



## FINSA INFORMATION BROCHURE

The Swiss Financial Services Act (FinSA) and the relevant Financial Services Ordinance (FinSO) oblige all Swiss financial service providers to make available certain information in relation to financial services to their clients. The present information brochure for clients contains this information unless it is otherwise provided to the clients.

### 1. INTRODUCTION

Edwards Wealth Management AG ("EWM") is a privately owned Swiss Independent Asset Management Company whose staff bring a combined experience of over 30 years in global wealth and asset management.

From our office based in Zurich, we offer first-class financial services to private clients and wealthy families as a true fiduciary with a clear goal: the preservation of our clients' capital.

Our clients benefit from an extensive team of professionals that provide them with all the support and advice they need in all the different fields affecting their wealth and the power of an independent platform oriented to minimizing risk, preserving capital and achieving consistency in the rate of wealth appreciation.

EWM is a Swiss registered portfolio manager, regulated by the SRO ARIF/OSIF and affiliated with the supervisory organization OSIF.

### 2. SWISS FINANCIAL SERVICES ACT

The Swiss Financial Services Act ("FinSA"), which entered into force on 1 January 2020, is part of the new regulatory financial market architecture. The purpose of the law is to create a level playing field, boost the competitiveness of the financial centre and improve client protection. The FinSA contains rules on providing financial services and offering financial instruments for all financial service providers.

### 3. INFORMATION ON FINANCIAL SERVICES

As an exclusive wealth management firm, we distinguish ourselves through a genuine independence and strong professionalism. Our specific strengths

are the base to offer you excellent banking solutions.

EWM offers its clients a wide range of financial services.

#### 3.1 EXECUTION-ONLY SERVICES

With respect to the purchase and sale of financial instruments, EWM offers the execution of client orders on the market without providing personal investment advice or portfolio management (so called "execution-only"). The client's investment decision is not based on any advice about the merits or the risks of the investments or the appropriateness or suitability. The investment decisions rest with the client. As the client takes the investment decisions without any advice from the EWM, execution-only services are most suitable for experienced investors who are aware of the risks and rewards of various types of investments.

#### 3.2 INVESTMENT ADVISORY SERVICES

Investment advisory is the recommendation of financial instruments by the financial institution to its clients. The responsibility of making the final investment decision remains with the client, and EWM will not execute any transaction without being explicitly instructed to do so by the client.

#### 3.3 PORTFOLIO MANAGEMENT SERVICES

With a portfolio management mandate, the client delegates the power of making investment decisions to EWM and thus authorises EWM to execute transactions at its discretion, without seeking the content of the client for each transaction. EWM, however, does not make the investment decisions freely. It does so based on the determined individual risk profile and within the defined investment strategy.



#### 4. SUITABILITY AND APPROPRIATENESS ASSESSMENT

Financial service providers are obliged to carry out a suitability and appropriateness assessment when providing portfolio management services. The assessment is based on the information provided by the client to EWM. The quantity of information required depends on the specific client segmentation (see section 5). The information about the client includes client-specific details in the following areas:

- **Knowledge and experience:** Information on the type of financial services and transactions in financial instruments which the client is familiar with as well as on other type, scope and frequency of transactions in financial instruments carried out by the client, their educational background and profession or previous professional experience.
- **Investment objectives:** Information on the planned investment purpose, the investment horizon, the risk tolerance and any investment restrictions.
- **Financial situation:** nature and amount of regular income, assets, including real estate and current and future financial obligations.

EWM may rely on the information provided by the client unless there are indications that it does not correspond to the facts. If EWM determines that the available information is not sufficient to assess the adequacy or suitability of financial instruments for the client, the client will be informed prior to the provision of the service that EWM is unable to make this assessment. If EWM is of the opinion that a financial instrument is not appropriate or suitable for the client, EWM shall advise the client against it before providing the service.

In case of professional clients, EWM may assume that the client has the necessary knowledge and experience to financially bear the investment risks associated with the financial service.

In case of institutional clients, the rules of conduct according to FinSA regarding the suitability and appropriateness are not applicable.

#### 5. CLIENT SEGMENTATION

Financial service providers in Switzerland are obliged to allocate their clients to a client segment according to criteria prescribed by law. This client segmentation is decisive for the level of investor protection applicable to the client.

FinSA distinguishes three client categories:

- Retail clients
- Professional clients
- Institutional clients

##### 5.1 RETAIL CLIENTS

In general, retail clients are all clients who are not institutional or professional clients. In contrast to the other two client categories, retail clients benefit from the highest possible level of investor protection.

EWM classifies all of its clients as retail clients by default. However, clients will have the option to opt-out from this client category and be assigned to another client segment if they fulfil the necessary criteria (see section 6).

