PHOENIX FINANCE

FINANCIAL SERVICES ACT (FINSA)

INFORMATION FOR CLIENTS

INTRODUCTION

This brochure provides essential information about the Swiss Financial Services Act (FinSA), which entered into force on 1 January 2020. FinSA aims to strengthen investor protection and establish comparable standards for financial service providers. FinSA foresees a transition period of up to two years, i.e., the full implementation of the FinSA requirements as set out in this brochure was to be completed by the end of 2021 at the latest.

The brochure also contains information on the implementation of the new regulatory standards applied to clients served by Phoenix Finance SA (hereinafter Phoenix). This includes general information, such as the regulatory license status, the available investment universe, suitability and appropriateness, client classification, best execution, conflicts of interest, compensation, general risks, and complaints handling.

Further information can be obtained from the client's relationship manager, who will be happy to answer any questions.

This brochure is provided for information and regulatory purposes only and should not be considered as marketing material. It is not a solicitation or an offer for a financial service, or a recommendation to buy or sell any financial instrument.

The brochure reflects the status as of November 2023 as known by Phoenix.

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GENERAL INFORMATION

ABOUT PHOENIX FINANCE SA

Phoenix is a Swiss entity established in the Canton of Geneva. Phoenix acts as an external asset manager and proposes financial services in the form of essentially discretionary mandates with a focus on serving sophisticated private clients. As any other company it is subject to operational risks, reputational risks, and financial risks, but due to the nature of the services provided, risks linked to the financial services are limited due to strict guidelines surrounding its activity and the monitoring of the company by the regulatory authorities.

Phoenix is supervised by the Swiss Financial Market Supervisory Authority (hereinafter "FINMA"). It is affiliated to a Supervisory Body approved by the FINMA to carry on its specific prudential supervision and monitoring of external asset managers such as Phoenix.

CONTACT AND STATUS INFORMATION

Below are the contact details of Phoenix, its Supervisory Authority, and its Supervisory Body:

PHOENIX FINANCE SA
Rue du Mont-Blanc 4
1201 Geneva
Switzerland
Telephone +41 (0) 21 781 1396
Email: info@phoenixfinancesa.com
www.phoenixfinancesa.com

Phoenix is regulated by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, 3003 Berne, and is authorized to operate as an external asset manager under the supervision of a Supervisory Body OSIF, Rue de Rive 8, 1211 Genève 3. It may therefore provide the full range of wealth management services, including Discretionary Mandates, and the purchase, sale of securities and other financial instruments.

Phoenix service offering also depends on the regulations applicable in each client's country of domicile and may not (or not fully) be available toall clients.

PHOENIX FINANCE INVESTMENT UNIVERSE

When Phoenix selects financial instruments not available directly for its wealth management services (Discretionary Mandates), it does so independently based on products from a large range of banks and third-party providers.

Phoenix is an external asset manager that does not operate production of its own in-house investment products. Phoenix investment fund and other financial products universe is based on the products of carefully selected banks and third-party providers. This allows for a more objective selection to find the best available product with the best risk, return and cost balance.

Phoenix creates structured products in the scope of its discretionary mandates, which are issued by top tier bank issuers. The structured products are made available only to clients of Phoenix with a discretionary mandate. This is not an offering of in-house financial products or an offering to the general public.

To meet individual discretionary client profile needs, Phoenix can provide structured products with various underlyings. They are either tailor-made by Phoenix using one of our bank issuer real-time derivatives creation tools or are sourced from a selected third-party issuer. By doing so Phoenix can provide better individual specific structuring solutions with better risk protections, better returns and lower costs for the client by using and comparing different platforms.

SUITABILITY ASSESSMENT

IMPLEMENTATION

When providing wealth management services (Discretionary Mandates), Phoenix has a legal obligation to consider whether the products and financial instruments are suitable for the client. This means that a client has to be able to adequately understand the underlying nature and risk of the offered investment service or the recommended financial instrument, and must have the ability to bear any related financial loss. Phoenix needs to assess whether the investment strategy and transaction suit the client's investment objectives.

In order to perform a suitability assessment, Phoenix requires specific information about the client's personal and financial situation. For this purpose, the client needs to complete the Client Investment Profile, which is designed to gather the neces sary information on the client's:

- knowledge and experience (K&E) with regard to asset classes;
- investment objectives, including investment horizon;and
- financial situation, including financial risk ability and risk tolerance.

