



Asset Management Agreement

Bank Relationship Number (to be completed by the Bank): _____

Account Holder(s): _____

The above specified account holder(s) (the “Client”) hereby conclude(s) the following agreement (the “Agreement”) with Rothschild & Co Bank AG, Zollikerstrasse 181, 8034 Zurich (the “Bank”) comprising the corresponding powers of attorney:

1. Scope

The Bank shall manage the accounts and custody accounts associated with the abovementioned bank relationship number (unless specified otherwise in section 3.4) in accordance with this Agreement and subject to the applicable Portfolio Management Guidelines of the Swiss Bankers Association (unless specified otherwise herein).

Within this framework, the Bank shall be free to select investment instruments and investment timing. In particular, it shall be entitled to do the following in accordance with the Agreement at its sole discretion for the account and at the risk of the Client:

- Buy and sell securities, precious metals, currencies, money and capital market investments, including in the form of securities, securities rights and book-entry securities (e.g. equities, bonds, notes, certificates, structured products, credit derivatives), including derivative instruments and combinations of such derivatives (capital-protected investments, derivatives, hybrids, etc.), both listed and non-listed, for spot or forward settlement;
- Make all kinds of investments in units of investment funds, units of investment companies and collective investment schemes, as well as similar or related instruments (incl. investments in non-traditional funds such as funds of hedge funds, hedge funds, off-shore funds, private equity funds, asset backed securities, CTAs, credit derivatives, collective investment schemes that invest in real estate, REITS, CAT BONDS, PIPE, etc.);
- Make investments in money market instruments or fiduciary term deposits in due consideration of the directives of the Swiss Bankers Association regarding fiduciary investments;
- Make fiduciary investments in its own name but at the expense and risk of the Client in any country and currency;
- Make all kinds of transactions on any options and futures market; carry out (covered) forward, futures and option transactions; and

- Invest in all other common bank investment instruments.

The Bank shall also be entitled to decide whether to hedge against price, currency and interest rate risks and to select investment instruments that it considers appropriate as a hedge. Moreover, the Bank shall, based on a separate agreement with the Client, be entitled to securities lending and comparable transactions (e.g. repurchase agreements).

Investment instruments bought by the Bank for the Client in accordance with this Agreement may be investment instruments of third parties or investment instruments that are issued, advised, managed, developed and/or controlled by the Bank itself or by other Rothschild & Co group companies.

The Client expressly acknowledges and agrees that the Bank may deviate from and shall not be bound by any investment restriction on the type and use of investment instruments as set out in the Portfolio Management Guidelines issued by the Swiss Bankers Association (or in any other or future guidelines which will be generally applicable in Switzerland in the banking industry for this type of activity by the Bank).

This includes in particular, without being limited thereto, investments in potentially illiquid investment instruments – as deviation from the fund-of-fund principle and diversification requirement of said Portfolio Management Guidelines – in form of single manager funds.

The Bank shall not be obliged to invest at all times all available balances and may incur debit balances on current accounts depending on its assessment of the market situation. The opening of accounts for this purpose and the choice of the appropriate additional currencies shall be at the discretion of the Bank.

2. Corporate Actions and Exercise of Voting Rights

The Client instructs the Bank

- to exercise subscription rights, conversion rights, option rights or let them expire and decide on takeover offers and similar
- at the discretion of the Bank, to exercise voting rights, arising from equity rights held by the Client.

The Bank shall exercise the relevant voting rights in line with its stewardship guidelines (for further information please consult the Bank's Stewardship

Policy under rothschildandco.com/en/legal-information). The Client acknowledges and agrees that in exceptional cases, in some European markets the registration of the shares in the name of the Client and the segregation of his/her/its shareholdings in a separate account is required in order to vote. Furthermore, such registration and segregation may be subject to charges, and may lead to the disclosure of the Client's personal information (such as name, address, birth date etc.) and the shareholdings in the Client's accounts held with the Bank to, e.g., the relevant sub-custodian, central depository, regulator and/or authorities of the relevant country. The Client therefore releases in such cases the Bank and all of its governing bodies, employees and representatives to this extent from its duty to maintain bank client secrecy and data protection;

3. Qualified investor status

The Client confirms that, based on this Agreement, he is aware that by law, he is regarded as a qualified investor in accordance with the Swiss Collective Investment Schemes Act (Article 10 para. 3ter CISA) ("Qualified Investor").

