

Client information leaflet

Client information according to art. 8 para. 1 of the Swiss Financial Services Act «FinSA»

CAYROS capital AG is a public limited company established under Swiss law that has its registered office in Basel and domicile on Thiersteinerallee 29. CAYROS provides asset management services to its clients. Adrian Baumann is the sole shareholder of CAYROS. Adrian Baumann is the sole director and exclusive administrative board member of CAYROS.

CAYROS is a licensed portfolio manager under the applicable laws and regulations of Switzerland. CAYROS has been licensed by and is under the prudential supervision of the Swiss Financial Market Supervisory Authority («FINMA») since 17.05.2022. CAYROS is under the ongoing supervision of AOOS Schweizerische Aktiengesellschaft für Aufsicht (Clausiusstrasse 50, CH-8006 Zurich, +41 (44) 2159898, info@aoo.ch).

Scope of services CAYROS may provide the following services to its clients:

- Portfolio Management: CAYROS manages – except when otherwise stipulated – client assets that are deposited in a bank, based on a power of attorney that is limited to administrative acts. CAYROS enters into a written asset management agreement with their clients that regulates the duties and competency as well as the rights of the client. CAYROS' services are provided in exchange for a fee that is defined in writing prior to the provision of the services.
- Management of collective assets below the *de minimis* threshold of Article 24 para. 2 let. b FinIA. The management of the collective assets includes the decision to buy, sell and hold financial instruments.

CAYROS is accredited to provide portfolio management solely in Switzerland. The privity of contract between the client and CAYROS is solely subject to Swiss law. CAYROS assumes that the clients are aware of this upon entering the business relationship.

Business affiliations CAYROS provides portfolio management services independent from banks and offerors of financial products. There are no exclusive obligations. CAYROS recommends banks and security brokers that according to their own judgement offer the best possible execution of the client's orders under consideration of price and quality to clients upon request for the deposit of assets.

General risks Portfolio management bears a risk of financial loss, up to the loss of all financial assets entrusted to the asset manager.

Particular risks CAYROS informs the client unasked for about the risks associated with the services rendered that go beyond the usual risks associated with the buying, selling, and holding of securities («particular risks»). This specific information is provided before the rendering of services and covers the following aspects:

- Information on the services to be offered;
- information on the associated risks and costs;
- information on the market offer taken into consideration when offering financial instruments; and
- information on possible additional costs.

If the client does not wish to be informed of particular risks of CAYROS' operations, he/she must make a specific request. The information of risks is provided by the distribution of leaflets and brochures. If the client requires individual information that is associated with the services CAYROS is providing for him/her, then he/she may request this at any time. The same applies for cases in which the client may not have understood the risks described in the distributed leaflets or brochures.

Suitability/appropriateness It is important that CAYROS provides services suited to the client's entire financial situation. This calls for a full and frank notification of the financial situation. If a client does not wish to disclose his/her situation in full, CAYROS will not be able to ensure that the recommended and implemented strategies and individual investments are suited to the client's entire situation. Diverse risks or a concentration of risks could arise, with regards to unilateral investments, a disproportionate composition as a whole, etc. These risks are neither ascertainable nor manageable for CAYROS, due to the lack of corresponding information.

Client segmentation For the client relationship, the client will be segmented in accordance with set rules as set out in the Swiss Financial Services Act. This segment has an influence on the rights of the clients and the duties of CAYROS under Swiss law. In certain cases, a client has the possibility to change the segment. In case a client may want to change his segment, CAYROS will explain the associated risks and the influence on the future relationship with the client.

Fees Remuneration for CAYROS' services consists solely of the management fee (including a performance remuneration) paid by the clients. CAYROS endeavours to broker services from banks, investment companies and issuers for their customers under the most favourable terms possible. Compensation received by CAYROS from third parties will be passed onto the client – unless conflicting with regulatory guidelines. If compensations from third parties cannot be passed on to the client, this will be disclosed to the client.

Conflicts of interest In portfolio management, conflicts of interests are not always wholly unavoidable. The interests of the client and the interest of CAYROS, their staff and shareholders can be conflicting. CAYROS therefore lays open the following in connection with possible conflicts of interests:

- Commissions from banks, fund managements and issuers may evoke financial incentives to deal with stocks or choose products that produce higher commissions, even though this choice may not be in the client's best interest.
- CAYROS can subscribe to a new issue of securities itself. An oversubscription can lead to a reduction of client allotments. The same applies if CAYROS staff subscribes to issues.
- CAYROS submits to its clients a report on its operations based solely upon banking documents. In the documents and statements from the deposit bank, the CAYROS fee is declared as remuneration and not as costs for the portfolio management. A performance expressed in percentage points is therefore declared slightly better than the actual performance according to costs.
- Should CAYROS acquire shares of officially quoted companies that are subject to registration within the framework of its portfolio management operations of collectively managed clients, CAYROS will file the obligatory reports.

Outsourcing CAYROS has outsourced the following significant operational tasks to third parties: bookkeeping, risk, and compliance services, as well as IT services. The providers of these services are bound by written contracts with CAYROS. They guarantee high quality of the provided service and discretion. CAYROS remains responsible for the outsourced tasks.

Business Continuity Since CAYROS has one single managing director, the asset manager must take the necessary precautions to ensure the continuation of business operations if the managing director is impeded or deceased. For this purpose, CAYROS has concluded a so-called «business continuity contract» with a portfolio manager. The appointed portfolio manager ARROWA AG in Meilen (Stocklenweg 56, CH-8706 Meilen, Switzerland). If CAYROS is continuously prevented from conducting its business, this portfolio manager will deal with the continuation of the client relationship, unless the client requests otherwise.

Qualified investor CAYROS is a financial intermediary in accordance with art. 4 para. 3 let. a FinSA. In view of the written asset management agreement with CAYROS, the contractual partners are considered by the law to be qualified investors in accordance with Art. 10 para. 3ter of the Swiss Collective Investment Schemes Act («CISA»). Under this asset management mandate, products may also be purchased that are solely available to qualified investors. FINMA may exempt such products partially or fully from the provisions on the obligation to issue a prospectus, the obligation to issue a half-yearly report, the obligation to grant investors the right to terminate at any time, the obligation to issue and redeem units in cash or risk distribution. In accordance with art. 10 para. 3ter CISA, clients with a written asset management agreement may declare to CAYROS in writing that they no longer wish to be classified as qualified investors.

General privacy notice The data protection statement can be found on the CAYROS website.

Mediation proceedings The client is entitled to initiate mediation proceedings before OFS Ombud Finance Switzerland (10, rue du Conseil-Général, CH-1205 Geneva, +41 (22) 808 0451, contact@ombudfinance.ch).