Phoenix will rely on the information provided, andclients are strongly advised to immediately inform Phoenix if any of their circumstances change and no longer match the information provided, whether in the Client Investment Profile or otherwise.

The suitability assessment carried out at Phoenix goes beyond the regulatory requirements and is performed as described in the following paragraphs.

SUITABILITY OF INVESTMENT

Based on the Client Investment Profile, a suitable overall investment strategy will be defined for the assets held with Phoenix. This overall investment strategy guides the selection of the investment strategy for a Discretionary Mandate set up with a client.

If a client has more than one mandate, the match of the individual investment strategies will be looked at holistically.

APPROPRIATENESS OF SPECIFIC INSTRUMENTS

Although under a Discretionary mandate, this assessment is based on the K&E information received from the client. If a financial in strument is deemed inappropriate, Phoenix will either educate the client on the respective instrument or warn the client that their current K&E is not sufficient to understand the risks associated with the financial instrument and before investing Phoenix will seek a reasonable understanding of the client.

CLIENT CLASSIFICATION

INFORMATION ON CLIENT CLASSIFICATION

FinSA defines the following classes for clients of financial service providers: ‘private clients’, ‘professional clients’, and ‘institutional clients’. Each category is assigned a different level of investor protection (e.g. with regard to information duties, suitability and appropriateness obligations, and documentation and accountability duties).

Phoenix will classify its clients as either private clients or professional clients; it does not introduce aseparate class for institutional clients because institutional clients are offered the same level of protection as professional clients.

PRIVATE CLIENT STATUS

Phoenix will treat clients as private clients unless clients are informed otherwise. Private clients receivethe highest level of investor protection. They must be given extensive information regarding product risk, e.g., Key Information Document (KID), before a service can be provided, or a trade can be executed. The range of financial instruments available is generally limited to products targeted at private clients or to products explicitly registered for distribution to private clients.

PROFESSIONAL CLIENT STATUS

Professional clients are treated as sophisticated investors who have a lower level of investor protection thanprivate clients, based on their level of knowledge andexperience and their ability to bear financial losses.

Some rules of conduct do not apply to professional clients (e.g. provisions of KID). Professional clients are eligible for a larger investment universe, including financial products targeted at professional clients only or products not registered for distribution to private clients.

HOW TO BECOME A PROFESSIONAL CLIENT

Either the client is already classified by law as a professional client (‘per-se professional client’) or they can apply for a change of classification (‘opting out’).

The following are defined as per-se professionalclients:

- financial intermediaries as defined in the Swiss Banking Act (BA), the Swiss Financial Institutions Act (FinIA), and the Swiss Collective Investment Schemes Act (CISA);
- insurance companies as defined in the Swiss In-surance Supervision Act (ISA);
- foreign clients subject to prudential supervision;
- central banks;
- public entities with professional treasuryoperations;
- pension funds and institutions dedicated to occupational pension provision with professional treasury;
- companies with professional treasury operations;
- large companies; and
- private investment structures with professional treasury operations created for high-net-worth private clients.

High-net-worth private clients may request to be re-classified as professional clients (opting out). To become a professional client, the client must meet at least one of the following legal requirements:

- the client has the necessary knowledge based on training, education, and professional experience, or based on comparable experience in the financial sector, to understand the risks associated with the investments and has eligible assets of at least CHF 500 000; or
- the client has eligible assets of at least CHF 2 million.

Direct investments in real estate and claims from social insurance schemes as well as occupational pension assets do not qualify as eligible financialinvestments.

Private clients wishing to be reclassified as professional clients may do so by submitting the form Application for Classification as FinSA Professional Client. However, it is not possible to opt out of individual services or particular classes of financial products only; clients must opt out of the full range of their relationship with Phoenix. Clients must confirm that they meet the necessary requirements in all aspects before they can become professional clients. Clients will be informed in writing when Phoenix considers the conditions to be fulfilled. Once this confirmation is sent out, Phoenix will henceforth treat such clients as professional clients.

