

Client information sheet

This information brochure provides you with information about LM Finanz AG (hereinafter referred to as LM or "Asset Manager"), our measures to avoid assets without contact and dormant assets, the financial services we offer and the associated risks, how we deal with conflicts of interest, compensations and the initiation of mediation proceedings before the Ombudsman's Office as well as the data protection declaration. The information in this brochure may change from time to time. The latest version of this brochure can be accessed at any time at www.lmfinanz.ch or ordered via lmfinanz@bluewin.ch.

We inform you about the costs and fees of the financial services offered in the respective appendix to our asset management agreement.

For information on the risks generally associated with financial instruments, please refer to the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association. The latest version is available on the Internet under the online link: «[Downloads - SwissBanking](#)».

This brochure fulfils the information requirements under the Financial Services Act (FinSA) and the Ordinance to the Federal Act on Data Protection (DPO) and is intended to provide you with an overview of the financial services offered by LM and the handling of client data.

Should you require further information, we would be pleased to be at your disposal in a personal meeting.

LM Finanz AG

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1. Information about LM

1.1 General information

Name:	LM Finanz AG
Address:	Rennweg 39
Postcode / City:	8001 Zürich
Phone:	+ 41 44 221 16 63
E-Mail:	lmfinanz@bluewin.ch
Website:	www.lmfinanz.ch
Trade Reg. Nr.:	CHE-106.838.775
VAT.-Nr.:	CHE-106.838.775 MWST

1.2 Field of activity

LM has its registered office and place of business in Zurich. It essentially carries out the following activities:

- Asset management for private, professional and institutional clients;

For further information on LM, please refer to our corporate presentation.

1.3 Supervisory status and competent authority and supervisory organization

LM is currently in the process of obtaining a license as an asset manager pursuant to Article 17 of the Financial Institutions Act (FinIA). The license is granted by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, 3003 Bern. As of the granting of the license, the LM is supervised by the supervisory organization Schweizerische Aktiengesellschaft für Aufsicht (AOOS), Clausiusstrasse 50, 8006 Zürich.

1.4 Economic ties to third parties

LM has no economic ties to third parties which could lead to a conflict of interests.

In particular, LM is neither legally nor economically part of a group or corporate structure, nor does it maintain any significant ties with third parties.

As an independent asset manager, LM deliberately works together with several custodian banks.

2. Dormant assets

Occasionally, contacts with clients are broken off and assets subsequently become dormant. Such assets can be permanently forgotten by the clients and their heirs. The following is recommended to avoid loss of contact or dormant assets:

- **Change of address and name:** Immediate notification of any change of residence, address or name
- **Special instructions:** Information about longer absences and of any redirection of correspondence to a third-party address as well as of how the client can be reached in urgent cases during this time

- **Granting of powers of attorney:** An authorized person can be designated whom the asset manager can approach in the event of an interruption of contact
- **Substitute contacts:** It may be advisable to provide the contact details of the legal successors and/or other persons who can be contacted by the asset manager in the event of a breakdown or loss of contact in order to (re)establish contact with the client or his legal successors. It is the client's responsibility to inform the asset manager of any changes in the respective contact details
- **Orientation of trusted persons and testamentary disposition:** Another possibility to avoid lack of contact and news is to inform a trusted person about the relationship with the asset manager. However, the asset manager may only provide information to such a trusted person if he or she has been authorized to do so in writing. Furthermore, the assets concerned may be mentioned, for example, in a testamentary disposition

LM is available for any questions. Further information can also be found in the brochure "Dormant Assets" published by the Swiss Bankers Association. The brochure is available on the Internet under the online link «[Downloads - SwissBanking](#)».

3 Financial services offered by LM

3.1 Asset management

3.1.1 Nature, characteristics and functioning of the financial service

In asset management, the asset manager manages, in the name, for the account and at the risk of the client, assets which the client has deposited with a custodian bank. The asset manager carries out transactions at his own discretion and without consulting the client. In doing so, the asset manager ensures that the transaction he executes corresponds to the client's financial circumstances and investment objectives as well as to the investment objectives agreed with the client and ensures that the structuring of the portfolio is suitable for the client.

3.1.2 Rights and duties

The client has the right that the assets in his portfolio are managed by the asset manager. In doing so, the asset manager selects the investments within the framework of the considered market offer to be included in the portfolio with due care. The asset manager shall ensure an appropriate distribution of risk to the extent permitted by the investment strategy. He shall regularly monitor the assets under his management and ensure that the investments are in line with the investment strategy agreed on in the investment profile and are suitable for the client.

The asset manager shall regularly inform the client about the asset management agreed on and provided to the client.

Pursuant to Art. 72 FinSA, the asset manager is also obliged to provide the client with a copy of its client file and all documents relating to them at the client's request. By signing the contract, the client agrees that the disclosure may be made electronically.

3.1.3 Risks

Asset management basically involves the following risks, which are in the client's sphere of risk and are therefore borne by the client:

- **Risk of the selected investment strategy:** Various risks may arise from the investment strategy selected and agreed by the client (cf. below). The client bears these risks in full. An

overview of the risks and a corresponding risk explanation are provided before the investment strategy is agreed on.