For this reason, the assets of the Client can be invested in collective investment schemes and other financial products including certain structured products that are not available to non-qualified investors. These products might not have to be approved by FINMA and less stringent regulatory rules are applicable, such as limited publication and approval requirements. This may result in an increased risk: e.g. some of these products can be more volatile, be based on a less diversified portfolio or include a greater counterparty risk than products that may be distributed to non-qualified investors.

The Client has the option to declare in writing that he no longer wishes to be regarded as a Qualified Investor ("Opt-Out"). The Client herewith explicitly renounces to exercise such Opt-Out and acknowledges that he hence remains a Qualified Investor. The Client is further aware and acknowledges that the Bank does only provide portfolio management services under this Agreement to Qualified Investors. If the Client does not want to be treated as Qualified Investor anymore, he must inform the Bank in writing. In such case, the Client is aware and acknowledges that the Bank does no longer provide any portfolio management services under this Agreement and hence, this Agreement will be terminated.

Furthermore, the Client is aware and acknowledges that for products and investments not in scope of the CISA (e.g. private equity, hedge funds) the Client is not automatically considered a Qualified Investor and/or professional client as defined by applicable laws and regulations. However, based on a written request and provided the applicable conditions are met, the Client may request to be treated as a professional client for the purpose of the business relationship with the Bank.

4. Investment strategy / parameters

4.1 General

The Parties have defined and agreed on the relevant investment parameters as follows (the "Parameters"):

- the Client's risk tolerance level, the client's risk capacity level and the client's knowledge and experience in the form *Client Risk Profile*;
- the Client's *Reference Currency*, *Investment Horizon* and *Portfolio Type* in the following paragraphs;
- the Client's *Investment Objective* in Appendix 1; and
- the Client's *Special Investment Instructions* in Appendix 3 (optional).

4.2 Change in circumstances

The Client confirms that the information provided to the Bank for the purpose of this Agreement, particularly the Parameters, is up to date, accurate and complete. The Client undertakes to provide the Bank upon request with any additional information which is necessary to perform the services under this Agreement.

The Client must immediately notify the Bank in writing of any changes concerning his financial and/or personal circumstances that might necessitate alterations to the information contained in the Parameters. Unless specified otherwise, the Bank may assume that the assets disclosed to the Bank form the Client's total wealth.

4.3 Risk awareness

The Client confirms that he is aware of the risk characteristics of the selected *Client Risk Profile*, the *Investment Horizon* and the *Investment Objectives*. The Client further confirms that he has been informed about the various investment profiles.

By signing this Agreement, the Client confirms that his chosen portfolio type and investment strategy correspond to his financial and personal situation, to his risk capacity and risk tolerance, and that the Client has provided the Bank with all information necessary to assess his risk capacity and risk tolerance and that this information is correct. Furthermore, the Client acknowledges and agrees that the Bank accepts no liability for the choice of a portfolio type or an investment strategy.

4.4 Specification of accounts/custody accounts

This Agreement shall only be applicable to the following accounts/custody accounts:

_____ ; _____
_____ ; _____

4.5 Reference currency

The reference currency in which the investment performance of the portfolio shall be measured over a defined period shall be (this does not exclude investments in other currencies) (tick one box only):

CHF EUR GBP USD

4.6 Investment Horizon

The intended *Investment Horizon* of the portfolio shall be the following (tick one box only):

Very short (< 1 year) Short (1 – 2 years)
 Medium (< 5 years) Long (> 5 years)

4.7 Portfolio Type

The intended Portfolio Type shall be the following (tick one box only):

Mosaïque Fund Portfolio (SICAV)
 Mosaïque Model Portfolio (segregated account)
 Customised Portfolio (bespoke segregated account – minimum investment CHF 10 million)
 New Court Fund Portfolio (SICAV)
 New Court Model Portfolio (segregated account)

4.8 Investment Objective

The desired Investment Objective and strategy for the portfolio shall be as indicated by the Client in Appendix 1.

