

FIDLEG CLIENT INFORMATION DOCUMENT

January 2022

1. Introduction

The purpose of this FIDLEG Client Information Document is to inform you about how Schroders Capital Management (Switzerland) AG (hereinafter “Schroders Capital”, “we” or “us”) applies certain requirements of the Federal Act on Financial Services (“FIDLEG”) as from the 1 January 2022.

FIDLEG mainly governs the provision of financial services as well as the offering of financial instruments and is intended to strengthen client protection. In terms of content, FIDLEG is closely aligned with the European regulatory reforms and mainly covers the following areas.

- Enhancement of client protection
- Transparency of financial products
- Organisational requirements for the provision of financial services.

The introduction of FIDLEG resulted in increased information and documentation obligations for financial service providers in Switzerland, offering financial services related to financial instruments (e.g. portfolio management, investment advice and the acquisition or disposal of financial instruments). It also extended the organisational measures to be taken by them.

The level of protection to be provided by a financial service provider depends on the respective client classification (further explained in chapter 4 below). The client classification determines the scope of applicable conduct duties or organisational measures to be applied for the specific client relationship.

This FIDLEG Client Information Document provides you with an overview of Schroders Capital’s implementation of the FIDLEG conduct requirements. It supplements any contractual agreement between you and Schroders Capital.

In case of any contradictions, the respective contractual agreement will prevail.

2. About Schroders Capital Management (Switzerland) AG

Schroders Capital is an authorised manager of collective assets pursuant to the Federal Act on Financial Institutions (“FINIG”).

As a manager of collective assets, we are, among others, subject to the rules under FINIG, FIDLEG and the Federal Act on Collective Investment Schemes (“KAG”).

We manage approved and non-approved foreign alternative collective investment schemes and, in this capacity, make investment decisions relating to foreign collective investment schemes. We provide investment advice and asset management services in relation to collective assets as well as to individual portfolios to professional and institutional clients. We offer and distribute collective investment schemes to qualified investors.

Schroders Capital is a wholly owned subsidiary of Schroders plc, London. Schroders plc is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index.

For further information about our services, please contact your client relationship manager or contact us under:

Schroders Capital Management (Switzerland) AG
Affolternstrasse 56
CH-8050 Zurich
Switzerland
Phone: +41 58 445 55 55
Email: pe_info@schroders.com

3. Regulator

Schroders Capital is authorised and prudentially supervised by the Swiss Financial Market Supervisory Authority FINMA.

Contact details:

Swiss Financial Market Supervisory Authority FINMA

Laupenstrasse 27

CH-3003 Bern

Switzerland

Phone: +41 31 327 91 00

Email: info@finma.ch

Website: www.finma.ch

4. Client Segmentation

4.1 General Information

Under FIDLEG, all financial services providers are required to segment their clients into the following three segments: retail (private) clients, professional clients and institutional clients.

Each segment is assigned a different level of investor protection (e.g. with regard to information duties, suitability and appropriateness obligations, documentation and rendering of account duties).

Schroders Capital only provides financial services to professional (and institutional clients as a sub-segment of professional clients), as further explained below.

Before providing financial services to you, we will segment and subsequently inform you about your segmentation.

You may wish to change your segmentation by way of declaring an opting-in or opting-out, which will also change the level of client protection and conduct obligations for the client relationship. Your client relationship manager will be happy to explain the available opting-in and/or opting-out options in detail to you. Any declaration of an opting-in or opting-out will only be legally binding for Schroders Capital upon respective written confirmation to the client.

Every segmentation undertaken by Schroders Capital applies in general for all financial services, which we offer or provide to you, unless you have explicitly instructed us otherwise in writing.

You are requested to inform us of any relevant changes in the circumstances underlying your classification which would result in your no longer meeting the necessary requirements for classification as professional or institutional client or if you would

like to withdraw your opting-in or opting-out declaration.

As soon as we become aware that you no longer fulfil the criteria for your original classification, we will independently adjust your classification and inform you accordingly. In such cases, Schroders Capital is authorised to return, exchange or sell all financial instruments that may only be held by clients of the initial classification, to terminate contracts for financial services or to cease providing financial services in the future.

4.2 Professional clients

a. Classification as professional client

The following are professional clients:

Per se professional clients (including institutional clients as a sub-segment of professional clients):

- a. Financial intermediaries as defined in the Banking Act, the Financial Institutions Act or the Collective Investment Schemes Act (Art. 4 para. 3 let. a and para. 4 FIDLEG);
- b. Insurance companies as defined in the Insurance Supervision Act (Art. 4 para. 3 let. b and para. 4 FIDLEG);
- c. Foreign financial intermediary or insurance institutions subject to prudential supervision (Art. 4 para. 3 let. c and para. 4 FIDLEG);
- d. Central banks (Art. 4 para. 3 let. d and para. 4 FIDLEG);
- e. National and supranational public entities with professional treasury operations¹ (Art. 4 para. 4 FIDLEG);
- f. Public entities with professional treasury operations¹ (Art. 4 para. 3 let. e FIDLEG);
- g. Occupational pension schemes and other occupational pension institutions with professional treasury operations¹ (Art. 4 para. 3 let. f FIDLEG);
- h. Companies with professional treasury operations¹ (Art. 4 para. 3 let. g FIDLEG);
- i. Large companies (Art. 4 para. 3 let. h in connection with para. 5 FIDLEG);
- j. Private investment structures with professional treasury operations¹ created for high-net-worth retail clients (Art. 4 para. 3 let. I FIDLEG).

b. Elective professional clients

by way of **opting-out declaration**: high net worth retail clients and private investment structures

within or outside its organisation, the management of its funds to a professionally qualified person with experience in the financial sector.

