftung Ombud Finance Switzerland ", Bollwerk 21, c/o Etude Peter von Ins, CH-3011 Bern.

## Notice regarding changes in the client information sheet

Eventual changes in the client information sheet are not explicitly communicated. The latest version of the client information sheet is available on the website.

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