

REGULATORY INFORMATION

REGARDING THE FINANCIAL SERVICES OF FINSTOY SA

Information on the asset manager

Company name: **Finstoy S.A.**
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Internet site: www.finstoy.com

Activity field

The asset manager is a limited liability company according to Swiss law which provides, on a professional basis, discretionary portfolio management and investment advice services intended primarily for private clients.

The asset manager is a member of the Swiss Association of Asset Managers (SAAM) located at 35 Bahnhofstrasse, 8001 Zürich.

Legal frame and supervision

The services provided by the asset manager are subject to Swiss law, in particular the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA), as well as to the rules of professional ethics in Switzerland.

The activities of the asset manager are subject to the supervision of AOOS – Swiss limited corporation for supervision located at 30 rue Rousseau, 1201 Geneva. AOOS is a supervisory body authorized by the Swiss Financial Market Supervisory Authority (FINMA).

Professional secret

The asset manager is bound by absolute confidentiality on everything entrusted to him or communicated to him in the exercise of his activities, in accordance with the Financial Institutions Act (FinIA).

Economic links with third parties

The asset manager has economic links with third parties, which may lead to a conflict of interest. These are issuers or distributors of financial instruments paying a remuneration to the asset manager for the assets invested in their financial instruments. This results, for the client, in the risk that the asset manager is encouraged to favor the investment of assets under management in financial instruments inducing a remuneration for him.

However, the asset manager has taken several measures to reduce this risk. These measures are described in the chapter "Preventive measures", at the bottom of page 2.

Financial services offered

Portfolio management

The asset manager manages the assets in the name, on behalf of and at the risk of the client who has deposited them with a custodian bank. The portfolio management mandate is discretionary, which means that the asset manager carries out the transactions according to his free and own discretion and without consulting the client.

Nevertheless, the asset manager ensures that the transactions he executes are in line with the client's financial situation and investment objectives as well as the investment strategy agreed with the client. He ensures that the composition of the portfolio is tailored to the customer.

Rights and obligations (portfolio management)

As part of the portfolio management mandate, the client has the right to management of the assets deposited in his portfolio. Thus, the asset manager carefully selects the portfolio investments and ensures an appropriate risk distribution insofar as the investment strategy allows. He regularly checks the assets he manages and ensures that the investments comply with the agreed investment strategy and are suitable for the client.

The asset manager regularly informs the client about the agreed and carried out portfolio management.

Investment advisory

The asset manager intends to provide investment advisory only to professional or institutional clients (according to the FinSA classification), who are presumed to have the knowledge and experience necessary to understand and assume the risks associated with the personal recommendations made by the asset manager for the purchase, sale, or custody of financial instruments.

The client decides himself to what extent he wishes to follow the recommendation of the asset manager. In this regard, he is responsible for the composition of his portfolio. The asset manager does not check the composition of the portfolio and the suitability of a financial instrument for the client, i.e., whether a financial instrument corresponds to the investment objectives and the financial situation of the client.

Rights and obligations (investment advisory)

As part of the investment advisory mandate, the client is entitled to personal investment recommendations. Investment advice takes place on a regular basis, according to the terms agreed individually with the client. The asset manager advises the client to the best of his knowledge and with the same care that he usually applies to his own affairs.

The asset manager informs the client without delay of all significant circumstances which could affect the correct processing of an order. The asset manager also regularly informs the client of the investment advice that has been agreed and provided, as well as the status of the portfolio.

Market offer taken into consideration

The market offer taken into consideration for the selection of financial instruments only includes third-party financial instruments. The asset manager does not issue his own financial instruments.

Execution of orders

The asset manager executes the orders related to the investment of the client's assets with loyalty and diligence, in the best possible way and in the client's interest. The asset manager especially ensures that the execution principles of the custodian banks with which he collaborates allow him to respect his own principles of service provision.

Custodian banks and third-party brokers

For the deposit and custody of the client's assets, the asset manager recommends a custodian bank to the client depending on the nature and extent of the services requested by the client, as well as the costs for the client.

The asset manager only collaborates with custodian banks providing first-class services, especially regarding the speed, completeness and security of the execution and settlement of orders to buy and sell financial instruments.

The asset manager processes orders to buy and sell financial instruments exclusively via custodian banks and does not use the services of third-party brokers.