##### 5.2 PROFESSIONAL CLIENTS

Professional clients are financial intermediaries in the sense of the Swiss Banking Act (BA), the Collective Investment Schemes Act (CISA) and the Financial Institutions Act (FinIA), including portfolio managers and trustees), Swiss-regulated insurers, foreign financial intermediaries and insurance institutions subject to prudential supervision, central banks, public entities with professional treasury operations, pension funds with professional treasury operations, companies with professional treasury operations, large companies that exceed at least two of the following thresholds:

- I. a balance sheet of CHF 20 million
- II. a turnover of CHF 40 million
- III. equity of CHF 2 million

and private investment structures with professional treasury operations set up for high-net-worth individuals.

Professional clients are eligible for a larger investment universe, including financial products targeted



at professional clients only or products not registered for distribution to retail clients. In contrast to retail clients, EWM assumes that the persons involved have sufficient knowledge and experience to be able to understand the relevant risks and the respective characteristics of the financial instruments.

### 5.3 INSTITUTIONAL CLIENTS

Institutional clients are supervised financial intermediaries (e.g. banks or licensed portfolio managers), insurance companies, central banks and certain public entities with professional treasury operations.

Institutional clients benefit from the lowest possible legal client protection.

## 6. RE-SEGMENTATION (OPTING-OUT / OPTING-IN)

Depending on the client segment and if certain criteria are met, the client can declare that it does not wish to remain in its assigned segment but that it wishes to increase investor protection (so-called "opting-in") or that it wishes to reduce investor protection (so-called "opting-out"). These declarations must be in writing or in another form verifiable by text.

### 6.1 OPTING-OUT

Clients which has been segmented by default as retail clients, can declare that they wish to be treated as a professional client (opting-out). For this purpose, the client must meet one of the following criteria.

- The client has the necessary knowledge based on training, education and professional experience or on the basis of comparable experience in the financial sector to understand the risks associated with the investments and has eligible assets of at least CHF 500'000.
- The client has at his/her disposal eligible assets of at least CHF 2 million.

Certain professional clients can opt-out by declaring in writing that they want to be treated as institutional clients.

### 6.2 OPTING-IN

Professional clients can declare that they wish to be treated as retail clients (so-called "opting-in") in order to benefit from a higher level of client protection. The same applies to institutional clients, who can declare at any time that they wish to be classified as professional clients.

## 7. RISKS IN FINANCIAL INSTRUMENTS TRADING

Trading in financial instruments is associated with financial risks. With regard to the general risks associated with financial instruments, reference is made to the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association (SBA), the latest version of which is available on the webpage [www.swissbanking.ch/en/downloads](http://www.swissbanking.ch/en/downloads) With regard to the product-specific risks, reference is also made to the product documentation (prospectus and basic information sheet, if available) of the financial instruments provided by the product issuers.

## 8. RISKS ASSOCIATED WITH FINANCIAL SERVICES OFFERED BY EWM

### 8.1 ASSET MANAGEMENT

EWM may provide asset management services. In case of asset management, EWM manages the client's assets deposited with a custodian bank independently on the basis of a power of attorney granted by the client in the name, for account, and at the risk of the client. The investments are conducted within the framework of a written asset management agreement between EWM and the client. EWM shall make investment decisions and carry out transactions at its own discretions and without consulting the client.

There exists a risk that EWM's investment decisions may result in the client suffering losses. There is also a risk of conflicts of interest on the part of EWM (see section 12). Other risks may also exist, e.g. risks of the selected investment strategy agreed with the client, the risk that EWM was provided with insufficient information to make an informed investment decision or the risk that the financial instruments may lose value (see section 7).



The risks are fully borne by the client.

## 8.2 INVESTMENT ADVICE

Investment advice means the provision of a specific personal recommendation to the client relating to transactions in one or more financial instruments while taking into account the client's portfolio. EWM provides investment advice exclusively on the basis of a written investment advisory agreement and a power of attorney granted by the client. The investment decision remains with the client, i.e. the client decides at his or her own discretion whether or to what extent to implement the investment recommendations of EWM.

There exists a risk that EWM's investment recommendations may prove incorrect and that the client suffers losses as a result. There is also a risk of conflicts of interest on the part of EWM (see section 12). Other risks may also exist, e.g. risks of the selected investment strategy agreed with the client, the risk that EWM was provided with insufficient information to make an informed investment recommendation, that the client is in possession of insufficient information to make an informed investment decision, the risk of the client's delayed placement of orders for acquisition or disposal following an investment advice which may lead to price losses or the risk that the financial instruments may lose value (see section 7).

The risks are fully borne by the client.

## 8.3 INVESTMENT ADVICE

The scope of execution of transactions (execution only) is limited to the transmission of client orders by EWM without the provision of any advisory or asset management services. The orders are exclusively initiated by the client and are transmitted by EWM. The rules of conduct according to FinSA regarding the suitability and appropriateness are not applicable for clients with an execution only agreement.