¹The professional treasury operations requirement is fulfilled when the client entrusts on a permanent basis,

created for them who have explicitly opted-out to be treated as professional clients in accordance with Art. 5 para. 1 and 2 FIDLEG. For this purpose, the client must meet one of the following criteria (i) necessary knowledge based on training, education and professional experience or on the basis of comparable experience in the financial sector to understand the risks associated with the investments and has eligible as-sets of at least CHF 500'000 or (ii) eligible assets of at least CHF 2 million.

b. Consequences of classification as professional client

The classification as professional client means that

- Schrodgers Capital will only apply a limited suitability or appropriateness test when providing investment advice or asset management services;
- Schrodgers Capital will comply with the transparency and due diligence obligations for client orders under FIDLEG;
- Schrodgers Capital will ask for a waiver and not apply the information, documentation and rendering of account obligations under FIDLEG;
- Professional clients according to Art. 4 para. 3 FIDLEG or according to Art. 5 para. 1 and 4 FIDLEG are qualified investors under KAG. Qualified investors may invest in Swiss collective investment schemes that are subject to simplified authorisation and approval procedures and are exempt from certain investor protection requirements and/or foreign collective investment schemes which are not approved for offering to non-qualified investors in Switzerland and, thus, not subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Such foreign collective investment schemes may, for example, not be subject to requirements regarding organisation and/or legal structure, investor rights or investment policy/restrictions which are equivalent to those under KAG.

As a matter of practicability, Schrodgers Capital will generally apply the same FIDLEG conduct duties to all professional clients and institutions clients and therewith treat institutional clients as a sub-segment of professional clients.

4.3 Retail clients

Schrodgers Capital does not offer financial instruments or provide financial services within the meaning of FIDLEG to retail clients under any circumstances. Professional clients who wish to be treated as retail clients by way of declaring an opting-in in accordance with Art. 5 para. 5 FIDLEG

who would like to withdraw their opting-out declaration during an existing business relationship are kindly requested to contact their client relationship manager.

5. Appropriateness and suitability

FIDLEG generally requires financial service providers that provide investment advice or portfolio management services for professional clients to perform a limited appropriateness or suitability review.

In the case of professional clients, Schrodgers Capital may assume that these clients have the required level of knowledge and experience and can financially bear the investment risks associated with the financial service. In case of professional clients, we are generally only required to record their investment objective in case of portfolio management services or portfolio based investment advice.

Schrodgers Capital relies on the information provided by you or the individual authorised to act on your behalf. You or your authorised representative(s) are obliged to notify Schrodgers Capital immediately of any change in circumstances that may necessitate changes or updates in terms of appropriateness or suitability.

For execution only services, which we only offer in exceptional instances, and when we act based on a reverse solicitation by you, we will neither conduct an appropriateness nor a suitability check. This information about the non-performance of appropriateness or suitability checks in the context of execution only services is only provided here as a one-time information and will not be repeated at a later stage when execution only transactions occur.

6. General risks of financial instruments

Investments in financial instruments involve opportunities but also bear risks. It is important that you understand these risks before using a financial service.

For this purpose, the latest version of the brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association (SBA), available under <https://www.swissbanking.ch/en/downloads>, forms an integral part of this information document. You can also obtain a copy of the brochure from your client relationship manager on request. With regard to the product-specific risks, reference is also made to the product documentation (private placement memorandum or similar) of the financial instruments.

Please read the information carefully. If you have any questions, please contact your client relationship manager.

7. Cost information

Costs and fees may be incurred both by Schroders Capital and by third parties (e.g. through third party financial instruments in your portfolio) in connection with the provision of financial services, e.g. a management fee or fund administration and services fee.

Information on the actual costs and fees of your financial services are disclosed in the contractually agreed reports and can also be obtained from your client relationship manager.

For further information on costs of our products see chapter 8 below.

8. Product information

Information on fund products, including information about product specific risks and costs, can be found in the relevant product documentation (private placement memorandum or similar) free of charge.

Should you not be able to find the product specific information you are looking for, kindly contact your client relationship manager or contact us at the address indicated above.