- **Asset preservation risk or the risk that the financial instruments in the portfolio depreciate:** This risk, which can vary depending on the financial instrument, is borne in full by the client. For the risks of the individual financial instruments, please refer to the brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association.
- **Information risk on the part of the asset manager** or the risk that the asset manager has too little information to be able to make an informed investment decision: When managing assets, the asset manager considers the client's financial circumstances and investment objectives (suitability test). If the client provides the asset manager with insufficient or inaccurate information about his financial circumstances and/or investment objectives, there is a risk that the asset manager will not be able to make investment decisions that are suitable for the client.
- **Risk as a qualified investor in collective investment schemes:** Clients who make use of asset management services within the framework of a long-term asset management relationship are deemed to be qualified investors within the meaning of the Collective Investment Schemes Act. Qualified investors have access to certain types of collective investment schemes which are exclusively open to them. This status allows a broader range of financial instruments to be considered in the design of the portfolio. Collective investment schemes for qualified investors may be exempt from regulatory requirements. Such financial instruments are therefore not or only partially subject to Swiss regulations. This may give rise to risks, particularly regarding liquidity, investment strategy or transparency. Detailed information on the risk profile of a specific collective investment scheme can be found in the constituent documents of the financial instrument and, where applicable, in the key information document and the prospectus.

Furthermore, risks arise during asset management which lie within the risk sphere of the asset manager and for which the asset manager is liable vis-à-vis the client. The asset manager has taken suitable measures to counter these risks, in particular by observing the principle of good faith and the principle of equal treatment when processing client orders. As far as it is within the asset manager's sphere of influence, he shall ensure the best possible execution of client orders.

3.1.4 Market offers considered

The market offers considered in the selection of financial instruments can cover own and third party financial instruments, depending on the contractual agreement (see annex IV "Third Party Compensation"). Within the scope of asset management, the following financial instruments in particular are available to the client:

- Account balances with domestic and foreign banks
- Money market investments
- Interest-bearing debt securities (bonds, etc.)
- Equity securities (shares, etc.)
- Collective investment instruments (investment funds of all standard banking investment instruments, namely securities, indices, real estate, commodities)
- Alternative investments, non-traditional investments
- Standardized and non-standardized derivative financial instruments
- Precious metals
- Insurance products

LM may use derivative products on behalf of its clients. LM shall only use such products if and to the extent that this is permissible in accordance with the legal, professional, and contractual investment regulations applicable in the specific case and considering any investment instructions. Derivatives are used in this context to hedge existing securities positions or to build up new securities positions. Derivatives are permitted which are traded on a recognized stock exchange or over-the-counter.

LM may also use a self-managed strategy index (Actively Managed Certificate, AMC) for its clients if and to the extent that this is permissible in accordance with the applicable statutory, professional, and contractual investment regulations in the specific case and taking into account any investment instructions. The use of structured products is associated with specific risks, such as issuer and guarantor risks for investors. LM appropriately considers these risks in its risk management and expressly and in an appropriate form draws the attention of its clients to the risks associated with the strategy index offered. The client is aware that the use of the AMC may incur additional management fees due to the management at product level.

4 Dealing with Conflicts of Interest

4.1 In general

Conflicts of interest may arise when the asset manager has an interest in the outcome of a financial service provided to clients that is contrary to that of the clients.

Possible causes of conflicts of interest are namely:

- Financial incentives for the asset manager to carry out certain investment decisions, e.g. compensation from third parties
- The use of the asset manager's own products or those of third parties economically linked to him
- The coincidence of several client orders
- The coincidence of client orders with the asset manager's own transactions or those of his employees.

Within the scope of the services provided to the client, no conflicts of interest arise for the asset manager which could not be eliminated by countermeasures.

4.2 Compensation by third parties in particular

Depending on the contractual agreement (Annex IV "Third Party Compensation"), LM may receive compensation from third parties (e.g. brokerage fees, commissions, rebates, kick-backs, finder's fees, portfolio maintenance commissions or other pecuniary benefits) in connection with the provision of its financial services. These remunerations constitute a part of the management fees. The client expressly waives his right to reimbursement of these fees.

In addition, LM may also use its own products, which may result in "double remuneration".

For the amount of third-party compensation or double remuneration, please refer to Annex IV "Third Party Compensation".

In order to avoid potential conflicts of interest in this context, the LM has taken the following measures to minimize conflicts of interest through compensation from third parties:

- Contractual regulation specifying the range of the compensation paid by third parties in Annex IV "Third Party Compensation", which is an integral part of the asset management contract;

- Contractual regulation specifying the maximum permissible investment in own products as a % of AuM (assets under management) in Annex IV "Third Party Compensation";
- Obligation to disclose compensation paid by third parties: Upon request, the asset manager must inform the client of the compensation actually received;
- The client may also agree with LM on a performance-related profit share based on the annual performance increase of the total assets under management. This should lead to an alignment of the interests of LM and the client.