5. Disclosure obligations

The Client agrees to comply with the disclosure and notification provisions in the Swiss Federal Act on Stock Exchanges and Securities Trading and, where applicable, similar provisions in the legislation of other countries.

6. Risk disclosure and liability

6.1 General

The Client confirms that he has received and understood the Swiss Bankers Association's brochure regarding *Risks Involved in Trading Financial Instruments* and that he is aware and has taken note of the *Additional Risk Information in Appendix 2*. The Client confirms that the Bank has explained the potential risks to him comprehensively and in detail.

Furthermore, the Client confirms that he is familiar with the selected portfolio type and related investment instruments and that the Client understands and accepts the associated risks.

6.2 Special investment instructions

Special Investment Instructions of the Client must be issued in writing (see Appendix 3).

If such Special Investment Instructions are issued, the Client hereby confirms that he is aware of the risks and characteristics of the transactions in question and accepts them.

The Client acknowledges and confirms that the Bank shall not be obliged to execute Special Investment Instructions, especially if these are impossible in view of technical and time restrictions, if the money available does not meet the Bank's minimum requirements for client investments or if the Special Investment Instructions are not compatible with the applicable investment strategy and policy of the Bank.

The Client confirms that he understands that the Bank does not have to provide any additional information regarding investments that are made in accordance with Special Investment Instructions.

Furthermore, he is aware, that the Bank shall accept no responsibility for such investments.

The Client explicitly acknowledges and agrees that the Bank shall not be under any duty to monitor investments which have been made based on Special Investment Instructions by the Client as stipulated in Appendix 3 or to provide warnings in respect thereof.

Additionally, the Bank shall be entitled but not obliged to include these investments in its consideration of the Client's overall portfolio and shall therefore not be obliged to adjust the asset allocation in accordance with the portfolio type or investment strategy as a result of these investments.

6.3 Performance, market and counterparty risks

The Client is aware and accepts that the Bank shall neither accept any responsibility for the performance and the market and counterparty risk of the investment instruments contained and managed in the Client's custody account nor for losses resulting from the realisation of such risks. The Client is also aware that the past performance e.g. of an investment instrument, a portfolio type or an investment strategy provides no indication of future performance.

6.4 Long term character of investments

The Client is aware and accepts that the investment instruments used under this Agreement may have a long-term character.

He is also aware and accepts that investment instruments may be used that are not for public sale and/or are not listed on a stock exchange or other markets or may only be bought, sold or terminated periodically or on specific dates.

Moreover, the applicable provisions may include complying with a notice period of several weeks or possibly even longer, a delay in redemption and redemption in accordance with the spread between bid and offer prices and thus a difference from the net asset value of the investment instruments. These circumstances can lead to a delay in the availability of proceeds from a sale.

6.5 Fluctuations in value

The Client is aware that fluctuations in value from the capital originally invested may in certain circumstances increase significantly due to the use of borrowing (e.g. credits, loans).

7. Lien

The Client hereby grants the Bank a lien on all securities, value rights in the sense of art. 973c of the Swiss Code of Obligations, book-entry securities, claims, certificates of claims and holdings, cash, bank notes, precious metals and other valuables, claims in connection with securities lending, in particular claims to return of the securities lent out and to collateral provided by the borrower or by any

third parties, and credit balances in Swiss francs and such in foreign currencies or in their equivalent in Swiss francs, as held or entered in the accounts currently or in the future for his account at the Bank or held or entered in the accounts in the latter's name or at the latter's disposal at third parties. The lien extends to all due and future ancillary rights such as interest, coupons, dividends, subscription rights, bonus shares, etc.

