

## FinSA Client Information Document

### 1. Introduction

This FinSA Client Information Document<sup>1</sup> informs you about how Schroder & Co Bank AG (hereinafter referred to as "Schroders", "we" or "us") applies certain requirements of the Swiss Financial Services Act ("FinSA") as of 1 January 2022.

FinSA mainly regulates the provision of financial services and the offering of financial instruments and aims to strengthen investor protection. In terms of content, FinSA is closely aligned with European regulatory reforms and essentially covers the following areas:

- Strengthening investor protection
- Transparency in the context of financial products
- Organisational requirements for the provision of financial services.

The introduction of FinSA led to more extensive information and documentation obligations for financial services providers in Switzerland that offer financial services in connection with financial instruments (for example, asset management, investment advice and purchase or sale of financial instruments). In addition, the organisational measures to be taken by the financial services providers have been extended.

**The level of protection to be provided by a financial services provider depends on the respective client classification (explained in more detail in Chapter 4 below). The client classification determines the scope of investor protection and the applicable behavioural obligations or organisational measures to be applied for the respective client relationship.**

This FinSA Client Information Document gives you an overview of the implementation of the FinSA Code of Conduct by Schroders. **It supplements any contractual agreement between you and Schroders. In the event of contradictions, the respective contractual agreement takes precedence.**

### 2. About Schroder & Co Bank AG

Schroders is an approved Swiss bank under the Swiss Federal Law on Banks and Savings Banks of 8 November 1934 ("BankG"). Our head office is located in Zurich. Our branch is located in Geneva.

As a Swiss financial services provider, we are subject to the regulations of FinSA, in addition to BankG.

We offer banking, financial and advisory services with a national and international orientation, particularly individual asset management and investment advisory services for private clients and professional clients.

Schroders is ultimately a wholly owned subsidiary of Schroders PLC, London. Schroders PLC is listed on the London Stock Exchange and is part of the FTSE 100 Index.

For more information about our services, please contact your client advisor (hereinafter referred to as "client advisor") or contact us at:

#### Schroder & Co Bank AG

Central 2  
CH-8001 Zurich  
Switzerland  
Phone: +41 44 250 11 11  
Email: [contact@schroders.ch](mailto:contact@schroders.ch)

#### Schroder & Co Banque SA

Rue Jargonnant 2  
CH-1207 Geneva  
Switzerland  
Phone: +41 22 818 41 11  
Email: [contact@schroders.ch](mailto:contact@schroders.ch)

### 3. Supervisory Authority

Schroders is approved by the Swiss Federal Financial Market Authority FINMA and is subject to its prudential supervision.

Contact Details:

#### Swiss Federal Financial Market Supervisory Authority FINMA

Laupenstrasse 27  
CH-3003 Bern  
Switzerland  
Phone: +41 31 327 91 00  
Email: [info@finma.ch](mailto:info@finma.ch)  
Website: [www.finma.ch](http://www.finma.ch)

### 4. Client Segmentation

#### 4.1 General Information

According to FinSA, all financial services providers are required to assign their clients to one of the following three segments: Private clients (retail), professional clients and institutional clients. Schroders does not offer the category of institutional clients.

Each segment is assigned a different level of investor protection (for example, with regard to information obligations, suitability and adequacy tests, documentation and accountability obligations).

Before we provide financial services to you, we will classify you as either a private client or a professional client based on the information available to us and inform you accordingly.

You can change your classification by making an opt-in or an opt-out declaration, which will also change the level of client protection and rules of conduct for the client relationship. Your client advisor will be happy to explain the available opt-in and/or opt-out options in detail. The opt-in or opt-out declaration will not be legally binding for Schroders until written confirmation has been given to the client.

Any segmentation carried out by Schroders applies generally to all financial services and product classes of a client relationship that we offer or provide to you.

<sup>1</sup> To facilitate legibility, the language forms male, female and diverse (m/f/d) are not used simultaneously in this text. All references to persons apply equally to all genders.

