

Financial Services Act Factsheet



Background	<p>The Swiss Financial Services Act (FinSA) entered into force on January 1, 2020. The Act introduced new rules for the provision of financial services and the offering of financial instruments. The regulation aims to further strengthen the Swiss financial center, improve investor protection and enhance transparency on financial instruments. Further information is available on nextgen-capital.com/finsa</p>
Focus	<p>FinSA applies whenever the financial service is provided in Switzerland, or to clients domiciled in Switzerland.</p>
NextGen Capital SA and its supervisory organization	<p>NextGen Capital SA is owned by its partners. It is subject to supervision of ARIF (Rue de Rive 8, 1211 Geneva 3), a self-regulatory organisation. Following the FinIA transition period, NextGen Capital SA will apply for supervision by a supervisory organisation (OSIF) and will be regulated by FINMA.</p>
Client classification	<p>The legislation established three client classifications: "Retail", "Professional" and "Institutional" clients to determine the level of required investor protection. A change of the client classification can be requested by the client in writing which results in changes in the financial instrument offering and investor protection at the same time. Please refer to the next page for further information.</p>
Information and documentation	<p>Trading in financial instruments harbours opportunities and risks. Therefore, it is important to understand these risks before investing in such instruments. The revised brochure "Risks Involved in Trading Financial Instruments" includes the most important details of typical risks and is available on our NextGen Capital page (nextgen-capital.com/finsa)</p> <p>As of January 2022, clients benefit in particular from increased transparency through-out the investment cycle e.g.:</p> <ul style="list-style-type: none">• Key Information Documents (KIDs): "Retail Clients" receive standardized information for certain financial instruments, including details of risks and costs.• Advisory minutes: After every advisory meeting with the Relationship Manager, "Retail Clients" automatically receive the minutes documenting the suitability and the reasoning of the advice given. "Professional Clients" are able to request them.• Reports: Clients can request investment reports, which contain, amongst others, the portfolio performance, asset allocation, financial instruments and service costs.
Ombudsman	<p>Disputes about legal claims between a client and a financial services provider should be handled in a referral process by the Financial Services Ombudsman ("Ombudsman"). The Ombudsman is a free and neutral information and mediation agency. In general, the Ombudsman only gets actively involved after the asset manager receives and has had an opportunity to respond to a written client complaint.</p> <p>FINSOM, Avenue de la Gare 45, 1920 Martigny (Switzerland)</p>

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Client classification

The legislation established three client classifications: "Retail", "Professional" and "Institutional" clients. The following overview describes exemplarily the three client classifications and their effects on investor protection.

	Retail	Professional	Institutional
When providing investment advisory services, we carry out an appropriateness or suitability assessment. When providing investment management services, we carry out a suitability assessment.	Yes ¹	Yes ²	No
We document your needs and the reasons for our recommendation during the investment advisory process and provide you with documentation on request	Yes	Yes ³	No
You have access to funds restricted to Qualified Investors in accordance with the Collective Investment Schemes Act (CISA)	No	Yes ⁴	Yes
We provide you with a Key Information Document (KID) as part of our investment advisory services when you purchase certain financial instruments. For non-advised services ("execution only"), this document is only provided if available	Yes	No (except at client's request)	No (except at client's request)
We are obliged to obtain best execution when handling your securities orders	Yes	Yes	No

1 For non-advised services ("execution only"), only knowledge and experience is checked for "Retail clients" (appropriateness assessment).

2 For "Professional clients" it can be assumed that they have the required level of knowledge and experience and that they can financially bear the investment risks associated with the financial service. For non-advised services ("execution only"), neither an appropriateness nor a suitability assessment is conducted.

3 "Professional clients" can waive advisory minutes, so they are not being produced. Without the waiving request advisory minutes are only provided on request.

4 Being a "Professional client" under FinSA, you become automatically a "Qualified Investor" under CISA and have access to funds not meeting the Swiss distribution criteria (additional restrictions apply to funds without Swiss Representative and Paying Agent).