The Client hereby authorises the Bank to take all necessary steps at its own discretion and without further ado for the procurement, maintenance and realisation of this security, and undertakes immediately to comply with all formalities which the Bank makes known to the Client through a single request. Pledged items held by third parties may be taken into safe keeping by the Bank at any time, and pledged claims may be called in. The Bank shall also be entitled to exercise all rights which the Client has as the owner or creditor of the pledged items.

The lien serves as security for all of the Bank's existing or future claims against the Client arising from the business relationship between the Bank and the Client and in particular in connection with this Agreement (e.g. capital claims, interest, fees, commissions, costs, margins and other in-court and out-of-court expenses and costs arising in connection with the realisation of the pledged items).

Should the value of the security fall, or should the Bank no longer regard the security as appropriate to its lending claims for other reasons, then the Client is obliged, after a single verbal or written request from the Bank, to reduce the exposure through repayments or to furnish additional security such that the required surplus security is restored. In the event that the Client should fail to comply with this request by the deadline to be set by the Bank at its own discretion, the claims shall become due upon expiry of this deadline.

Should the value of the security fall, or should the Bank no longer regard the security as appropriate to its lending claims for other reasons, and if immediate notification of the Client by the Bank is not possible for legal or practical reasons or extraordinary circumstances prevail, then the Bank's claims shall become due immediately and in their entirety even without any request being made by the Bank.

The Bank is authorised, but not obliged, upon an individual claim or a part thereof falling due, to realise the security immediately on the open market as it sees fit (in particular, to declare that it is acting as principal) without regard to the formalities set out in the Swiss Federal Law on Debt Enforcement and Bankruptcy, and to give notice on and call in pledged claims and to use the proceeds to meet its claims. The security is hereby assigned to the Bank for this purpose. The Bank is at liberty, irrespective of the provisions of Article 41 of the Swiss Federal Law on Debt Enforcement and Bankruptcy, to instigate and carry out ordinary debt enforcement (through seizure of assets or bankruptcy), without first having to realise the pledged items or to pursue debt enforcement through realisation of pledges.

8. Futures and options transactions

Under this Agreement, the Bank is authorised to conclude futures and options transactions on assets (equities, bonds, precious metals, etc.), reference rates (currencies, interest rates, stock market indices, etc.) and derivatives on Swiss and foreign stock markets or over the counter on behalf of or with the Client. The Bank shall generally perform these transactions in its own name, but for the account of the Client (as his agent).

The Client acknowledges that the options and futures markets prescribe position limits and other limits, and recognises that these limits must be complied with.

The Client acknowledges that he must provide a margin to cover the risk of loss arising from the futures and options transactions executed on his behalf.

The amount and form of the margin shall be fixed by the Bank on either a general or case-by-case basis at its discretion, but taking into account the term and rates/prices of the individual transactions and complying with applicable laws and regulations. The Client therefore acknowledges that the margin requirements may be higher than the margin requirements set by the exchange or the broker. The Bank shall be entitled to alter its general margin requirements at any time. Furthermore, it may increase the margin applicable on execution during the term of an option or future transaction with compulsory margin cover or set and demand a margin for a transaction executed without margin.

9. Investment in funds with special risks

The Client acknowledges that in respect of funds with special risks ("FSR"), it is common market practice that authoritative product documentation may require the FSR, on the basis of applicable know-your-customer provisions (the "KYC provisions"), to obtain certain information, e.g. concerning the identity of the Client, the beneficial owners of the invested assets or the origin of the invested funds. The Client also acknowledges that in cases in which units of a FSR are transferred to the Client, his identity will be disclosed to the issuer or a third party designated by the issuer. Insofar as the Bank does not already have this information, the Client shall be obliged to actively provide the Bank with all the information necessary to meet the relevant requirements of the FSR.

The Client hereby expressly authorises the Bank to disclose to the FSR and/or its service providers or to official authorities, either pursuant to the laws and regulations applicable to the relevant transaction concluded under this Agreement or according to the product documentation, all information as described above or any other information received in connection with this Agreement to the extent deemed appropriate and necessary by the Bank. In order to entitle the Bank to disclose information pursuant to this section of this Agreement, the Client expressly relieves the Bank from the latter's secrecy obligations under applicable Swiss law.

