



Federal Financial Services Act (FinSA)

Financial services information brochure for clients of
BBGI Group SA



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Dear Client,

This brochure fulfills the information obligations according to the Federal Law on Financial Services (FinSA) and gives you an overview of the financial services offered by BBGI Group SA.

The purpose of this brochure issue by BBGI Group SA is to inform you about FinSA regulation and its impact on client relations

FinSA is a new Swiss regulatory framework for the provision of financial services that came into effect on January 1st, 2020, with a transitional period of two years for most of the requirements. All requirements described in this brochure are therefore implemented from January 1st, 2022. The FinSA applies whenever the financial service is provided in Switzerland, or to clients domiciled in Switzerland. The aim of this regulation is to increase investor protection and enhance transparency on the part of companies that provide financial services.

This brochure is given to you prior to the provision of a financial service by BBGI Group SA for information and regulatory purposes only and is not a solicitation or an offer of a financial service, nor a recommendation to buy or sell a financial instrument.

If you would like more information on the topics covered in this brochure, your relationship manager is at your disposal for further information.

Yours sincerely

BBGI Group SA

Information about BBGI Group SA

BBGI Group, headquartered in Geneva, was founded in 2002 by Alain Freymond and Fernand Garcia, who are currently the sole shareholders of the company. They jointly manage all investment activities at BBGI Group SA. BBGI Group SA advises institutional and private investors on the management, planning, implementation and monitoring of their investments, with solutions adapted to change and a non-consensus view of the financial markets.

BBGI Group AG has been licensed since 2008 and is regulated by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, CH-3003 Berne, as a collective asset manager within the meaning of Article 24 of the Swiss Federal Act on Financial Institutions (FINA). BBGI Group SA is also a member of several other financial associations.

BBGI Group SA offers asset management services (portfolio management) as well as personalised recommendations regarding trading in financial instruments (single transaction investment advice).

Client classification

Description of client categories

As a financial services provider, BBGI Group SA is required by law to classify all of its clients into one of three categories, namely Private Clients, Professional Clients and Institutional Clients. The level of regulatory protection afforded by law to each category of client varies according to the level of knowledge and experience of such clients with respect to financial investments:

- **Private clients:** Private clients are clients who are not professional or institutional clients. These clients benefit from the strongest safeguards, including requiring financial providers to comply with the obligation to provide detailed information on product risks before a service can be provided or a transaction can be executed, to make reports available and to verify the appropriateness and adequacy of the financial services provided.
- **Professional clients:** Professional clients are considered sophisticated clients and include entities such as occupational pension funds with a professional treasury and companies with a professional treasury. Professional clients benefit from a lower level of investor protection due to their knowledge and experience and their financial capacity to bear losses. Some conduct of business rules do not apply to professional investors (e.g. provision of a basic information sheet (BIS)).
- **Institutional clients:** Certain professional clients such as regulated financial intermediaries, insurance companies and central banks are considered institutional clients and treated as a separate category of clients. They are subject to less stringent client protection regulations, given their knowledge and experience of financial investments and their capacity to bear losses.

Changes to the classification of clients

BBGI Group SA carried out an initial classification of all of its existing clients, as required by the FinSA, by 1 January 2022. If you are not satisfied with this classification, you can ask your client advisor to change it, provided that the necessary legal requirements are met.

Clients may request at any time that the classification be changed, provided that the necessary legal requirements are met:

- **Professional clients:** Occupational pension funds or other institutions serving occupational pension plans with a professional treasury, as well as companies with a professional treasury, may declare in writing that they wish to be considered institutional clients (opting out); this possibility also applies to Swiss and foreign collective investment schemes and their management companies that are not considered institutional clients, which may request to be considered institutional clients. All professional clients who are not considered institutional clients may declare in writing that they wish to be considered private clients (opting in).
- **Institutional clients:** Institutional clients may declare in writing that they wish to be considered professional clients (opting in).
- **Private clients:** High-net-worth private clients and the private investment structures established for them may declare in writing that they wish to be treated as professional clients (opting out), provided that FinSA requirements are met.