We kindly ask you to notify us immediately of any relevant changes in the circumstances underlying your segmentation that would cause you to no longer meet the necessary requirements for classification as a professional client or if you wish to withdraw your opt-in or opt-out declaration.

As soon as we become aware that you no longer meet the criteria for your initial classification, we will adjust your classification and inform you accordingly. In such cases, Schroders will be entitled to return, exchange or sell all financial instruments that may only be held by clients of the original classification, to terminate financial services contracts or to discontinue the provision of financial services in the future.

## 4.2 Private clients

### a. Classification as a private client

All clients are generally classified by Schroders as private clients.

### b. Consequences of being classified as a private client

The classification as a private client means that:

- Schroders will apply the information obligations in accordance with Art. 8f of the FinSA;
- In the provision of investment advisory or asset management services, Schroders will carry out a suitability or appropriateness test in accordance with Art. 10ff of the FinSA;
- Schroders will apply the documentation and accountability obligations in accordance with Art. 15f of the FinSA;
- Schroders will apply the transparency and due diligence obligations for client orders in accordance with Art. 17ff of the FinSA.

By being classified as a private client, you benefit from the highest possible level of investor protection. However, you will only have access to financial instruments that are also available to private clients.

For example, private clients are non-eligible investors according to the Swiss Collective Investment Schemes Act (CISA) and can invest only in collective investments for non-eligible investors. By concluding an investment advisory or asset management mandate, you can become an eligible investor in accordance with the CISA and invest in collective investments that are available only to eligible investors (see section 4.3.b below). However, since your classification is still that of a private client, you will not be able to access the investment universe that is intended exclusively for professional or institutional clients.

### c. Possibility to request a change of classification

Wealthy private clients and private investment structures set up for them in accordance with Art. 5(1) and (2) of the FinSA can declare in writing to Schroders that they are to be classified as professional clients and thus wish to waive the increased client protection (opt-out). To do this, they must credibly declare that they:

- a. have the knowledge necessary to understand the risks of investments based on personal training and

professional experience or comparable experience in the financial sector, and have assets of at least 500,000 Swiss Francs; OR

- b. have assets of at least 2 million Swiss Francs.

Clients who are deemed to be professional clients per se in accordance with Art. 4(3) of the FinSA (see section 4.3.a below) can declare that they are classified as such and thus wish to waive the increased client protection.

Clients classified as private clients by having exercised an option in accordance with Art. 5(5) may revoke their opt-in at any time in writing in order to be classified as professional clients again and thus to waive the increased investor protection.

## 4.3 Professional clients

### a. Classification as a professional client

Schroders generally classifies all clients as private clients. Clients who would be classified as professional clients per se may exercise the option in accordance with section 4.2 c, para. 2.

Professional clients include:

#### – Professional clients per se:

- a. Financial intermediaries in accordance with BankG, the Swiss Financial Institutions Act of 15 June 2018 (FinIA) and the Collective Investment Schemes Act of 23 June 2006 (CISA) (Art. 4 para. 3 lit. a of the FinSA);
- b. Insurance companies according to the Insurance Supervision Act of 17 December 2004 (VAG) (Art. 4(3) lit. b of the FinSA);
- c. Foreign clients who are subject to prudential supervision as the persons referred to in sections a and b (Art. 4(3) lit. c of the FinSA);
- d. Central banks (Art. 4(3) lit. d of the FinSA);
- e. Public corporations with professional treasury operations<sup>2</sup> (Art. 4(3) lit. e of the FinSA);
- f. Pension funds and institutions dedicated to the purpose of occupational pensions, with professional treasury operations<sup>2</sup> (Art. 4(3) lit. f of the FinSA);
- g. Companies with professional treasury operations<sup>2</sup> (Art. 4(3) lit. g of the FinSA);
- h. Large companies (Art. 4(3) lit. h in conjunction with Art. 4(5) of the FinSA);
- i. Private investment structures with professional treasury operations set up for wealthy private clients (<sup>2</sup>Art. 4(3) lit. i of the FinSA);

#### – Professional clients by virtue of exercising an option:

- j. by **opt-out declaration**: wealthy private clients and private investment structures set up for them, who have explicitly declared that they wish to be treated as professional clients in accordance with Art. 5(1) and (2) of the FinSA.