In respect of such disclosure, the Client notes that the information disclosed pursuant to this section of the

Agreement will thereafter not be subject to the Swiss banking secrecy rules and regulations and may subsequently be held in a jurisdiction where the data protection legislation may be less stringent than in Switzerland.

The Client confirms to the Bank that it has obtained from any relevant party, such as the beneficial owner(s) of the invested assets, the necessary consent or permission to provide the information to the Bank as described in this section of the Agreement in particular with respect to any identifying or personal data.

10. Representations and warranties

By signing this Agreement, the Client represents and warrants to the Bank that he:

- a) is not a "covered person" under Rule 506 of Regulation D under the US Securities Act of 1933, in particular that he is not the beneficial owner of 20% or more of an FSRs' outstanding voting equity securities, calculated on the basis of voting power;
- b) is not a direct or indirect benefit plan investor subject to the US Employee Retirement Income Security Act of 1974 ("ERISA") or the Internal Revenue Code of 1986 or otherwise subject to ERISA; and
- c) does not qualify as US Person and qualifies as non-US Person as defined in any applicable laws or regulations including (but not limited to) under the Commodity Futures Trading Commission ("CFTC") Rule 4.7 and Section 7701(a) of Chapter 79 of the Internal Revenue Code.

Upon request, the Client will confirm to the Bank his compliance with the criteria and the satisfaction of any investment, selling, transfer, delivery or assignment conditions as may be required by the Bank and/or the FSR and will provide separate declarations as may be required with respect to certain FSR.

11. Miscellaneous

The Bank shall provide the Client with regular reports, including lists of securities under management and their performance in the reporting period.

The Client is aware that the Bank does not provide any legal or tax advice in relation to this Agreement. The Client acknowledges that he must obtain the relevant advice, e.g. on any tax liabilities that may arise under this Agreement, from an independent legal or tax advisor.

The Client agrees that the Bank may in the interest of the Client call in trusted subcontractors in order to carry out this Agreement in whole or in part.

The Client undertakes to notify the Bank immediately if any information provided in this Agreement changes.

The Client confirms that all statements made herein are, to the best of his knowledge and belief, true, correct and complete.

The appendices to this Agreement constitute an integral part of this Agreement.

12. Fees

The Bank shall charge a fee for its activity under this Agreement. Exact rates are available in the currently applicable brochure. Any taxes, such as VAT (e.g. for clients domiciled in Switzerland) shall also be charged to the Client. The Client hereby agrees that the Bank may charge all fees, brokerage and commissions, etc. incurred directly to an account held under the aforementioned Name of Account.

13. Conflicts of interest

The Client understands and agrees that the Bank may engage from time to time in purchasing or selling investments for other customers or itself of the same kind as for the Client and at the same time, and that the Bank is authorised to deal with itself or related companies as counterparties in purchasing or selling investments for the account of the Client, provided that such transactions are carried out at market price; and securities may be purchased or sold for the account of the Client which may be issued by companies maintaining banking or advisory relationships with the Bank or any of its affiliates or business partners.

14. Liability

The Bank does not guarantee the success of the asset management issued to it by way of this Agreement, but only commits to executing it with the usual due diligence in the scope of the provisions of this Agreement. The Bank shall only be liable for gross negligence or unlawful intention in the execution of this Agreement. In particular, the Bank shall not accept responsibility for cases of slight negligence committed by the Bank's officers or auxiliary persons. Moreover, the Bank shall not accept responsibility for any tax damage, secondary loss or damage or specific loss or damage (such as losses due to transactions not made, loss of data, damaged or illegible data or loss of profit, damage to goodwill or to reputation or for the expenditure of time) arising from the signing, termination or suspension of this Agreement.

15. Duration / termination

This Agreement has been signed for an unspecified period. In addition to clause 2, it may be terminated by either party at any time on written notice. However, uncompleted transactions shall not be cancelled by termination. The Client declares that he is prepared to take over uncompleted transactions and sign any contracts of the Bank that are necessary for the settlement of uncompleted transactions.

