Wealth Management

Information on Investor Protection

January 2020
3
Introduction

4
Important information for all Vontobel clients

13
Additional information for clients with investment management and investment advice solutions
Introduction

At Vontobel, protecting our clients’ wealth is our mission. In a world of growing uncertainty and complexity, this has become an even more important topic.

As a company built on foresight, personal responsibility and ownership, we understand that asset and client protection, as well as increased transparency, are core guiding principles in a business relationship. Principles that will allow both parties – you, as our client, and Vontobel as your service and solution provider – to better master future complexity.

Improving client protection and transparency are driving forces behind our developments – with a clear focus on the clients’ benefits. Therefore, we have taken the upcoming regulatory changes – such as MiFID II (European “Markets in Financial Instruments Directive”) – as an opportunity to enhance our services and processes.

The brochure explains the specific set-up of Vontobel, the services we offer and how they are designed to support our core belief to preserve your wealth. Generally, it shall also bring you more transparency into our investment business – its processes, products and services as well as the related fee structures. Additionally, the brochure will outline the relevant relationship-building elements and the way how Vontobel interacts and communicates with you – as our client.

This brochure is intended to provide a supplemental and concise overview and does not claim to give a comprehensive account of all aspects of the investment business, nor is it intended to define contractual terms and conditions of business. If there is a contradiction, the contract takes precedence. Where necessary we refer to other documentation that Vontobel has already made available to you or which can be obtained from us free of charge.

You can find more detailed information, including the most recent version of this brochure, on vontobel.com.

About us
Vontobel Wealth Management is committed to actively managing client assets with foresight, often across generations. We follow a holistic approach, closely monitor the markets, anticipate trends and opportunities, and develop individual solutions. This is how we create optimal conditions to protect and increase the entrusted assets over the long term while taking controlled risks.

Our action draws from almost a century of experience. Based on clear objectives agreed upon together with you, we constantly develop new, future-focused investment ideas. We offer specific single asset investments, integrated overall solutions as well as country-focusing or widely diversified portfolios. We provide foresighted and agile advice, and consistently implement the agreed solutions with determination. As a responsible company, we are geared to sustainability, both in the design of our investment solutions, as well as towards our clients, partners, the society and our employees.

The seamless continuity of our advisory is the backbone for a long-term relationship with you. Your personal relationship manager is at your disposal at any time and involves, if necessary, additional specialists. Furthermore, you decide if, when and how you take advantage of our digital services.

As a future-oriented, family-owned company in its 4th generation, we are familiar with the questions regarding family governance, inheritance planning as well as succession planning. Benefitting from this particular experience, we are well positioned to advise families and family-owned companies.
Important information for all Vontobel clients

Locations

Besides its headquarters in Zurich Switzerland, Vontobel has a presence in several other locations worldwide: Germany, Luxembourg, USA, Great Britain, Spain, Italy, Singapore, Hong Kong, Dubai and Australia.

Vontobel Wealth Management has the following entities:

**Bank Vontobel AG**
Bank Vontobel AG is headquartered in Zurich and has received authorization to act as a bank and securities dealer from the Swiss federal financial market authority FINMA, and is subject to supervision by FINMA. The bank is a member of the Swiss Bankers’ Association and is affiliated to the deposit guarantee scheme operated by Switzerland’s banks and securities dealers. Information on the scope of cover provided by this deposit guarantee is provided on the website of the Swiss Banks’ and Securities Dealers’ Depositor Protection Association (esisuisse.ch).

**Bank Vontobel Europe AG**
Bank Vontobel Europe AG is fully licensed to act as a bank by the German Federal Financial Supervisory Authority (BaFin), and has offices in Munich, Hamburg, Cologne and Frankfurt. The bank is a member of the Association of German Banks (EdB) and is affiliated to the Deposit Protection Scheme. Information on the scope of cover provided by this deposit guarantee is provided on the website of the Association of German Banks (edb-banken.de).
**Vontobel Swiss Wealth Advisors AG**

Vontobel Swiss Wealth Advisors AG (VSWA) is a wholly-owned Zurich-based subsidiary of Vontobel Holding AG and is registered as an investment adviser with the US Securities and Exchange Commission (SEC). It also has the status as an Exempt International Adviser under National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations in the Canadian provinces of Alberta, British Columbia, Ontario and Quebec. VSWA has its principal office in Zurich, Switzerland, with additional offices in Geneva and New York. Additional information about VSWA’s business and its affiliates can be found in VSWA’s Form ADV which is publicly available on the SEC website (adviserinfo.sec.gov).