There exists a risk that the client is in possession of insufficient information to make an informed investment decision, the risk that the client times the placing of orders in an inadequate manner which may lead to price losses or the risk that the financial instruments may lose value (see section 7).

The risks are fully borne by the client.

## 8.4 INVESTMENT ADVICE

Clients with a long-term asset management or investment advisory agreements are considered qualified investors within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA). 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 provided by the issuer.

## 9. CONFLICTS OF INTEREST

The market offer taken into account when selecting financial instruments might cover own and third-party financial instruments. Within the scope of the asset management and investment advisory services, the following financial instruments are available to the client:

- Cash
- Money market instruments
- Bonds
- Equities
- Precious Metals
- Alternative Investments (such as derivatives, structured products and all other investment instruments which are common for banks under the SBA guidelines).

## 10. FEES

In general, various costs may incur in connection with financial instruments (e.g. administration fee, management fee, costs of the respective financial instrument etc). With regard to the costs of financial



instruments reference is made to the product documentation (prospectus and basic information sheet, if available) of the financial instruments provided by the product issuers.

For the provision of the asset management, investment advisory or execution only services, EWM charges a fee in accordance with the respective asset management, investment advisory or execution only agreement with the client. Actual fees in relation to EWM's financial services will be provided at the time of the onboarding.

## 11. COMPENSATION FROM THIRD PARTIES

Compensation is generally based on the volume of assets invested in financial instruments or on the volume of client transactions (including net-priced transactions, i.e., transactions where the compensation is built into the net purchase or sales price of a product or asset).

The benchmark figures, i.e., the financial instrument category and the bandwidths of such compensation in percentage of the investment volume, are as follows:

- Investment Funds up to 1% p.a.
- Structured Products up to 2,5% p.a.

Multiplying the top end of the applicable bandwidth by the value of the specific investment volume produces the amount of maximum compensation in the relevant financial instrument category. Any exceptions to these bandwidths or amendments to the compensation structure will be communicated along with the product-specific information.

With respect to investment funds, compensation may take the form of a one-off and/or recurring distribution fee, trailer fee, rebate and/or similar fee. The recurring payments are usually calculated as an annual percentage of the investment volume and paid on a monthly, quarterly or yearly basis. Compensation is usually paid out of the investment fund's management fee or paid out of the investment fund's assets as a separate fee (both of which are disclosed in the respective fund documentation). The bandwidths above represent the maximum annualised percentage rates (p.a.) of compensation that EWM may receive in connection with an

investment fund falling into the respective investment fund category.

With respect to structured products, compensation may take the form of a (one-off) discount obtained by EWM on the issue price, and/or of a (one-off) payment relating to the issue price and paid to EWM, and/or of a (recurring) payment relating to the structuring or distribution of a structured product. The recurring payments are usually calculated and/or paid on a daily, monthly, quarterly, or yearly basis. The bandwidth above represents the maximum annualised percentage rate (p.a.) of Compensation that Boreal may receive in connection with a structured product.

## 12. AFFILIATION WITH THIRD PARTIES

EWM has economic ties to third parties, which may lead to a conflict of interest. These are retrocessions and portfolio commissions. The third parties are custodian banks, issuers of structured products and fund providers. For customers, this gives rise to the risk that custodian banks, issuers and fund providers are favoured on the basis of their remuneration. EWM has taken a number of precautions to mitigate these risks. It has established internal directives that clearly regulate the investment process. In addition, there is a functional and hierarchical separation of the risk and compliance management functions from the operating units and from the functions providing financial services.

## 13. CONFLICTS OF INTEREST

In order to avoid conflicts of interest, which might occur when providing financial services, EWM has implemented an internal policy. The aim of the policy is to protect the reputation of EWM, meet the regulatory requirements and maintain the trust of clients and counterparties. The policy is part of EWM's ongoing commitment to uphold the highest ethical standards in regard to the client relationship and in dealing with potential conflicts of interest.

If you would like to discuss particular circumstances, please contact your client relationship manager.



#### **14. COMPLAINTS HANDLING AND OMBUDSMAN**

Client feedback and complaints are best addressed directly to the client's dedicated relationship manager or contact person. Clients should include the reason as well as their contact details and account number in their written complaint. EWM will endeavour to handle all feedback and concerns as quickly as possible.

If a client perceives a response to be inadequate, EWM would like to be informed so that the situation can be rectified. Should a client be dissatisfied with the way EWM has dealt with their concern, the client has a possibility of mediation proceeding with the ombudsman's office.

#### **OMBUDSMAN'S OFFICE**

OFS Ombud Finance Switzerland  
16 Boulevard des Tranchées  
1206 Geneva  
Switzerland  
Telefon: +41 22 808 04 51  
Email: [contact@ombudfinance.ch](mailto:contact@ombudfinance.ch)

#### **15. CONTACT**

The following contact of EWM is available to the client for any question and additional information:

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