

FINSA CLIENT INFORMATION

Based on the legal requirements of Art. 8ff. of the Financial Services Act (FINSA), we would like to supply you with this information sheet which provides an overview of Hérens Quality Asset Management AG (hereinafter referred to as the «financial institution») and its services.

A. Company information

Address

Hérens Quality Asset Management AG
Bahnhofstrasse 3
CH – 8808 Pfäffikon
Phone: + 41 43 222 31 41
Email : info@hqam.ch
Website: <https://hqam.ch>

The financial institution was established in 2003.

Supervisory authority and audit firm

The financial institution has been licensed as a manager of collective investment schemes since 2008 and is therefore subject to prudential supervision by the Swiss Financial Market Supervisory Authority FINMA. Within the scope of this supervision, the financial institution is audited and reviewed annually by the audit firm Grant Thornton AG, both in terms of supervisory law and code of obligations.

Eidgenössische Finanzmarktaufsicht FINMA
Laupenstrasse 27
3003 Bern
Phone: +41 31 327 91 00
Email: info@finma.ch
Website: www.finma.ch

Grant Thornton AG
Claridenstrasse 35
CH-8002 Zurich
Phone: +41 43 960 71 71
Email: info@ch.gt.com
Webssite: www.grant-thornton.ch

Ombudsman

The financial institution is affiliated with the independent ombudsman Ombudsstelle Finanzombudsstelle Schweiz (FINOS), which is recognized by the Federal Department of Finance. Disputes concerning legal claims between the customer and the financial services provider should be settled by an ombudsman's office, if possible, within the framework of a mediation procedure.

Finanzombudsstelle Schweiz (FINOS)
Talstrasse 20
CH - 8001 Zurich
Phone: +41 44 552 08 00
Email: info@finos.ch
Website: www.finos.ch

The financial institution is also authorised by the Federal Financial Supervisory Authority (BaFin) to offer investment advisory and financial portfolio management services to institutional investors in Germany.

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)
Marie-Curie-Str. 24-28
60439 Frankfurt am Main
Phone: +49 228 299 70 299
Email: poststelle@bafin.de
Website: www.bafin.de

B. Information on the offered financial services

The financial institution provides asset management services and transaction-based investment advisory services to its clients. In the case of a transaction-based investment advisory mandate with the financial institution, a personal recommendation relating to individual financial instruments is provided to the client. The decision to buy or sell remains always ultimately with the client.

The financial institution also provides financial services in collective investment schemes. For further information on the various collective investment schemes, the general risks, specifications, and operating procedures, please refer to the relevant prospectuses and factsheets on this website.

The financial institution does not guarantee any yield nor performance of investment activities. The investment activity can therefore lead to an appreciation in value and to a depreciation in value.

The financial institution has the necessary licenses to perform the above services.

C. Client segmentation

Financial service providers are required to classify their customers into a client segmentation as legally established. The Financial Services Act provides for «retail customers», «professional customers» and «institutional customers» segments. For each customer, a customer classification is determined within the framework of the cooperation with the financial institution. Subject to certain conditions, the customer may change the customer classification by opting in or opting out.

D. Information on risks and costs

General risks associated with financial instruments transactions

The investment advisory and asset management services involve financial risks. Further details can be found in the brochure «Risks associated with Financial Instruments Transactions» which can be found at www.swiss-banking.ch.

Clients of the financial institution may contact their client advisor at any time if they have any further questions.

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 advisory or asset management 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.

Information on costs

A fee is charged for the services rendered, which is usually calculated on the assets under management and/or on a performance basis. For more detailed information, please refer to the relevant Investment advisory or asset management agreements.

If it is not possible to determine the actual amount of remuneration or third-party services before the financial service is provided or the contract is concluded, the financial institution shall inform the client of the range of the respective remunerations, taking into account the different asset classes and financial instruments.

In the case of asset management and portfolio-based investment advice, if the exact amount of third-party remuneration cannot be determined in advance, the client shall be informed of the range of the expected remuneration in relation to the portfolio value and the agreed investment strategy.

E. Information about relationships with third parties

In connection with the financial services offered by the financial institution, economic ties may exist with third parties. The receipt of payments from third parties as well as their treatment shall be regulated in detail and comprehensively in the respective investment advisory or asset management agreements.

F. Information on the market offer considered

The financial institution basically follows an «open universe approach» and tries to make the best possible choice for the client when selecting financial instruments. The financial institution's own collective investments can – where appropriate – be used in the asset management mandates or recommended as part of investment advice.

If the financial institution offers both its own and third-party financial instruments in its market offering, it shall take appropriate organisational measures, such as implementing a procedure for selecting financial instruments based on objective criteria customary in the industry. If the possibility of customers being disadvantaged cannot be excluded, the financial institution shall disclose this to its customers.

G. Appropriateness and suitability

Appropriateness test for transaction-based investment advice

In the case of transaction-based investment advice, the financial institution provides investment advice for individual transactions without taking into account the entire client portfolio.

In this case, the financial institution must ascertain the client's knowledge and experience before recommending financial instruments. In addition, before recommending financial instruments, it must be determined whether they are appropriate for the client.

In particular, the company must ensure that it is aware of the client's knowledge and experience in relation to each relevant investment category used in the financial service.

Suitability test for portfolio-based investment advice and asset management

When providing portfolio-based investment advice, the financial institution provides investment advice that takes into account the client portfolio. When providing asset management services, the financial institution must also take into account the entirety of the client portfolio it manages. In contrast to investment advice, it also makes the investment decision itself.

In both these cases, the financial institution must determine the financial circumstances and investment objectives as well as the knowledge and experience of the clients. In this context, the knowledge and experience relates to the financial service and not to the individual transactions.

The information gathered by the financial institution about the knowledge and experience of the clients must take account of the investment strategy, and the granularity of the survey must be adapted to the complexity and risk profile of the investment and the investment strategy. In particular, the financial institution must be certain about the knowledge and experience of the clients in relation to each relevant investment category used in the financial service.