<sup>2</sup> The requirement of professional treasury operations is fulfilled if the client has permanently entrusted the management of their financial resources to a qualified person within or outside their organisation who is experienced in the financial sector.

## b. Consequences of the choice to be classified as a professional client

Choosing to be classified as a professional client means that:

- you waive the application of the information, documentation and accountability obligations according to FinSA;
- only a limited suitability or appropriateness test will be carried out in the provision of investment advisory or asset management services;
- the transparency and due diligence obligations for client orders in accordance with FinSA will continue to apply.

By choosing to be classified as a professional client, you only benefit from limited investor protection. However, you will have access to an expanded investment universe and thus to financial instruments that are only available to professional investors.

By law, for example, professional clients are also eligible investors according to CISA. Eligible investors can invest in Swiss collective investments subject to a simplified approval and authorisation procedure and exempt from certain requirements for investor protection, and/or in foreign collective investments that cannot be offered to ineligible investors in Switzerland and are therefore not subject to the supervision of the Swiss Financial Market Authority (FINMA). Such foreign collective investments may be subject, for example, to requirements not equivalent to those of CISA with regard to organisation and/or legal structure, investor rights or investment policy/restrictions.

## c. Possibility to request a change of classification

Clients classified as professional clients by the exercise of an option in accordance with Art. 5(1) and (2) FinSA may revoke their opt-out in writing at any time in order to be classified as private clients again and thus benefit from increased investor protection (opt-in).

## 5. Appropriateness & Suitability

### 5.1 General information:

Schroders relies on the collection of comprehensive and correct personal information from its clients to assess appropriateness and suitability. Schroders relies on the information and statements that you or the person authorised by you provide. You or your authorised representative(s) are also required to immediately notify Schroders of any change or update to your personal information that has been collected as the basis for performing the appropriateness or suitability test. **Please note that without complete and accurate personal information from you, Schroders will not be able to perform the appropriateness or suitability test.**

### 5.2 Private clients

Financial services providers providing investment advisory or asset management services to private clients must conduct an appropriateness or suitability test.

#### a. Appropriateness test

If the investment advice is provided for individual transactions (transaction-based investment advice) without taking into account the entire client portfolio, Schroders must enquire about the client's knowledge and experience. Before making

a personal recommendation, we must then examine whether the recommended financial instrument is appropriate for the client, taking into account the client's knowledge and experience.

By providing appropriate information, Schroders can compensate for any lack of knowledge or experience.

#### b. Suitability test

When advising on investments, taking into account the client portfolio (portfolio-based investment advice), or when managing assets, Schroders must enquire about the personal and financial situation, investment objectives and the knowledge and experience of the client with regard to the intended financial service (portfolio-related investment advice or asset management).

Based on the information collected from you, Schroders creates a risk profile and, on this basis, agrees the investment strategy with you. The intended financial service is suitable for you if, in view of the agreed investment strategy and the indicated financial situation, the financial service appears to be appropriate and you understand the product and the associated investment risks and are willing to take them.

## 5.3 Professional clients

For professional clients, FinSA requires only a limited suitability test of financial services providers providing investment advice or asset management services.

In the case of professional clients, Schroders can generally assume that these clients have the necessary knowledge and experience and that the investment risks associated with financial services are financially sustainable. In the case of professional clients, we are generally required to record the investment objectives and to carry out a limited suitability test only when providing asset management services or investment advice, taking into account the client portfolio (portfolio-based investment advice).

