



FINSA CLIENT INFORMATION BROCHURE

BlueOrchard Finance Ltd.
Seefeldstrasse 233, 8008 Zurich, Switzerland

1. Introduction

The purpose of this FinSA Client Information Document is to inform you about how BlueOrchard Finance Limited (hereinafter “BlueOrchard”, “we” or “us”) applies certain requirements of the Federal Act on Financial Services (“FinSA”) as from the 1 January 2022.

FinSA 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, FinSA 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 FinSA 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 introduced new requirements related to organization and corporate governance.

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 segmentation exercise determines the scope of applicable conduct duties or organisational measures to be applied for the specific client relationship.

This FinSA Client Information Document provides you with an overview of BlueOrchard’s implementation of the FinSA conduct requirements. It supplements any contractual agreement between you and BlueOrchard. In case of any contradictions, the respective contractual agreement will prevail.

2. About BlueOrchard

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

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

We provide portfolio management and investment advisory services to foreign alternative collective investment schemes and, in this capacity, make investment decisions relating to foreign collective investment schemes. We offer and distribute those collective investment schemes to qualified investors.

BlueOrchard is member of the Schroders Group and a division of Schroders Capital. 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:

BlueOrchard Finance Limited
Seefeldstrasse 233
8008 Zürich
Switzerland
Phone: +41 44 441 55 50
Email: info.zurich@blueorchard.com
Website: www.blueorchard.com

3. Regulator

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

Each segment is assigned a different level of investor protection (e.g. regarding information duties, suitability and appropriateness obligations, documentation, and accountability duties).

BlueOrchard only provides financial services to professional and institutional clients, as further explained below.

Before providing financial services to you, we will segment and subsequently inform you about your segmentation as either professional or institutional client, based on information available to us.

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

BlueOrchard upon respective written confirmation to the client.

Every segmentation undertaken by BlueOrchard applies for all financial services, which we offer or provide to you.

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, BlueOrchard is authorised to take appropriate steps to ensure compliance with the regulatory requirements.

4.2 Institutional clients

a. Classification as Institutional Client

The following are institutional clients:

- **Per se institutional clients** according to Art. 4 para. 4 FinSA are:
 - Financial intermediaries as defined in the Banking Act of 8 November 1934 (BankA), the Financial Institutions Act of 15 June 2018 (FinIA) and the Collective Investment Schemes Act of 23 June 2006 (CISA) (Art. 4 para. 3 let. a and para. 4 FinSA);
 - Insurance companies as defined in the Insurance Supervision Act of 17 December 2004 (ISA) (Art. 4 para. 3 let. b and para. 4 FinSA);
 - Foreign clients subject to prudential supervision as the persons listed in a) and b) above (Art. 4 para. 3 let. c and para. 4 FinSA);
 - Central banks (Art. 4 para. 3 let. d and para. 4 FinSA);
 - National and supranational public entities with professional treasury operations (Art. 4 para. 4 FinSA).
- **Elective institutional clients** according to Art. 5 para. 3 and 4 FinSA are: clients who have explicitly opted-out to be treated as institutional clients pursuant to Art. 5 para. 3 or 4 FinSA.

b. Consequences of classification

The classification as institutional client means that:

- The information, documentation, and accountability obligations under the FinSA do not apply;
- BlueOrchard does not conduct a suitability or appropriateness test when providing investment advice or asset management services;

- BlueOrchard would not be obliged to apply the transparency and due diligence obligations for client orders under FinSA. However, BlueOrchard does apply the same requirements as for professional clients;
- Institutional clients are considered qualified investors pursuant to CISA. 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.

BlueOrchard may, in its sole discretion and on a voluntary basis, apply the FinSA conduct duties in whole or in part in relation to financial services provided to institutional clients. Such voluntary application of conduct duties does not cause a general obligation on BlueOrchard to comply with such FinSA conduct duties in relation to institutional clients in future, unless explicitly provided by regulatory provisions otherwise.

c. Option to request a change of classification

Per se institutional clients may declare in writing to BlueOrchard that they wish to be classified as professional clients and thus benefit from the associated enhanced client protection (opting-in).

Elective institutional clients pursuant to Art. 5 para. 3 FinSA may at any time withdraw their opting-out to be re-classified as professional clients in writing and benefit from the associated enhanced client protection.

4.3 Professional clients

d. Classification as professional client

The following are professional clients:

- **Per se professional clients:**
 - a. public entities with professional treasury operations (Art. 4 para. 3 let. e FinSA);
 - b. occupational pension schemes and other occupational pension institutions with professional treasury operations¹ (Art. 4 para. 3 let. f FinSA);
 - c. companies with professional treasury operations¹ (Art. 4 para. 3 let. g FinSA);
 - d. large companies (Art. 4 para. 3 let. h in connection with para. 5 FinSA);

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

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

e. private investment structures with professional treasury operations² created for high-net-worth private clients (Art. 4 para. 3 let. I FinSA).