This Agreement shall remain in force notwithstanding the death or bankruptcy of the Client or in the event of his incapacity to act. The Bank shall be authorised, however, at its own discretion, to suspend or refuse the performance of this Agreement or to decline to carry out any written or verbal instructions if it becomes aware of any of the aforementioned events. In such cases, the Bank shall be entitled to require written instructions regarding management of the assets from legal successors, heirs or legal representatives of the Client. Furthermore, the Bank shall be entitled to provide

information about management and the managed assets on request to any person whom it has identified as a legal successor, heir or legal representative of the Client.

16. General business conditions

The applicable versions of the Bank's General Business Conditions (incl. Safe Custody Regulations) and, in addition, for particular types of transaction, the relevant version of the special conditions issued by the Bank shall apply to this Agreement.

17. Governing law and jurisdiction

This Agreement shall be governed **exclusively by Swiss law. The place of performance, the place of enforcement for Clients resident or domiciled abroad, and the exclusive place of jurisdiction for all proceedings is the place of business of the Bank's head office or the place of business of the Bank's branch with which the contractual relationship with the Client exists.** However, the Bank has the right to take legal action against the Client in any other competent court or place of enforcement.

Place & Date

Signature(s) of the Client(s)

Appendix 1: Investment Objective (tick one box only)

Mosaïque portfolio model

Fixed Income (not applicable for Mosaïque Fund Portfolio, SICAV)

The objective is the long-term return on invested capital by investing in bonds. The risk, defined as the fluctuation of investment returns over time, is low.

Conservative

The objective is the long-term return on invested capital by investing primarily in bonds and a minor allocation to a well-diversified equity portfolio. The risk, defined as the fluctuation of investment returns over time, is low.

Conservative / balanced (not applicable for Mosaïque Fund Portfolio, SICAV)

The objective is the long-term return on invested capital by investing in a combination of bonds and a well-diversified equity portfolio, with a greater allocation to bonds. The risk, defined as the fluctuation of investment returns over time, is low to moderate.

Balanced

The objective is the long-term return on invested capital by investing in a roughly equal combination of bonds and a well-diversified equity portfolio. The risk, defined as the fluctuation of investment returns over time, is moderate.

Growth (not applicable for Mosaïque Fund Portfolio, SICAV)

The objective is the long-term return on invested capital by investing in a well-diversified equity portfolio with a minor allocation to bonds. The risk, defined as the fluctuation of investment returns over time, is high.

Equity

The objective is the long-term return on invested capital by investing in a well-diversified equity portfolio. The risk, defined as the fluctuation of investment returns over time, is high.

New Court portfolio model

Low Risk

The low risk portfolio is intended to achieve limited capital growth while minimising the risk of losses and volatility. Consequently, returns achieved will typically be low over most periods. Over the long term, there is a risk that inflation will mean that the portfolio does not generate a positive real return.

The low risk portfolio may be suitable for Clients who exhibit a low risk profile and are comfortable with only minimal fluctuations in the value of their portfolio. The strategy is not country or currency specific and may include financial instruments across global markets.

Cautious

The cautious portfolio is intended to achieve a positive return over the long term with typically moderate levels of volatility. The likely level of reward will be commensurate with the moderate risk approach adopted. Inflation may also have an adverse impact on portfolio returns over time.

The cautious portfolio may be suitable for Clients who exhibit a medium risk profile and are comfortable with regular fluctuations in the value of their portfolio. The strategy is not country or currency specific and may include financial instruments across global markets.

Balanced

The balanced portfolio is intended to achieve steady growth over the long term through a diversified approach to investment. Attention is paid to avoiding the worst of the downside and capturing some but not all of the upside of financial market returns. Capital preservation in real terms over a long term horizon is the primary objective and some volatility is acceptable in order to achieve this.

The balanced portfolio may be suitable for Clients who exhibit a medium risk profile and are comfortable with regular fluctuations in the value of their portfolio. The strategy is not country or currency specific and may include financial instruments across global markets.