## 6. Execution-only

### 6.1 Appropriateness & Suitability

In the case of execution-only services and in connection with financial services initiated by you alone, we do not perform an appropriateness or suitability test. **This information on the non-performance of an appropriateness or suitability test in execution-only transactions is provided here on a one-time basis and will not be repeated for future execution-only transactions.**

### 6.2 Basic Information Sheet

We will provide the Basic Information Sheet (BIB) of a financial instrument to you free of charge before executing any transaction, if it already exists. In order to avoid delays in the execution of a transaction, you can also authorise us in writing to not send you the BIB until after the completion of a transaction. This written authorisation can be revoked at any time in writing.

## 7. General risks of financial instruments

Investments in financial instruments entail opportunities, but also risks. It is important that you know and understand these risks before you utilise a financial service.

To this end, the brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association (SBA) is

available on our website [www.schroders.com/en/ch/FIDLEG](http://www.schroders.com/en/ch/FIDLEG). The brochure contains information on the typical characteristics and risks of current financial instruments. A current copy of the brochure can also be obtained from your client advisor on request.

Please read this information carefully. If you have any questions and/or would like further information, please contact your client advisor.

## 8. Information about costs and fees

In connection with the provision of financial services, costs and fees may be charged by both Schroders and third parties (for example, external custodian banks). Our current costs and fees can be found in the respective applicable fee schedule, which you can find on our website [www.schroders.com/en/ch/FIDLEG](http://www.schroders.com/en/ch/FIDLEG) or obtain from your client advisor at any time. Costs and fees of third parties will also be charged to you.

In addition to the costs and fees that Schroders charges you directly, other costs and fees will be charged to you indirectly, for example, current fees of a fund, which reduce the return on the fund. These costs and fees can be found in the respective, contractually agreed documents and/or products. You can also obtain this information from your client advisor.

## 9. Information on financial services

### 9.1 Products

Standardised information on financial instruments (for example, funds/ETFs, structured or securitised products), including information on product-specific risks and costs, can be found in the respective product information documentation. The Basic Information sheet (BIB) of a financial instrument is provided free of charge to our private clients to whom we provide investment advice prior to each transaction, provided the BIB is made available by the product maker. Product information can also be obtained from your client advisor at any time on request.

If the investment advice is provided in the absence of a person (for example, by telephone), you can also authorise us in writing not to deliver the BIB to you until the transaction has been completed. This will help you avoid delays in the execution of your transactions. This written authorisation can be revoked at any time in writing.

### 9.2 Investment advice (private clients only)

On the occasion of a consultation, Schroders documents the financial products discussed with you, their suitability and our recommendations. You can request a copy of this documentation from your client advisor.

### 9.3 Portfolio overview

Schroders provides reports on your portfolio in accordance with the contractual agreements, or at least once a year.

## 10. Included market offer

In the provision of financial services (including asset management), Schroders uses or offers both financial instruments issued, developed, managed or controlled by an affiliated company of the Schroders Group (namely collective investments) and financial instruments of third parties.

## 11. Execution of orders (best execution)

In the execution of client orders, we ensure that the best possible result is achieved for you in financial, time and quality terms.

We have taken all reasonable steps to achieve the best possible result when we conduct transactions for you in financial instruments through other Schroders affiliated companies or through third-party brokers.

Schroders follows a set of rules for managing and executing orders based on the Schroders Group Order Management and Execution Policy. These rules cover all asset management activities, which include the management of orders and the execution of transactions up to the allotment of executed orders.

The rules and regulations for order management and execution are regularly checked for completeness and effectiveness. You can find our Best Execution Policy at [www.schroders.com/en/ch/FIDLEG](http://www.schroders.com/en/ch/FIDLEG).

We generally apply the same best execution principles for all our clients, unless a client explicitly instructs us otherwise.

## 12. Conflicts of interest

Schroders has implemented appropriate organisational and administrative measures to prevent or mitigate conflicts of interest that may arise from the provision of financial services and that could pose a risk to the interests of our clients or lead to a disadvantage.