As regards to the offering of collective investment schemes, professional clients as well as private clients who have entered into a Discretionary Mandate Agreement are by law considered as qualified investors unless decided otherwise. This allows these clients to invest in collective investment schemes that are offered to qualified investors only. However, these clients needto be classified as professional clients – according to the afforded mentioned opting-out process – to be able to invest in such collective investment schemes.

OPTING IN

Clients who have been reclassified as professional clients can decide at any time to opt into the private client classification again.

BEST EXECUTION FRAMEWORK

BEST EXECUTION

Best execution is the obligation to take all necessary steps to obtain the best possible result for clients on a consistent basis when executing transactions on their behalf (including use of third-party financial institutions to execute transactions).

BEST EXECUTION FACTORS

Phoenix takes into consideration the following exe-cution factors to determine the best possible result for its clients:

- **price** – this is the price a financial instrument is executed at
- **cost** – this includes implicit costs, such as the possible market impact; explicit external costs, such as execution venue or clearing and settlement fees; and explicit internal costs (Phoenix's own commissions and fees)
- **speed** – this is the time it takes to execute a client transaction, although this factor will depend on the execution platform of the custodian bank
- **likelihood of execution and settlement** – this is the likelihood that Phoenix will be able to complete a client transaction
- **size** – this is the size of the transaction executed for a client, accounting for how this affects the price of execution
- **nature** of the transaction or **any other consideration** relevant to the execution of the transaction (such as market impact) – this is how the particular characteristics of a client transaction can affect how best execution is achieved

As a general rule, the price of the financial instrument and the costs relating to the execution of the order (total consideration) will merit the highest relative importance in obtaining the best possible result. However, the overall result of a particular transaction to a client may be affected by other factors. Therefore, Phoenix may in specific cases attach a higher importance to other execution factors than the immediate price and cost.

BEST EXECUTION GOVERNANCE FRAMEWORK

As an external asset manager Phoenix does not execute directly transactions and will consequently depend on an internal governance framework, including a best execution policy from the custody banks, through which it defines its best execution principles and arrangements. This framework also includes control, monitoring, and review processes, as well as a re-porting infrastructure about effective order execution.

An overall review of the best execution policy, and of order handling and execution arrangements, is performed on an annual basis with regard to the completeness and effectiveness of the framework or whenever a material change occurs that could affect Phoenix ability to obtain the best possible results for its clients on a consistent basis.

CONFLICTS OF INTEREST

DESCRIPTION

Conflicts of interest may occur when business interests are contrary to one another. If not mitigated, they may result in a financial disadvantage for the client.

TYPES OF CONFLICTS OF INTEREST

Phoenix has limited the occurrence of conflicts of interest due to its business model. The following is an exhaustive list of situations in which conflicts of interest may occur in connection with:

- the receipt of compensation from third parties (for details on compensation see the section 'Compensation');
- performance-based compensation of employees and compensation granted to intermediaries (where applicable and permitted).

MEASURES EMPLOYED BY PHOENIX TO IDENTIFY CONFLICTS OF INTEREST

In a first step, Phoenix undertakes to properly identify potential conflicts of interest in order to manage them. Therefore, Phoenix keeps a regis ter of all identified situations in which an involved party

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client that is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interests of a client or group of clients over the in terests of another client or group of clients; or
- carries out the same business as the client and/or receives compensation in relation to a service provided to the client.

MEASURES EMPLOYED BY PHOENIX TO AVOID, MANAGE, OR MITIGATE CONFLICTSOF INTEREST

It is Phoenix aspiration to act with professional expertise and integrity. Furthermore, Phoenix has put a broad range of organizational measures in place in order to best identify, avoid, and mitigate conflicts of interest, as illustrated by the following, non-exhaustive overview:

- organizational procedures to safeguard clients' interests (e.g. confidentiality areas, information barriers, separation of responsibilities, technical separation);
- rules on accepting, giving, and disclosing compensation.

CONTROLS EMPLOYED BY PHOENIX REGARDING CONFLICTS OF INTEREST

Phoenix has implemented a number of controls to ensure that its measures regarding conflicts of interest are adequate and adhered to. Such controls include, among others:

- a segregation of duties between activities generating income and the compliance department that is directly responsible to management and whose duty it is to monitor the identification, avoidance, and management of conflicts of interest; and
- a trade surveillance and reporting framework, supported by automated and state-of-the-art rule engines, to identify abusive or unusual trading transactions.