5. Ombudsstelle

In the event of disputes, the client may initiate a mediation procedure before the following ombudsman's office:

Name	Ombud Finance Switzerland (OFS)
Address	Rue du Conseil Général 10
Postcode / City	CH-1205 Genf
Phone	+41 22 808 04 51
E-Mail	contact@ombudfinance.ch
Website	Ombudfinance Switzerland

6 Privacy Policy

6.1 General information

This data protection statement provides information on how LM processes personal data. "Personal data" means all information relating to an identified or identifiable person. "Processing" any operation with personal data, irrespective of the means applied and the procedure, and in particular the collection, storage, use, revision, disclosure, archiving or destruction of data.

6.2 Data security

LM is obliged to protect personal data and privacy in accordance with the applicable laws, in particular data protection law. To this end, it takes respective technical and organizational security measures (e.g. access restrictions, firewalls, personalized passwords and encryption and authentication technologies, etc.).

6.3 Categories of personal data

LM processes the following categories of Personal Data. As little personal data as possible is processed at all times.

Customer data, such as:

- Master and inventory data (e.g. name, address, nationality, date of birth, information on accounts, custody accounts, concluded transactions and contracts, information on third parties affected by data processing, such as spouses, authorized representatives and advisors);
- Transaction or order and risk management data (e.g. information on the beneficiaries of transfers, beneficiary bank, amount of transfers, risk and investment profile, information on investment products);
- Marketing data (e.g. preferences, needs).

6.4 Origin of personal data

In order to fulfil the purposes, set out in section 5, LM may collect Personal Data from the following sources:

- Personal data disclosed to it, e.g. during the opening of business relationships, regular personal meetings, in the context of the execution of contracts or the use of products and services
- Personal data which is collected in the course of the use of products or services and which is transmitted to them by the technical infrastructure or by processes based on the division of labor
- Personal data from third party sources, e.g. from authorities or sanction lists of the UN and the EU.

6.5 Purpose of processing

LM processes personal data to provide its own services and for its own purposes or those provided for by law. In particular, the following purposes are to be considered:

- Conclusion and fulfilment of contracts, implementation, processing and administration of products and services (e.g. invoices)
- Monitoring and managing risks (e.g. investment profiles, anti-money laundering, limits, utilization figures, market risks)
- Planning, business decisions (e.g. development of new or evaluation of existing services and products)
- Marketing, communication, information about and review of service offerings (e.g. print and online advertising, client-, prospect- or other events, identification of future client needs)
- Fulfilment of legal or regulatory obligations to provide information or to report to courts, authorities, auditing companies, fulfilment of official orders (e.g. reporting obligations to FINMA and foreign supervisory authorities, orders from public prosecutors in connection with money laundering and terrorist financing)
- safeguarding our interests and securing our claims, e.g. in the event of claims against us or claims by us against third parties

6.6 Disclosure to third parties, categories of recipients

LM will disclose customer data to the following third parties in the following cases:

- To other service providers in the context of an outsourcing pursuant to section 7 and for the purpose of comprehensive customer support
- For the execution of orders, i.e. when products or services are used
- Due to legal obligations, legal justification or official orders, e.g. to courts, supervisory authorities, tax authorities or other third parties
- Where necessary to protect our legitimate interests, e.g. in the event of legal action threatened or initiated by customers against us, in the event of public statements, to secure our claims against customers or third parties, in the event of the collection of receivables, etc
- With the consent of the persons concerned, to other third parties.

6.7 Outsourcing of Services

LM outsources certain services in whole or in part to third parties (in particular the management of the portfolio management system, the CRM, legal and compliance).

The service providers, who process personal data on our behalf for this purpose (so-called order processors), are carefully selected. Whenever possible, order processors domiciled in Switzerland are used. The order processors may be authorized to have certain services provided by third parties.

The order processors may only process personal data received in the same way as LM itself and are contractually obliged to guarantee the confidentiality and security of the data.

6.8 Duration of storage

The duration of the storage of personal data depends on the purpose of the respective data processing and/or statutory retention obligations, which amount to five, ten or more years depending on the applicable legal basis.

6.9 Rights of the data subjects

Anyone can request information from LM as to whether personal data about him or her is being processed. There is a right of objection, restriction of processing and, where applicable, a right to data portability. Incorrect data can be corrected. Furthermore, the deletion of personal data can be requested, unless legal or regulatory provisions (e.g. legal retention obligations of business-relevant data) or technical hurdles stand in the way. The deletion of data may mean that we can no longer provide certain services. In addition, where applicable, there is a right of appeal to a competent authority. Where we process personal data based on consent, this consent can be revoked at any time.

In order to assist LM in responding to your request, we kindly ask you to inform us in a comprehensible manner about your request. LM will review and respond to your request within a reasonable period of time.

6.10 Mentioned organisations, companies etc.

In this data protection declaration, organizations and companies are mentioned or described by name. Since certain adjustments may become necessary in the future in the course of legal, regulatory and/or organizational changes (e.g. dissolution of the SRO or a (supranational, semi-) governmental organization), it goes without saying that successor organizations will also be covered by this declaration.

The currently valid data protection declaration can be found at any time at [URL].

6.11 Contact

LM is responsible for processing your personal data. Requests can be sent to the following address:

LM Finanz AG
Rennweg 39
8001 Zürich

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