Equity Risk

The equity risk portfolio is intended to achieve growth in the long term commensurate with equity investment. This will typically involve the risk of capital loss and high levels of volatility. Over long time periods, returns from such a portfolio may be superior, reflecting the higher level of risk associated with this approach.

This equity risk portfolio may be suitable for Clients who exhibit a high risk profile and are comfortable with large fluctuations in the value of their portfolio. The strategy is not country or currency specific and may include financial instruments across global markets.

Appendix 2: Additional Risk Information

This information serves to inform the Client of some additional risks that may be involved with certain investments. This appendix supplements the *Risks Involved in Trading Financial Instruments* brochure.

a) Specific risks regarding alternative investments

In addition to the risks listed in the *Risks Involved in Trading Financial Instruments* brochure related to alternative investments, we wish to specifically point out the following surrender risks:

- **Lock-up periods/penalty fees on early surrender**

Most alternative investments have lock-up periods or impose penalty fees if they are surrendered within a certain time. The reason for this is the relatively low liquidity of the assets in these types of investments, which are long-term in nature. Alternative investment managers must have a sufficiently stable capital base in order to make these investments. Net Asset Value can only be determined once the investment decisions have been taken. The Net Asset Value (NAV) of an alternative investment is not generally known when the investor decides to buy or sell it. This is because the lock-up period must be observed before purchasing or surrendering this type of investment. The NAV can only be calculated once the investment is made or surrendered.
- **Limited liquidity / delayed surrender**

Many of the techniques used for alternative investments include investing in illiquid financial assets or assets with legal or other transfer restrictions. This means alternative investments can only be sold at certain intervals or on specific deadlines (e.g. on certain dates four times a year). The payment of sale proceeds may differ from the asset's NAV due to the bid/ask price spread.
- **Partial withholding of fund units until receipt of audited annual report**

The complexity of the assets underlying alternative investments make it sometimes necessary to adjust the NAV once the audited annual report has been prepared. Consequently, some alternative collective investments retain a portion of an investor's fund units if the investor has decided to surrender all of their units. For example, on the surrender date, 90% of the units will be paid out, while the remaining 10% will be retained for a certain time following receipt of the audited annual report. If the fund's financial year ends in December and the investor has indicated that they wish to surrender 100% of their units in March, then it is possible that only 90% of the surrender proceeds will be paid out at that time. The remaining 10% will be retained and not paid out until April of the following year (i.e. 13 months later). This gives the fund enough time to evaluate the audited annual report after the close of the financial year in December.

b) Specific risks related to certain credit derivatives

Credit derivatives can come in the form of structured products and thus exhibit the risks for structured products described in the brochure *Risks Involved in Trading Financial Instruments*. Below we explain the special features of some of the more common credit derivatives.

- **Credit Linked Notes (CLN)**

Investing in a CLN is similar to investing directly in a note from the same issuer with a variable interest rate. Investors who buy CLNs assume both the credit risk for the issuer of the CLN as well as the credit risk of the underlying reference unit(s). If a credit event occurs, investors receive either one of the corresponding debt securities (e.g. a bond or loan) that are issued or secured by the reference unit or cash in the amount of the market price for this type of debt instrument, calculated based on the relevant credit event. The term 'credit event' is more broadly defined than merely a bond default in the corresponding reference unit. This also implies a postponement of the repayment date or a lower interest rate on the loan. It is therefore possible that the holder of a CLN will suffer a loss as a result of a credit event even if the bond is not in default. This means that there is a greater chance of a credit event occurring than a bond defaulting. Moreover, a credit event can result in a CLN suffering a greater loss than the average loss on bonds in the same reference unit since the issuer of the CLN generally has a larger selection of debt securities to be delivered in the event of default and can choose the lowest priced ones. In some structures this risk is buffered by pre-defined recovery rates; e.g. the loss from a credit event is determined in advance. A greater loss may also result on delivery of a bond or a loan that has a longer maturity than the maturity of the CLN or on a valuation that is based on such a bond/loan. The major rating agencies are aware of both of these properties, however, and price them into the valuations of CLNs.
- **Collateralised Debt Obligation (CDO)**