DISCLOSURE OF CONFLICTS OF INTEREST AND CONSENT TO PROCEED

Phoenix makes every effort to identify, avoid, or mitigate any conflicts of interest that could arise regarding the services offered to clients.

If the measures implemented cannot prevent disadvantages for clients, or only with a disproportionate amount of effort, Phoenix discloses the conflict in an adequate manner.

COMPENSATION

DESCRIPTION

Compensation is a benefit Phoenix may receive from another legal entity (third parties) that is not paid directly by a client or on behalf of a client. Charges paid directly by a client to Phoenix, such as management fees, performance fees, or ad hoc service fees are not considered as compensation.

The most common form of compensation occurs between providers and distributors of financial instruments, whereby providers forward part of their revenues from financial instruments to the distributor in exchange for distribution services.

For example, in the area of investment funds, the fund provider charges the investor a management fee for managing the fund assets, which is disclosed in the fund prospectus. The fund provider may use part of the revenues generated with this management fee to remunerate distributors such as banks or financial advisers for access to their distribution network, or for the administrative efforts they need to undertakewhen distributing the fund provider's products.

REGULATION OF COMPENSATION

Because compensation may lead to potential conflicts of interest, its receipt and payment are strictly regulated. Clients must either be properly informed about the existence of such compensation and waive the right to have such compensation passed on, or Phoenix needs to pass on the compensation received to the client.

COMPENSATION RECEIVED BY PHOENIX

In general, Phoenix offers compensation-free Discretionary Mandates (if applicable) unless otherwise stated in the Remuneration Information Sheet.

CALCULATION OF COMPENSATION

The client explicitly accepts that Phoenix is entitled to receive and retain such compensation according to the conditions set out in the relevant service agreements and/or other custodian bank agreement. Phoenix may receive a fee (revenue, transaction, or asset-based) on a one-off and/or ongoing basis as a financial intermediary while using a bank for custody.

COMPENSATION PAID BY PHOENIX TOTHIRD PARTIES

If Phoenix has established a business or account relationship with a client, e.g. through a third party acting as intermediary, Phoenix informs its clients about the existence and nature of such payments to third parties if such relationships exist. In addition, any such party must comply with its own obligations associated with compensation, particularly regarding restrictions on receipt, disclosure obligations, and the handling of conflicts of interest, in accordance with the intermediaries' own business relationship with the client. Phoenix assumes no responsibility for the obligations of a third party in this respect.

RISKS IN FINANCIAL INSTRUMENTS TRADING

Investments in financial instruments (e.g., equities, bonds, funds, structured products) contain opportunities but also bear risks. It is of utmost importance that clients understand the risks of the financial instrument they are investing in. The brochure 'Risks Involved in Trading Financial Instruments' of the Swiss Bankers Association (SBA) contains general information on typical financial services and on the characteristics and risks of financial instruments.

The brochure 'Risks Involved in Trading Financial Instruments' is part of the Discretionary Mandate Agreement signed by the client and can obtained through the client's relationship manager or contact person in Phoenix.

PRODUCT INFORMATION

In addition to the brochure 'Risks Involved in Trading Financial Instruments', corresponding product information sheets (e.g., KID) are available for many financial instruments if they are provided by the manufacturer.

COMPLAINTS HANDLING

Client feedback and complaints are best addressed directly to the client's dedicated relationship manager or contact person.

Clients should include the reason as well as their contact details and account number in their written complaint. Phoenix will strive to handle
all feedback and concerns as quickly as possible.

If a client perceives a response to be inadequate, Phoenix would like to be informed so that the situation can be rectified. Should a client be dissatisfied with the way Phoenix has dealt with their concern, the client is entitled to initiate a mediation procedure with the Ombudsman FINSOM:

Contact details

FINSOM
Avenue de la Gare 66
1920 Martigny
Switzerland
www.finsom.ch

IMPORTANT LEGAL INFORMATION

This brochure was created exclusively for clients of Phoenix Finance SA.

Although it has been thoroughly checked, Phoenix does not accept any liability for the adequacy, accuracy,completeness, or correctness of the content of this brochure as, in particular, specific details may have changed following its publication.

The General Conditions of Phoenix or any other special agreement concluded between the client and Phoenix shall always apply.