**Vontobel Wealth Management (Hong Kong) Ltd.**

Vontobel Wealth Management (Hong Kong) Ltd. is a wholly-owned subsidiary of Vontobel Holding AG and is licensed by the Securities and Futures Commission in Hong Kong to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. It is a member of Private Wealth Management Association.
Investment services

Information about the investment services and ancillary services
Vontobel offers a full range of wealth management and banking services, including investment management, investment advice services, and the purchase, sale and safekeeping of securities and other financial instruments. Vontobel also provides all types of ancillary investment services, payment services, and credit and securities financing. The scope of services offered may vary in the different Vontobel entities.

Investment management (Vontobel Managed Solutions)
With an investment management mandate, you delegate the power of making investment decisions to Vontobel. Your goals and financial risk tolerance are always our top priority. Vontobel bases the composition of your portfolio on your individual preferences and requirements.

For this service you sign the respective agreements. This authorizes Vontobel to manage assets in the specified account and states the chosen investment strategy and other key features relating to how the mandate is to be carried out.

Investment advice (Vontobel Advisory Services)
With an investment advice mandate, the responsibility for making final investment decisions remains with you, and Vontobel will not execute any transaction without being explicitly instructed to do so.

Vontobel provides clients with comprehensive advice and support in managing their assets. We consistently take account of your needs, wishes and expectations and use them as the starting point when providing investment advice. We offer a range of advisory solutions that allows you to choose the level of support you require.

To receive this service, you sign the respective agreements which establish the framework, such as the scope of the assets, the desired service level and investment guidelines along which Vontobel will provide personal recommendations.

Non-advised transactions
"Non-advised" transactions are buy or sell transactions that are not executed in the context of investment advice services, but rather are performed by us based only on a request by you. In such a case, Vontobel will assess whether, on the basis of your knowledge and experience, you are able to understand the risks associated with the service or financial instrument concerned. However, we make no assessment of your financial ability to bear the investment risks associated with the service or financial instrument, and no investment objective is defined.

If a financial instrument for which you wish to place a non-advised order is deemed to be inappropriate, or if the necessary information to assess your knowledge and experience is missing, Vontobel will inform you accordingly. It is at your discretion to refrain from making the trade or to proceed in spite of this information. If we are unable to contact you in good time for the purpose of issuing such information for any reason, (e.g. because you have requested us not to contact you or because we cannot reach you) we reserve the right to refrain from executing the order.

For more information, please see the "Suitability and Appropriateness" section of this document.

Custody services
Vontobel provides safe keeping services for a large variety of financial instruments worldwide, based on the global Vontobel custody framework.
Other services

Securities credit facilities
Vontobel may grant loans to you to finance transactions involving securities and other investments, if certain conditions are met and the necessary collateral is provided. The granting of loans requires the conclusion of separate credit and pledge agreements.

Information regarding financial instruments
Vontobel offers access to a full range of financial instruments. The investment universe that is considered for recommendations in our investment advice mandates is based on the Vontobel open product platform, which is comprised of both products offered by Vontobel and products from a large range of third party providers. However, investment advice is not provided on an independent basis in the sense of Article 24 of Directive 2014/65/EU on Markets in Financial Instruments.

Risks in securities trading
Trading in financial instruments involves financial risks. These risks can differ greatly depending on the financial instrument involved. The various types of financial instruments and their associated risks are described in detail in the brochure entitled “Risks Involved in Trading Financial Instruments” available on swissbanking.org. If you are unsure about the risks of specific financial instruments, or have further questions, your relationship manager will be happy to assist you.

Complex vs. non-complex financial instruments
All financial instruments are classified as either “complex” or “non-complex” products (e.g. according to MiFID), whereby complex products are subject to more extensive investor protection measures. Please note that at Vontobel, we treat non-complex products with the same protection measures as complex products.