Verification of adequacy and appropriateness

The Financial Services Act (FinSA) requires financial service providers to verify the adequacy and appropriateness of the financial services they provide. The scope and nature of the verification, as well as the information needed to carry it out, depend on the category of client and the financial service provided to the client. The purpose of this verification is to determine whether the financial service is adapted to the client's profile, based on the information provided to us.

Verification of adequacy

This verification relates exclusively to the asset management services provided by BBGI Group SA. In the event that we do not receive the information necessary to complete the adequacy check, we may elect not to provide financial services. The extent of the verification carried out by BBGI Group SA depends on the classification of the client:

Institutional clients: The FinSA does not require an adequacy assessment for this client category.

Professional client: In accordance with the FinSA, BBGI Group SA assumes that professional clients have the required level of knowledge and experience and can financially bear the investment risks associated with the financial services provided. The information collected at the beginning of the relationship is therefore more limited in scope and focuses on the client's risk tolerance. The adequacy check is carried out on the basis of the client's risk tolerance (investment objective and time horizon), the investment strategy and the restrictions agreed upon with the client.

Private client: The FinSA requires that an adequacy assessment be carried out by BBGI Group SA. The adequacy check is carried out on the basis of the client's knowledge and experience, the client's risk tolerance (investment objective and time horizon), the client's risk capacity (financial situation), the investment strategy and the restrictions agreed upon with the client.

Verification of appropriateness

The appropriateness check relates exclusively to investment advisory services (on individual transactions) provided by BBGI Group SA. The extent of the verification carried out by BBGI Group SA depends on the classification of the client:

Institutional clients: The FinSA does not require an appropriateness check for this category of clients.

Professional clients: In accordance with the FinSA, BBGI Group SA assumes that professional clients have the required level of knowledge and experience and can financially bear the investment risks associated with the financial services provided. The information collected at the beginning of the relationship is therefore more limited in scope, and no appropriateness check is carried out for this category of clients.

Private client: The FinSA requires that an appropriateness check be carried out by BBGI Group SA when the latter provides personalised recommendations for the purchase, holding or sale of financial instruments. The appropriateness check is based on the client's knowledge of and experience with financial instruments.

Information on the financial services offered by BBGI Group SA

Asset Management

Type, characteristics and mode of operation

In its asset management activity, BBGI Group SA manages assets in the name, for the account and at the risk of the client, who has deposited such assets with a custodian bank. BBGI Group SA carries out the transactions according to its own free judgement and without consulting the client. In this regard, BBGI Group SA ensures that the transactions it executes are in line with the client's financial situation and investment objectives as well as the agreed upon investment strategy and that the composition of the portfolio is appropriate for the client (adequacy check).

Rights and obligations

Via asset management, the client has the right to have the assets in his or her portfolio managed. BBGI Group SA carefully selects the investments in the portfolio within the framework of the markets considered. BBGI Group SA ensures an appropriate distribution of risk insofar as the investment strategy permits. BBGI Group SA regularly monitors the assets under its management and ensures that the investments are in line with the agreed upon investment strategy and are appropriate for the client. BBGI Group SA informs the client about the agreed upon and executed asset management activities. BBGI

Group SA informe le client sur la gestion de fortune convenue et effectuée.

Risks

In principle, asset management involves the following risks, which are within the client's risk sphere and are therefore borne by the client:

- **Risk associated with the chosen investment strategy:** The investment strategy chosen and agreed upon with the client may result in various risks (see below). These risks are fully borne by the client. A description of the risks and a corresponding explanation of the risks is given before the investment strategy is agreed upon.
- **Risque Risk associated with maintaining the substance of the assets,** namely the risk of loss of value of the financial instruments in the portfolio: this risk, which may vary depending on the individual financial instrument, is borne entirely by the client. For the risks associated with various financial instruments, refer to the brochure "Risks of trading in financial instruments" of the Swiss Bankers Association. The brochure is available online at www.swissbanking.ch