– **Elective professional clients**

- a. by way of **opting-out declaration**: high net worth private clients and private investment structures created for them who have explicitly opted-out to be treated as professional clients in accordance with Art. 5 para. 1 and 2 FinSA;
- b. by way of **opting-in declaration**: institutional clients that have explicitly opted-in to be treated as professional clients in accordance with Art. 5 para. 6 FinSA.

e. Consequences of classification as professional client

The classification as professional client means that

- BlueOrchard will apply the information, documentation, and accountability obligations under FinSA;
- BlueOrchard will only apply a limited suitability or appropriateness test when providing investment advice or asset management services;
- BlueOrchard will comply with the transparency and due diligence obligations for client orders under FinSA;
- Professional clients according to Art. 4 para. 3 FinSA or according to Art. 5 para. 1 and 4 FID-LEG are qualified investors under CISA. 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.

f. Option to request a change of segmentation

Per se professional clients pursuant to Art. 5 para. 3 FinSA may declare in writing to BlueOrchard that they wish to be classified as institutional clients (opting out).

Professional clients who are not institutional clients within the meaning of Art. 4 para. 4 FinSA may declare that they wish to be treated as private clients (opting-in; see Para. 4.4).

4.4 Private clients

As BlueOrchard is not providing financial services to private clients, professional clients who wish to be treated as private clients by way of declaring an opting-in in

accordance with Art. 5 para. 5 FinSA or elective institutional clients according to Art. 5 para. 4 FinSA who would like to withdraw their opting-out declaration during an existing business relationship are kindly requested to contact their client relationship manager, as we will either need to terminate our contractual relationship or would be happy to assist you with transferring to an alternative financial service provider of your choice.

4.5 Request of change of segmentation

BlueOrchard, based on the information available about you, assigns you to one of the before mentioned client segments and informs you about its decision in writing.

Should you wish to make use of the right to change your classification (opting-in or opting-out) you may address your request to BlueOrchard Finance Ltd, Compliance Department, Seefeldstrasse 233, 8008 Zurich, Switzerland.

5. Appropriateness and suitability

FinSA generally requires financial service providers that provide investment advice or portfolio management services for professional clients to perform a limited appropriateness or suitability re-view.

In the case of professional and institutional clients, BlueOrchard 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.

BlueOrchard 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 BlueOrchard immediately of any change in circumstances that may necessitate changes or updates in terms of appropriateness or suitability.

We will not conduct an appropriateness or suitability check for professional nor institutional clients.

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.

Please read this information carefully. Please refer to the currently valid legal investment documentation to understand specific risks of an investment. If you have any questions, please contact your client relationship manager.

7. Cost information

Costs and fees may be incurred both by BlueOrchard group companies and by third parties in connection with the provision of financial services.

²The professional treasury operations requirement is fulfilled when the client entrusts on a permanent basis, within or outside

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

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.

An overview containing information about the fees and costs associated with the services provided by BlueOrchard to the extent required by the regulations in force can be provided upon request.

8. Product information

Information on fund products, including information about product specific risks and costs, can be found in the relevant fund documents, which are accessible to eligible investors on our website www.blueorchard.com, 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, BlueOrchard offers financial instruments (namely collective investment schemes) that are issued, managed, developed, or controlled by it or by an affiliate belonging to the BlueOrchard Group and/or the Schroders Group and which are subject to the supervision of the Luxembourg securities and banking regulator, CSSF.

10. Execution of orders (best execution)

Where order execution depends on access to market liquidity for the financial instrument in question, the choice of the execution venue becomes relevant. When executing a transaction, we select the execution venue in which we expect to achieve the best possible execution (best execution principle).

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.

BlueOrchard has a framework in place for the management and execution of orders, which complements the Schroder Group Order Management and Execution Policy, and which considers 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 regarding the completeness and effectiveness of the framework.

We apply the same best execution principles for all our clients, independent of their segmentation.

11. Conflicts of interest

BlueOrchard 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. BlueOrchard, 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. We note that BlueOrchard does not engage in any proprietary trading for its own account.

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

BlueOrchard is a Member of the Schroders Group. We cooperate with our Schroder affiliates in Switzerland and abroad in many ways. The Schroders 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 BlueOrchard'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. 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 contact your relationship manager or send an email to complaints@blueorchard.com.

We handle all requests and complaints in line with our regulatory obligations and internal procedures. 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 our ombudsman service for financial service providers. In general, the ombudsman service only gets actively involved after BlueOrchard receives and has had an opportunity to respond to a written client complaint.

BlueOrchard is affiliated with Finanzombudsstelle Schweiz (FINOS) ("FINOS"):

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FINOS is a non-profit association and legally recognized pursuant Art. 84 para 1 FinSA.

Disclaimer

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

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