Client statements and other reporting services

Client statements – On a periodic basis Vontobel will send you an itemized statement of the financial instruments held in your account, unless you have agreed any special arrangements to the contrary with Vontobel. In general, you may define the frequency as well as the delivery channel with which to receive your reporting. In some cases we have defined a standard, e.g. for investment management mandates the standard statement frequency is quarterly.

Transaction confirmations – Upon execution of a securities transaction on your behalf Vontobel will send you a confirmation of execution (transaction confirmations).

Other reporting services may be provided depending on the financial instruments or services you have selected as well as your status and the applicable reporting regulations.
Information on Investor Protection Classification
Offered classifications

Vontobel assigns a classification to each natural person or legal entity that is entitled to submit orders (the "order giver"). Vontobel classifies all persons and legal entities, who are entitled to give orders, as either "private clients" or "professional clients". Each classification is assigned a different level of investor protection (e. g. relating to the extent of suitability and appropriateness testing, mandatory pre-trade client information, financial instruments available etc.).

- **Private clients:** By default, you will be classified as a private client, a classification that gives you the highest level of protection. Private clients are to be given extensive information regarding product risk (financial instrument information and risk disclosure), suitability (suitability report), cost and charges, and other parameters before we can provide a service or execute a trade. The range of financial instruments available is generally limited to products targeted at private clients or which are explicitly registered for distribution to private clients (target market). Certain services or financial instruments may be judged not suitable for private clients and will therefore not be offered, for example securities lending transactions.

- **Professional clients:** Professional clients are treated as sophisticated investors who are eligible for a larger investment universe, including financial products targeted at professional clients only or which are not registered for distribution to private clients. However, based on their level of knowledge and experience and their financial ability to bear losses they receive a lower level of investor protection. For example, professional clients are not subject to pre-trade assessments regarding their risk profile and investment objectives, nor do they receive certain pre-trade documentation such as suitability reporting and product information sheets. Please see the detailed comparison of the offered classifications in the table below.

Please note that the classification above applies for investor protection purposes (e.g. according to MiFID) and not for classification due to other regulations such as FATCA, CISA or any tax laws and regulations.

<table>
<thead>
<tr>
<th>PRIVATE CLIENT</th>
<th>PROFESSIONAL CLIENT</th>
</tr>
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<tbody>
<tr>
<td><strong>The target group of the category</strong></td>
<td>- Private clients with medium to high transaction volumes, or - Financial intermediaries such as trustees, asset managers, family offices and insurance companies, or - Large operating companies</td>
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<tr>
<td>In the absence of any other classification, Vontobel considers all order givers to be private clients.</td>
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<tr>
<td><strong>You meet the following requirements</strong></td>
<td>At least two of the following three criteria: - On average, at least 10 transactions of a significant volume per quarter - Bank balances and financial instruments with a value at least CHF 500,000 or equivalent - At least one year of experience in a profession in the capital market, requiring knowledge of financial instruments or alternatively you are: - A regulated financial intermediary or a - Large operating company</td>
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<tr>
<td>No special requirements</td>
<td></td>
</tr>
<tr>
<td><strong>Before offering investment advice and executing transactions, Vontobel will assess the following</strong></td>
<td><strong>Your investment objectives</strong></td>
</tr>
<tr>
<td>- Your knowledge and experience</td>
<td></td>
</tr>
<tr>
<td>- Your risk profile</td>
<td></td>
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<tr>
<td>- Your investment objectives</td>
<td></td>
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<tr>
<td><strong>Upon the investment advice or transaction execution, you will receive the following documents</strong></td>
<td><strong>Transaction costs statement</strong></td>
</tr>
<tr>
<td>- Transaction costs statement</td>
<td>- Transaction costs statement</td>
</tr>
<tr>
<td>- Suitability report</td>
<td></td>
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<tr>
<td>- Financial instrument information and risk disclosure sheet</td>
<td></td>
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</tbody>
</table>

1 We will provide this information as it becomes relevant for you due to regulatory requirements

2 Foreign Account Tax Compliance Act

3 Collective Investment Schemes Act
Reclassification
At any time you may apply to us in writing for a change of classification.
- You can be reclassified from a “private client” to a “professional client” and receive a reduced level of investor protection, along with a leaner investment process and broader eligible investment universe, if you meet the criteria required for professional clients.
- It is also possible for “professional clients” to request to be treated as “private clients” and receive a higher level of investor protection, along with a more restricted eligible investment universe.