- **Information risk on the part of BBGI Group SA**, namely the risk that BBGI Group SA does not have sufficient information to make an informed investment decision: when managing assets, BBGI Group SA takes into account the client's financial situation and investment objectives (adequacy check). If the client provides BBGI Group SA with insufficient or incorrect information on the client's financial situation and/or investment objectives, there is a risk that BBGI Group SA will not make appropriate investment decisions for the client.
- **Risk as a qualified investor in collective investment schemes:** Clients who use asset management services are considered qualified investors within the meaning of the Collective Investment Schemes Act. Qualified investors have access to forms of collective investment schemes that are available exclusively to them. Qualified investor status allows a broader range of financial instruments to be taken into account in portfolio construction. Collective investments for qualified investors may be exempt from regulatory requirements. These financial instruments are therefore not or only partially subject to Swiss regulations. This can lead to risks, particularly with regard to liquidity, investment strategy and transparency. Detailed information on the risk profile of a specific collective investment scheme can be found in the constituent documents of the financial instrument and, where applicable, in the basic information sheet and the prospectus.

In addition, asset management involves certain risks that are within BBGI Group SA's sphere and for which BBGI Group SA is liable to the client. BBGI Group SA has taken appropriate measures to address these risks, in particular in order to comply with the principle of good faith and the principle of equal treatment when handling client orders. In addition, BBGI Group SA ensures optimal execution of client orders.

Investment advice on individual transactions

Type, characteristics and mode of operation

In the context of investment advice on individual transactions, BBGI Group SA advises the client on financial instruments relating to individual transactions, without taking into account the client's entire portfolio. When advising, BBGI Group SA takes into account the client's knowledge and experience (appropriateness test) as well as the client's needs and, on this basis, gives the client personal recommendations regarding the purchase, sale or retention of financial instruments. The client then decides to what extent to follow the recommendation of BBGI Group SA. In this respect, the client is responsible for the composition of the portfolio. BBGI Group SA does not verify the composition of the portfolio and the adequacy of a financial instrument for the client, i.e. whether a financial instrument corresponds to the investment objectives and financial situation of the client.

Rights and obligations

In the case of investment advice on individual transactions, the client is entitled to personal investment recommendations. Investment advice on individual transactions is provided on the client's initiative or on the initiative of BBGI Group SA in the context of the markets considered in the selection of financial instruments. BBGI Group SA advises the client to the best of its knowledge and with the same care that it customarily applies to its own business. BBGI Group SA informs the client without delay of any significant circumstance that may affect the proper handling of the order. BBGI Group SA also informs the client of the investment advice that has been agreed upon and provided.

Risks

In principle, investment advice on individual transactions involves the following risks, which are within the client's risk sphere and are therefore borne by the client:

- **Risk associated with maintaining the substance of the assets**, namely the risk of loss of value of the financial instruments in the portfolio: this risk, which may vary depending on the individual financial instrument, is borne entirely by the client. For the risks associated with various financial instruments, refer to the brochure "Risks of trading in financial instruments" of the Swiss Bankers Association. The brochure is available online at www.swissbanking.ch
- **Information risk on the part of BBGI Group SA**, namely the risk that BBGI Group SA does not have sufficient information to be able to make an appropriate recommendation: when providing investment advice on individual transactions, BBGI Group SA takes into account the client's knowledge and experience (appropriateness check) as well as the client's needs. If the client provides BBGI Group SA with insufficient or incorrect information about the client's knowledge, experience and/or needs, there is a risk that BBGI Group SA will not be able to advise the client appropriately.
- **Client information risk**, namely the risk that the client does not have sufficient information to be able to make an informed investment decision: when providing investment advice on individual transactions, BBGI Group SA does not take into consideration the composition of the portfolio and does not check adequacy against the investment objectives and financial situation of the client. As a result, the client needs specialist knowledge to understand the financial instruments. Thus, investment advice on individual transactions creates the risk that the client, due to a lack of financial knowledge or insufficient financial knowledge, will make investment decisions that do not correspond to the client's financial situation and/or investment objectives and are not appropriate.
- **Order processing timing risk**, namely the risk that the client places a buy or sell order too long after consulting BBGI Group SA, which may result in lost opportunity for gain: the recommendations made by BBGI Group SA are based on the market data available at the time of consultation and are only valid for a short period of time due to variable market conditions.
- **Risk associated with inadequate monitoring**, namely the risk that the client does not monitor the portfolio or does not monitor it sufficiently: BBGI Group SA is at no time required to monitor, advise, warn or instruct on the quality of individual positions and/or the composition of the portfolio. Insufficient monitoring by the client can lead to various risks, such as concentration risks.
- **Risk as a qualified investor in collective investment schemes:** Clients who use investment advice on individual transactions within the framework of a long-term investment advisory relationship are considered qualified investors within the meaning of the Collective Investment Schemes Act. Qualified investors have access to forms of collective investment schemes that are available exclusively to them. Qualified investor status allows a broader range of financial instruments to be taken into account in portfolio construction. Collective investments for qualified investors may be exempt from regulatory requirements. These financial instruments are therefore not or only partially subject to Swiss provisions.