9. Offered market universe

When rendering financial services, financial service providers like Schroders Capital must inform clients in particular on whether the market offering taken into account in the selection of financial instruments (namely collective investment schemes) includes only financial instruments that are issued, managed, developed, administered or controlled by it or by an affiliate belonging to the Schroder Group or also third-party financial instruments.

10. Execution of orders (best execution)

When executing client orders, we ensure that the best possible outcome is achieved in terms of cost, timing and quality.

We have taken all appropriate steps to obtain the best-possible result when executing transactions in financial instruments for you via other Schroder affiliates or through third-party brokers.

Schroders Capital has a framework in place for the management and execution of orders, which complements the Schroder Group Order Management and Execution Policy and which takes into account the specifics of private assets

investments. This framework covers all asset management activity that involves managing orders and executing transactions to the allocation of executed orders.

An overall review of the best execution framework and the order handling and execution arrangements is performed on a regular basis with regard to the completeness and effectiveness of the framework.

We generally apply the same best execution principles for all our clients, unless explicitly instructed otherwise by a client.

11. Conflicts of interest

Schroders Capital has implemented and maintains appropriate organisational and administrative measures with a view to taking all appropriate steps to prevent or manage conflicts of interest that could arise through the provision of financial services from constituting or giving rise to a risk of damage to the interest of its clients.

A conflict arises where the interests of one party (e.g. Schroders Capital, or a director, or any staff, or a client, or a Schroder affiliate) are not currently, or may not in future be aligned with the interests of another party. Therefore, one party may be disadvantaged to the advantage of the other.

Our Conflicts of Interest Policy and our Conflicts of Interest Framework which are proportionate to the nature and scale of our business, allow us to identify, record, manage, mitigate or disclose conflicts of interest. Where disadvantages for clients cannot be ruled out, or only at disproportionate expense, we will disclose this fact to you in a suitable manner.

Please contact us, if you have any questions regarding our Conflicts of Interest Policy and Conflicts of Interest Framework.

12. Business affiliations with third parties

Schroders Capital is a wholly owned subsidiary of Schroders plc, London. We cooperate with our Schroder affiliates in Switzerland and abroad in many ways. There are economic ties to the Schroder Group and the general partners of the products. The Schroder Group Conflicts of Interest Framework, which applies to all Schroder entities, covers for steps designed to provide safeguards to eliminate and manage/mitigate potential conflicts of interest between group entities to ensure appropriate intra-entity conflict management.

If Schroders Capital's affiliation with other Schroder Group entities or other third parties leads to a conflict of interest in the context of providing a financial service to you and such conflict of interest

cannot be eliminated or managed/mitigated, we will inform you of this in an appropriate manner.

13. Compensation from third parties

As a general principle, Schroders Capital strives to provide its financial services and use its collective investment schemes in a way such to avoid receiving any third party remuneration.

Should any third party remuneration still be incurred, Schroders Capital passes on to its clients, periodically and with the appropriate level of accountability, any such remuneration that it receives from third parties in connection with the offering of collective investment schemes or purchase of the same for their clients.

14. Complaints management/mediation procedure

Ensuring client satisfaction is our priority.

We appreciate your feedback and take every comment and complaint seriously.

Should you not be happy with our services, we kindly ask you to send us an email at pe_legal@schroders.com.

We handle all requests and complaints in line with our regulatory obligations and internal procedures. In order to address your request or complaint efficiently and swiftly, we require your full name and contact details as well as the reason for your request or

complaint in as much detail as possible alongside any relevant documents.

We will acknowledge the receipt of your request or complaint and will provide you with an answer to your request or complaint as soon as possible.

We may request the provision of additional information necessary to confirm your identity when you file a request or complaint.

Should our response not be satisfactory to you and should you wish to initiate a mediation, you can contact the Finanzombudsstelle Schweiz (FINOS) ("FINOS"):

Finanzombudsstelle Schweiz (FINOS)

Talstrasse 20
CH-8001 Zurich
Switzerland
Phone: +41 44 552 08 00
E-Mail: info@finos.ch
Website: www.finos.ch

FINOS is a free and neutral information and mediation agency. In general, FINOS only gets actively involved after Schroders Capital receives and has had an opportunity to respond to a written client complaint.

Disclaimer

This FIDLEG Client Information Document is provided to you for information and regulatory purposes only and provides an overview of how Schroders Capital applies the statutory conduct obligations. Although it has been thoroughly checked, Schroders Capital does not accept any liability for the adequacy, accuracy, completeness or correctness of the content of this FIDLEG Client Information Document. The FIDLEG Client Information Document reflects the status as per 1 January 2022 and may be updated by Schroders Capital unilaterally at any time without further notice to clients. You can always obtain the most recent version of the FIDLEG Client Information Document from your client relationship manager. After the 1 January 2022, the most recent version of the FIDLEG Client Information Document can be downloaded from our website: <https://www.schroders.com/schroderscapitalcontact>

This FIDLEG Client Information Document does not constitute an offer or solicitation by or on behalf of Schroders Capital to utilise a service, buy or sell financial instruments or participate in a specific trading strategy in any jurisdiction.