Conflicts of interest

Sources of conflicts of interest

Conflicts of interest can happen especially when the asset manager:

- a) obtains for himself a financial advantage or avoids a financial loss to the detriment of the client,
- b) has an interest adverse to that of the client in the outcome of a financial service provided to the client,
- c) has a financial or other incentive to place, when providing financial services, the interests of a certain client above the interests of another client,
- d) accepts from third parties an inducement in the form of a financial or non-financial advantage or other benefits in relation to a financial service provided to the client,
- e) receives several conflicting orders from clients; or
- f) receives an order from a client that conflicts with the own operations or other specific interests of the asset manager, its employees or companies linked to the asset manager.

Preventive measures

To identify conflicts of interest and prevent them from creating a disadvantage for the client, the asset manager has issued internal guidelines and taken the following operational and organizational measures:

- a) When a financial instrument in which the client's assets are invested generates remuneration for the asset manager, the latter grants the client a discount on the management fees, for the part invested in the financial instrument concerned.
- b) The asset manager does not receive any remuneration for the services rendered by the custodian banks (deposit fees, brokerage commissions, etc.).
- c) When executing orders, the asset manager respects the principle of priority, i.e., all orders are placed immediately in the chronological order of their receipt.

- d) An internal control function constantly monitors the investments and operations of the asset manager's employees as well as compliance with the rules of conduct on the market.
- e) The asset manager obliges his employees to disclose to him the mandates that could lead to a conflict of interest.
- f) The asset manager regularly trains its employees, ensures that they have the necessary specialized knowledge and remunerates them in such a way as not to create incentives for malicious behavior.
- g) The asset manager consults the internal control function in cases of potential conflict of interest and has them approved by it.

Despite these measures, it is possible that a disadvantage for the client cannot be excluded. In such a case, the asset manager has a duty to inform the client.

Remuneration from third parties

As part of the provision of financial services, the asset manager may receive remuneration from third parties. The asset manager informs his client of the type, scope, calculation criteria and order of magnitude of the third-party remuneration that may be due to him in the context of the provision of the financial service. The client waives the remuneration of the third party and the asset manager retains it. The asset manager has taken appropriate internal measures to avoid or limit any conflict of interest that may result.

Remuneration to third parties

An intermediary who brings a client to the asset manager may receive a portion of the management fees or advisory fees charged to the client by the asset manager. The payment of a business provider remuneration to an intermediary does not result in any increase in the fees charged by the asset manager and, therefore, no disadvantage for the client concerned in comparison with other clients of the asset manager.

Mediation

Any potential dispute relating to the performance of a portfolio management mandate or an investment advice mandate should, if possible, be settled through a mediation procedure. The client or the asset manager may, at any time, submit a request to the mediation body. It is a foundation under Swiss law, of public utility and totally independent, authorized as a mediation body by the Federal Department of Finance:

Company name: OFS Ombud Finance Switzerland
 Address: Boulevard des Tranchées 16, 1206 Genève, Switzerland
 Contact: P: +41 22 808 04 51 / E: contact@ombudfinance.ch
 Internet site: ombudfinance.ch

Contactless assets

For various reasons, it may happen that contact with a client is lost. Following such a break, the client or his heirs may forget the existence of the business relationship, in which case the assets deposited in the relationship may become dormant. To avoid such a situation, the following is recommended:

- a) Change of address or name: the client is obliged to inform the asset manager immediately if he changes his place of residence, his correspondence address or his name.
- b) Extended absence: it is recommended that the client informs the asset manager of an extended absence and of any redirection of correspondence to a third-party address, as well as contact details in the event of an emergency during this period.
- c) Trusted person: the client can inform a trusted person of the relationship with the asset manager. However, the latter can only provide information about the relationship if he has been authorized to do so in writing. As such, it is recommended to give the asset manager a written power of attorney mentioning the contact details of the trusted person.
- d) Testamentary dispositions: the client can also mention the relationship with the asset manager in a will. When the heirs have identified themselves to the asset manager and have been recognized as legitimate, they will be able to dispose of the assets deposited in the relationship.

Further information is available online in the brochure "Guidelines on the treatment of assets without contact and dormant assets held at Swiss banks" on the website of the Swiss Bankers Association (SBA): www.swissbanking.ch.