Collateralised Debt Obligations are also structured products that are built around an underlying basket or portfolio of credit assets (e.g. bonds, loans and/or credit default swaps). CDOs generally split a portfolio of underlying credit assets into several tranches with varying degrees of risk. The most junior tranche consists of equity capital, and the level of seniority and credit rating increase with each tranche. Portfolio losses are initially absorbed by the investors in the equity capital tranche and subsequently by the investors in more senior tranches. Investors in a senior tranche only see losses from a credit event when the entire equity capital and the capital of the subordinate tranches are lost.

Tranches that do not have equity capital features are therefore somewhat protected against credit losses, while the equity capital tranche and the junior tranches have greater exposure to fluctuations in the underlying credit portfolio. Credit events occurring in a small portion of the underlying portfolio can result in substantial losses or a total loss of the capital invested in the equity capital tranche and the more junior tranches.

The value of the credit derivatives may fluctuate considerably before they mature depending on a variety of factors, such as the occurrence of a credit event and movements in the credit spread in the portfolio. Furthermore, the original rating of a credit derivative, as with all credit assets, can be upgraded or downgraded. A credit rating of a certain instrument reflects the (long-term) default risk of this instrument until the term ends - not the short-term market risk. Investors in credit derivatives should generally pursue a long-term investment strategy and hold the securities until they mature. Credit derivatives are not liquid in general, even if there does happen to be a secondary market. These synthetic structures enable investors to invest in underlying borrowings which are not available with direct investments in bonds.

c) Specific risks relating to real estate investments

Real estate investments encompass investments in properties such as apartment buildings, office buildings, commercial buildings, etc. Real estate investments are generally made via investments in funds or publicly traded investment companies which offer a certain degree of diversification. Investing in real estate generally lowers portfolio volatility and provides protection against inflation.

The liquidity and tradability of real estate investments can vary significantly. In general, real estate investments are not liquid, and it is possible that no suitable market value can be obtained for them on short notice. Publicly traded investment companies and open-end funds that invest in real estate are generally traded on a daily market. On the other hand, it is possible that real estate investments in the form of closed-end funds only offer monthly, quarterly or yearly liquidity and have a lock-up period of several years.

Many real estate investments have the same characteristics as private equity investments. By using borrowed capital (leveraging), market movements can produce both spectacular profits as well as significant losses.

d) Specific risks in connection with institutional funds

Institutional funds are restricted to institutional or qualified investors. The rules for institutional funds may contain provisions that invalidate certain conditions, such as expenditure rules for share certificates, prospectus requirements, publication requirements or the obligation to publish a semi-annual report and that institutional funds compared to public funds are also able to access an expanded investment universe.

Annex 3: Special Investment Instructions

(optional)

a) Asset classes

Money market and cash

Min ____% Max ____%

Fixed income

Min ____% Max ____%

Equities

Min ____% Max ____%

Hedge funds

Min ____% Max ____%

Commodities

Min ____% Max ____%

Structured products

Min ____% Max ____%

b) Currency exposure

CHF

Min ____% Max ____%

EUR

Min ____% Max ____%

USD

Min ____% Max ____%

GBP

Min ____% Max ____%

c) Markets, sectors and instruments

No US Assets

No UK Assets

No French Assets

d) Liquidity management

Keep cash in the following currency:

CHF / ____ % or _____ (specify amount)

EUR / ____ % or _____ (specify amount)

GBP / ____ % or _____ (specify amount)

USD / ____ % or _____ (specify amount)

e) Single positions

Keep the following positions until further instruction (please specify name and ISIN if applicable):

- _____
- _____
- _____

f) Additional instructions

g) Surcharge

The Client is aware and acknowledges that a surcharge of at least 0.10% p.a. will be levied on mandates with specific investment instructions according to this Annex.

h) Risk disclosure

The client is aware and acknowledges the risk disclosure in paragraph 5.2 regarding Special Investment Instructions.