This may give rise to risks, for example, with regard to liquidity, investment strategy and transparency. Detailed information on the risk profile of a specific collective investment can be found in the constituent documents of the financial instrument and, where applicable, in the basic information sheet and the prospectus.

In addition, investment advice on individual transactions involves certain risks that are within BBGI Group SA's sphere and for which BBGI Group SA is liable to the client. BBGI Group SA has taken appropriate measures to address these risks, in particular in order to comply with the principle of good faith and the principle of equal treatment when handling client orders. In addition, BBGI Group SA ensures optimal execution of client orders.

Execution-only (EXO)

Type, characteristics and operation of the financial service

By execution-only, we mean the financial services which are limited to the transmission of client orders by BBGI Group SA to custodian banks without any advice or management. Orders are initiated exclusively by the client and transmitted by BBGI Group SA, which does not check whether the transaction in question corresponds to the knowledge and experience of the client (appropriateness) as well as to his financial situation and his investment objectives. (adequacy). When executing orders by the client in the future, BBGI Group SA will not have to remind him that he does not verify the appropriateness or adequacy.

Rights and obligations

Via the execution-only service, the client has the right to give orders to buy or sell financial instruments within the framework of the market offer under consideration. BBGI Group SA has the duty to transmit for execution the orders given with the same care that it usually applies to its own business.

BBGI Group SA informs the client without delay of all significant circumstances that could affect the correct processing of the order and also regularly informs the client of the orders agreed and executed.

Risks

Execution-only service presents in principle the following risks, which are in the client's sphere of risk and are therefore borne by the client:

- **Risk associated with maintaining the substance of the assets**, namely the risk of loss of value of the financial instruments in the portfolio: this risk, which may vary depending on the individual financial instrument, is borne entirely by the client. For the risks associated with various financial instruments, refer to the brochure "Risks Involved in Trading Financial Instruments" of the Swiss Bankers Association. The brochure is available on the internet at the following location: www.swissbanking.ch
- **Information risk on the part of the client**, namely the risk that the client does not have sufficient information to be able to make an informed investment decision: during the execution-only service, the client makes investment decisions without the involvement of BBGI Group SA. Accordingly, the client needs specialized knowledge to understand the financial instruments and time to become familiar with the financial markets. If the client does not have the necessary knowledge and experience, he takes the risk of investing in a financial instrument that is not appropriate for him. A lack of financial knowledge or insufficient financial knowledge may also lead the client to make investment decisions that do not correspond to his financial situation and/or his investment objectives.
- **Order processing timing risk**, namely the risk that the client places an order to buy or sell at an inconvenient time, which can lead to price losses.