A conflict of interest arises when the interests of one party (for example, Schroders, a board member, an employee, a client or a company affiliated with Schroders) do not coincide with or might not in the future coincide with the interests of another party. This may put one party at a disadvantage to the benefit of the other party.

Our policies and rules on conflicts of interest are appropriate for the nature and scope of our business. They enable us to identify, record, prevent, mitigate or disclose conflicts of interest. If disadvantages for clients cannot be excluded or can only be excluded with disproportionate effort, we will disclose this to you in a suitable manner.

A number of controls ensure that our policies and rules on conflicts of interest remain appropriate and are followed. Please contact us if you have any questions about our policies and rules to prevent conflicts of interest.

## 13. Economic ties to third parties

Schroders is a wholly-owned subsidiary of Schroders PLC, London. We work in many different ways with companies of the Schroders Group in Switzerland and abroad. The Schroders Group Conflicts of Interest Policy, which applies to all Schroders Group companies, includes measures to prevent and manage potential conflicts of interest between the Group's companies in order to ensure appropriate conflict management within the Group.

If Schroders' ties to other Schroders Group companies or other third parties result in a conflict of interest in the provision of a financial service to you and if such a conflict of interest cannot be eliminated or mitigated, we will inform you in an appropriate manner.

## 14. Compensation from third parties

---

In the provision of financial services, Schroders may receive compensation from companies affiliated with Schroders and/or third parties. Details of possible compensation and the ranges of such compensation will be disclosed in the information sheet "Information on Compensation from Third Parties", which you have already received. You can obtain a current copy from your client advisor on request.

On request, Schroders will also disclose the amount of compensation received in relation to your portfolio, provided that this information can be reasonably obtained. Otherwise, Schroders will inform you on the basis of an approximate or flat-rate value. If necessary, please contact your client advisor.

## 15. Complaint management/Contact office of the Ombudsman

---

Ensuring client satisfaction is our top priority.

We value your feedback and take every comment and complaint seriously.

If you are not satisfied with our services, please send an email to your client advisor or to [complaintsch@schroders.com](mailto:complaintsch@schroders.com).

We handle all enquiries and complaints in accordance with our legal obligations and internal procedures. In order to

process your enquiry or complaint efficiently and promptly, we need your full name, contact details and the reason for your enquiry or complaint in as much detail as possible, including any relevant documents.

We will confirm receipt of your enquiry or complaint and will send you an answer to your enquiry or complaint as soon as possible. We may request additional information from you in order to process your enquiry or complaint.

If you find our answer unsatisfactory, you may initiate a mediation procedure. To do this, you can contact the Office of the Ombudsman of the Swiss Banking Ombudsman:

### Swiss Banking Ombudsman

Bahnhofplatz 9

P.O. Box

CH-8021 Zurich

Switzerland

Phone: +41 43 266 14 14

Website: [www.bankingombudsman.ch](http://www.bankingombudsman.ch)

The Swiss Banking Ombudsman is the office responsible for Schroders and is a free and neutral source of information and mediation service for clients.

### Legal information:

This FinSA Client Information Document is provided to you for information purposes and regulatory reasons only and is intended to provide you with an overview of how Schroder & Co Bank AG implements the statutory conduct obligations. This document is not marketing material.

Despite careful examination, Schroder & Co Bank AG accepts no liability for the adequacy, accuracy, completeness or correctness of the contents of this FinSA Client Information Document, especially since certain details may change after publication.

This FinSA Client Information Document reflects the status as of 1 January 2022 and may be updated by Schroder & Co Bank AG unilaterally at any time without further notice to clients. You can always receive the latest version of the FinSA Client Information Document from your client advisor at Schroder & Co Bank AG. After 1 January 2022, the latest version of the FinSA Client Information Document can be downloaded from our website [www.schroders.com/en/ch/FIDLEG](http://www.schroders.com/en/ch/FIDLEG).

This FinSA Client Information Document does not constitute an offer or an invitation by Schroder & Co Bank AG to use a service, to buy or sell financial instruments, or to participate in a particular trading strategy under any jurisdiction.