In both cases, you must submit to us a written application. Vontobel is happy to assist you in this regard. Your relationship manager will advise you on the precise procedure and the effects of reclassification.

Please note that any reclassification made by Vontobel will apply generally to all investment services, ancillary services and financial instruments that we provide. If we ascertain that you no longer meet the criteria for the investor protection category in which you have been classified, we are required to make an adjustment of our own accord. In such a case, we will inform you immediately.

Periodic information
On a regular basis, you will be informed of your current classification. If you wish to change your categorization we ask that you inform your relationship manager promptly.
**Organizational topics**

**Language and means of communication**
You may choose to communicate with Vontobel in one of the following languages: German, French, Italian, Spanish or English. Subject to availability, all contracts and communication as well as any client documents will be provided in the selected language. As a general rule, we will communicate with you in writing. Orders and notifications by telephone, fax, e-mail or Vontobel online banking will be accepted if you agree to communicate using these channels. If you use one of these channels to communicate with us, we reserve the right to contact you in the same way.

**Execution of orders (“Best execution”)**
Best execution is the obligation to take all reasonable steps to obtain the best possible result when either executing transactions on your behalf or using other affiliates or brokers to execute transactions on your behalf. We have summarized the principles governing our execution of clients’ orders in our Best Execution Policy which is available for you on vontobel.com.

**Conflict of interest**
We have taken an array of measures to pre-empt potential conflicts between your interests and the interests of Vontobel, our employees or other clients. We have summarized these measures for you in our Conflict of Interest Policy which is available for you on vontobel.com.

**Costs and associated charges in connection with investment services and ancillary services**
The costs and associated charges in connection with the investment services and ancillary services provided by Vontobel are detailed in our Fee Schedule. Your relationship manager will be happy to provide you with a copy upon request.

**Inducements**

**Inducements received by Vontobel**
Inducements are monetary or non-monetary benefits a Vontobel entity may receive from product providers in connection with the distribution of financial instruments and other services. Inducements are agreed separately with the product providers irrespective of the relevant business relationships with you. Charges paid directly by you to Vontobel, such as advisory fees, custody fees or transaction fees (including transaction fees that are included in the issue price of an instrument) are not inducements.

Unless explicitly agreed otherwise with you, Vontobel employs primarily inducement-free investment funds for investment management and investment advice services. For structured products in connection with investment advice, we may receive inducements as reimbursement for structuring the product and/or selecting the most favorable product and issuer for you. We may also receive inducements in connection with products held, delivered-in or purchased at your initiative.

The amount of these inducements may vary depending on the product and the product provider. For more information, please refer to the "Inducement Information Sheet". Your relationship manager will be happy to provide you with a copy upon request.

**Inducements paid by Vontobel**
If Vontobel has obtained the business or service relationship with you through a third party acting as intermediary, Vontobel may pay the intermediary a fixed amount finder’s fee or pay part of its revenues from that business or service relationship to the intermediary.

If you are advised by an independent financial advisor or external asset manager while using Vontobel for custody and the execution of trades on the market, Vontobel may pay part of its revenues from that business or service relationship to the intermediary.
Conflicts of interest and transparency related to inducements
In order to avoid potential conflicts of interest, Vontobel’s structure and processes have long been designed to ensure that investment decisions and investment advice do not take into account potential fee income linked to investments in and retention of the products on offer.

We transparently inform you about any inducement received or paid. You have also the possibility to get more information regarding these inducements upon request.

Disclosure of your information related to holding or trading securities
Vontobel may be obliged to provide their regulators with reports on all transactions they have executed with regard to securities admitted to trading. Reports must include identification details of the buyer/seller of those securities and the person placing the order to trade. Where such a person is a legal entity, they will have to be reported with their Legal Entity Identifier (LEI).

Also, in some countries, it is mandatory for securities to be held in segregated sub-accounts in a client’s own name, or for sub-custodians or local trading venues to provide local authorities with details of the persons for whom they hold assets or execute trades. This may be upon specific request or based on a standing reporting duty. You should be aware that holding and trading such securities may entail Vontobel having to provide the local sub-custodians, trading venues, authorities or other third parties with information about you as the holder or beneficial owner of those securities.

