
PICTET ASSET SERVICES FINANCIAL SERVICES GOVERNED BY FINSA REQUIREMENTS

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INTRODUCTION

Switzerland has enacted the Financial Services Act (FinSA) aimed at providing greater protection for investors. FinSA applies to financial intermediaries that provide financial services on a commercial basis (i.e. pursuing an independent economic activity on a permanent, for-profit basis) in Switzerland, whether they are based in Switzerland or if they provide said services to clients in Switzerland.

Banque Pictet & Cie SA provides custody, administration, governance and transfer agency services for investment funds through its dedicated business unit Pictet Asset Services (Banque Pictet & Cie SA and/or Pictet Asset Services, hereinafter collectively referred to as "PAS"), as well as trading services through the trading desks of the Pictet Trading & Sales (PTS) division.

The purpose of this brochure is to give you an overview of the services that fall within the scope of FinSA, without attempting to provide detailed information on the financial services provided by PAS. Do not hesitate to contact your relationship manager for more information about the full offering. For more information on the provisions of FinSA, please refer to the "Information about FinSA regulation governing investor protection" brochure available on our dedicated FinSA webpage at www.group.pictet/finsa-pas

WHAT ARE THE FINANCIAL SERVICES GOVERNED BY FINSA?

Different forms of financial services are offered to investors: discretionary portfolio management, investment advice, services to acquire/dispose of financial instruments, services to receive/transmit orders (no advice) and granting of loans to finance trading in financial instruments. These types of financial services are subject to FinSA and governed by its provisions.

With discretionary portfolio management, investment decisions are delegated to the financial services provider. With investment advice and execution-only services, the client is fully responsible for the investment decisions. The financial service provider's duties differ in the two scenarios, namely with regard to the information to be provided to the client.

PAS does not provide discretionary portfolio management services or investment advice. It usually acts as custodian of the client's assets, offering an order execution service. These assets may be managed by a third party if the client has entered into a management mandate with an independent or external asset manager (IAM). In such cases, the responsibility to comply with the provisions of FinSA is incumbent essentially on the manager.

For more information, please refer to the "External managers and custodian banks: implications of the FinSA and division of responsibilities" brochure.

CUSTODY AND ADDITIONAL SERVICES

As custodian, we handle a number of aspects of asset administration. Most of these services do not fall within the scope of FinSA requirements.

However, some services provided by PAS in addition to the mere custody of assets are available to certain clients, subject to the client signing the appropriate documentation. These additional services (listed below) are governed by FinSA:

- › cash management services provided as part of a specific mandate;
- › securities lending services enabling clients to earn additional income, provided as part of a specific mandate;
- › setting up of credit facilities: when a client takes out a loan with a view to investing in financial instruments, such as in the form of a Lombard loan, this financial service is subject to FinSA. Given the specific risks associated with this type of lending, FinSA provides for certain requirements on investor protection (information, documentation and rendering of account).

For more information about our custody services, please visit our webpage www.group.pictet/custody.

ORDER EXECUTION AND TRADING

With execution-only services, the client makes their own investment decisions without receiving any advice or recommendations from the financial service provider. As such, the client bears full responsibility for assessing the investment instruments and the risks they entail.

The trading services provided to PAS clients by PTS give access to financial markets and all asset classes. As this is an order execution service, no pre-trade (appropriateness and/or suitability) tests are carried out.

PTS nevertheless provides best execution of client orders, in accordance with the principles of good faith and equal treatment.

For additional information, refer to the “Information about FinSA regulation governing investor protection” brochure and the order execution policy available on our dedicated investor protection webpage.

Legal information

This document has been issued by Banque Pictet & Cie SA. The document is meant solely to provide information about how Banque Pictet & Cie SA intends to comply with financial services and investor-protection regulatory requirements.

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