- **Risk associated with inadequate monitoring**, namely the risk that the client does not monitor the portfolio or does not monitor it sufficiently: BBGI Group SA has no obligation at any time to monitor the portfolio and to warn or inform the client. Insufficient monitoring by the client can lead to various risks, such as concentration risks.
- **Risk as a Qualified Investor in collective investment schemes**: this risk only concerns clients who have declared in writing that they wish to be considered as "professional client" (opting-out) and as "Qualified Investor" provided that FinSA requirements are met. Qualified investors have access to forms of collective investment schemes that are available exclusively to them. Qualified Investor status allows the client to invest in a broader range of financial instruments. Collective investments for Qualified Investors may be exempt from regulatory requirements. These financial instruments are therefore not or only partially subject to Swiss provisions. This may give rise to risks, for example, with regard to liquidity, investment strategy and transparency. Detailed information on the risk profile of a specific collective investment can be found in the constituent documents of the financial instrument and, where applicable, in the basic information sheet and the prospectus.

In addition, execution-only service involves certain risks that are within BBGI Group SA's sphere of responsibility and for which BBGI Group SA is liable to the client: BBGI Group SA has taken appropriate measures to address these risks, in particular in order to comply with the principle of good faith and the principle of equal treatment when handling client orders. In addition, BBGI Group SA ensures optimal execution of client orders.

Markets considered

The markets considered by BBGI Group SA in the selection of financial instruments consist of both third-party financial instruments and BBGI Group SA's proprietary financial instruments. Indeed, BBGI Group SA may recommend or invest in financial instruments (e.g. collective investments) that it manages.

Optimal execution

One of the objectives of the FinSA is to guarantee the principle of optimal execution of orders in the trading of financial instruments. Usually all client transactions are executed at the custodian bank chosen by the client, BBGI Group SA recommends to the client the custodian banks that offer the best guarantees in terms of price, execution time and creditworthiness and ensures that the best possible result is achieved for client orders.

Handling conflicts of interest

In general

As a provider of financial services, BBGI Group SA is obliged to take appropriate organisational measures to prevent, where possible, conflicts of interest from arising in the provision of financial services or, where applicable, to prevent clients from being harmed if the conflict of interest could not be completely avoided. BBGI Group SA takes these requirements into account. These may relate in particular to the internal exchange of information, the functional and organisational separation of activities within BBGI Group SA, the general rules of conduct in the market, the remuneration policy and the regulations on employee transactions. If it is not possible to avoid disadvantaging the client or if this is only possible with disproportionate effort, BBGI Group SA will communicate with the client in an appropriate manner.

Costs and fees

Costs and fees may be incurred both by BBGI Group SA and by third parties (e.g. custodian banks or funds in the client's portfolio) in connection with the provision of financial services. The costs and fees associated with asset management and/or financial transactions are set out in the respective agreements with BBGI Group SA or the client's custodian bank. The costs incurred will be charged to the client. For any questions related to costs and fees, please contact your client advisor.

Remuneration received from and dispensed to third parties in particular

In the course of providing financial services, BBGI Group SA may receive remuneration from third parties. As such remuneration may give rise to conflicts of interest, the collection of such remuneration is subject to specific regulations. Indeed, clients must be properly informed of the existence of such remuneration and must waive their reimbursement, otherwise BBGI Group SA is required to pass on this remuneration to the client. BBGI Group SA may also pay commissions to third parties. If you have any questions about third party remuneration, please contact your client advisor.

Complaints & Ombudsman

Customer satisfaction is our primary concern. Clients who wish to make suggestions or comments or otherwise provide feedback can contact their client advisor directly. Clients who wish to make a formal complaint should do so by means of a registered letter addressed to BBGI Group SA:

BBGI Group SA
Place de Longemalle 1
1204 Genève

If, against all expectations, no solution can be found, the client can turn to the ombudsman with which BBGI Group SA is affiliated. Indeed, the FinSA provides for a procedure before an ombudsman for the purpose of settling disputes between clients and financial service providers. In this respect, BBGI Group SA has affiliated itself with an ombudsman recognised by the Federal Department of Finance (FDF). This is a neutral body for information and mediation.

BBGI Group SA is affiliated with:

Nom	<i>Terraxis SA</i>
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Content and updates

The most recent version of this document can be found at:

[Informations juridiques – BBGI Group](#)





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