Recording conversations and electronic communication
Vontobel records all electronic communications which are related to a transaction to ensure accurateness and traceability of the advice you receive from us.

Transaction-related conversations cannot always be identified as such before they happen and may form part of a broader conversation. As a consequence, all telephone conversations need to be recorded. This means Vontobel will not be able to accept transaction-related conversations with you via channels that it is unable to record, such as third-party instant messengers. Vontobel also creates minutes of key content of face-to-face meetings, in order to ensure the traceability of the recommendations made to you. Records will be stored on a durable medium in a manner that safeguards adequate confidentiality and protection from alteration.

By entering into a business relationship with Vontobel or contacting Vontobel via an electronic channel, you consent to the recording and storage methods described above. You are entitled to request a copy of your records, which may be subject to a service fee.

Handling complaints
Your feedback is best addressed directly to your dedicated relationship manager or contact person. If you would like to submit a formal complaint regarding an aspect of your relationship with Vontobel, you can do so by addressing your written complaint to Vontobel’s Legal and Compliance Department of the respective entity (please find the addresses in the back). We have summarized our complaints handling policies and process for you in our Complaints Handling Policy which is available for you on vontobel.com.
Additional information for clients with investment management and investment advice solutions

The following information is only applicable in connection with investment management and investment advice solutions provided by Vontobel. In case third parties such as independent asset managers provide such services to you, the responsibility to ensure suitability and appropriateness lies with the respective third parties.
Suitability and appropriateness

Suitability
When providing investment services such as investment management and investment advice, Vontobel will consider whether the services and financial instruments recommended are suitable for you, based on the information provided by you or the person that is authorized by you to give instructions on your behalf. To this end, Vontobel requests specific information about your circumstances. Where Vontobel does not obtain the necessary information, we may abstain from providing advised services.

For this reason, it is obligatory that all clients and order givers who would like to receive advised services provide Vontobel with the duly signed Investment Knowledge and Experience form as well as the Risk Profile. These two forms are designed to evaluate the necessary information regarding client’s:
- knowledge and experience with regard to investment services and financial instruments;
- investment goals, including investment purpose, planned time horizon and risk appetite;
- financial situation, including an overview of the client’s total assets, regular income and regular financial commitments.

Only on the strength of this information are we able to recommend suitable transactions in financial instruments or to execute such transactions on your behalf under the respective agreements. In our view, suitable services and financial instruments are those that:
- are in line with your investment objectives;
- involve a level of investment risk that you are able to bear financially;
- involve only risks that you are able to understand on the basis of your knowledge and experience.

Vontobel will rely on the information provided by you or the person who is authorized by you to act on your behalf and you or the person who acts on your behalf are obliged to immediately inform Vontobel of any change in circumstances which may require amendments or updates.

If you have been classified as a “professional client”, we assume that you have the requisite knowledge and experience to assess the respective suitability and risks yourself.

Appropriateness
Vontobel will assess whether you or the person who acts on your behalf are able to understand the risks associated with a financial instrument before placing the order. To that end, Vontobel is required to obtain the necessary information about your knowledge and experience (or that of the person who acts on your behalf).

Applicable knowledge and experience
With regard to checking knowledge and experience, the assessment will be based on the information given by the order giver. This may be you – the client – or a person authorized to act on your behalf. If the relevant person is a non-operating legal entity, we have to know the knowledge and experience relevant for all authorized signatories. For operating legal entities we apply a single assessment to all authorized persons of the company. However, upon request the assessment can be applied individually to each authorized person.

Applicable investment objectives and financial situation
With regard to the testing of investment objectives and the financial ability to bear losses for suitability purposes, the assessment is always based on the circumstances of the account holder(s), even when the recommendation is addressed to an authorized representative.

Investment research
Where Vontobel selects products for its investment management and investment advice services, we do so based on internal and selected external research providers. To ensure the independence of our investment views and to avoid potential conflicts of interest, we duly pay for research services.
Legal notice
This brochure is intended exclusively to inform clients about how Vontobel complies with the applicable regulatory requirements for information on investor protection. It does not constitute an offer or solicitation by or on behalf of Vontobel to purchase or sell securities or similar financial instruments, to participate in a specific trading strategy in any jurisdiction or to use services.