

CLIENT INFORMATION BROCHURE

Swiss Financial Services Act

responsAbility Investments AG

01 October 2021

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1. INTRODUCTION

This brochure provides essential information about the Swiss Financial Services Act (FinSA), which entered into force on 1 January 2020 and information on the implementation of the new regulatory standards applied to clients served by responsAbility Investments AG, Switzerland (“responsAbility”).

Further information can be obtained from the client’s relationship manager. This brochure is provided for information and regulatory purposes only and is not to be considered as marketing material, as a solicitation, an offer for a financial service, or a recommendation to buy or sell any financial instrument. The brochure reflects the status as of October 2021. The most recent version can be found at www.responsability.com/en/legal/financial-services-act-finsa.

2. GENERAL INFORMATION

responsAbility is an asset manager in the field of sustainable investments and offers professionally managed investment solutions to private, professional and institutional investors. responsAbility’s investment solutions supply debt and equity financing predominantly to non-listed firms in emerging and developing economies. Through their inclusive business models, these firms help to drive sustainable development.

responsAbility has its origins dating back to 2003 and is licensed as an asset manager of collective assets since 2010. Headquartered in Zurich, responsAbility has worldwide offices including, Paris, Tbilisi, Oslo, Mumbai, Bangkok, Nairobi and Lima.

3. CONTACT AND LICENCE INFORMATION

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responsAbility is authorised and regulated by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, 3003 Bern, Switzerland, and is licensed as an asset manager of collective assets. responsAbility is permitted to provide the full range of asset management services, including management and distribution of collective investment schemes, advisory or discretionary mandates, and the reception and transmission of orders in financial instruments.

responsAbility’s product and service offering depends on the regulations applicable in each client’s country of domicile and may not or not fully be available to all clients.

4. FINANCIAL SERVICES INFORMATION

4.1. Acquisition and disposal in financial instruments

With acquisition or disposal of financial instruments, the client is offered financial instruments without providing advice. The client takes the decision whether or not to invest in the financial instruments and bears full responsibility for assessing the investment instruments and the risks they entail. For acquisition and disposal in financial instruments, the client will not sign an agreement with responsAbility.

4.2. Discretionary portfolio management

With discretionary portfolio management, the client entrusts assets to responsAbility. Discretionary portfolio management means that investment decisions are delegated to responsAbility.

5. INFORMATION ON CLIENT CLASSIFICATION

5.1. Institutional Clients

The following are defined as institutional clients:

- 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 Insurance Supervision Act (ISA);
- foreign clients subject to prudential supervision;
- central banks; and
- national and supranational public entities with professional treasury operations.

Institutional clients are treated as sophisticated investors who have a lower level of investor protection than professional clients, based on their level of knowledge and experience and their ability to bear financial losses. Institutional 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.

Rules of conduct do not apply to institutional clients such as suitability and appropriateness test, provisions of Key Information Document relating to a financial instrument, (KID).

5.2. Professional Clients

The following are defined as per-se professional clients:

- 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 Insurance Supervision Act (ISA);
- foreign clients subject to prudential supervision;
- central banks;
- public entities with professional treasury operations;
- 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.

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

Some rules of conduct do not apply to professional clients such as provisions of Key Information Document relating to a financial instrument, (KID)).

5.3. Private Clients

responsAbility will treat clients as private clients unless clients are informed otherwise. Private clients receive the highest level of investor protection. The rules of conduct apply to private clients and they must be given information regarding product risk, such as Key Information Document relating to a financial instrument (KID), before a service can be provided or a trade can be executed.

Please note that the range of financial instruments available for private clients is limited.

5.4. Opting out

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

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

- the client has the 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 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 financial investments.

Private clients wishing to be reclassified as professional clients may do so by submitting an opting-out form. It is not possible to opt out of individual services or particular share classes of financial instruments only; clients must opt out of the full range of their relationship with responsAbility.

As regards 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. This allows these clients to invest in collective investment schemes that are offered to qualified investors only. However, these clients need to be classified as professional clients - according to the aforementioned opting-out process - to be able to invest in such collective investment schemes.

5.5. Opting in

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

6. APPROPRIATENESS ASSESSMENT

In case of an advisory mandate for individual transactions, without taking into account the entire client portfolio, before any service is rendered, the appropriateness test requires that the clients' knowledge and experience is determined and it must be checked whether the financial instruments are appropriate for the client before recommending them.

7. SUITABILITY ASSESSMENT

For discretionary mandates or advisory mandates taking into account the client portfolio, the financial services provider must enquire about the clients' financial situation and investment objectives as well as their knowledge and experience. This knowledge and experience relates to the financial service and not the individual transactions.

No suitability or appropriateness test is required if the service being provided consists of executing or transmitting client orders, and also if the service is being performed at the client's request.

FinSA does not require any suitability or appropriateness test for institutional clients.

8. BEST EXECUTION

responsAbility has a duty to obtain best execution of the securities transactions being executed for its Funds. To fulfil this obligation, responsAbility takes into consideration the following factors when selecting counterparties/brokers considering the objectives, investment policy, and specific risks of each rA Fund, as well as the particular features of the orders, assets and execution venues, which may include:

- **Price** the price at which a transaction is executed;
- **Cost** which includes implicit costs, such as the possible market impact, and explicit external costs, such as execution venue or clearing and settlement fees;
- **Speed** the time required to execute a transaction;
- **Likelihood** of execution and settlement the likelihood that the transaction will be completed;

- **Size** the size of the transaction executed, accounting for how this affects the price of execution;
- **Nature** of the transaction, or any other consideration relevant to the execution of the transaction.

Some of the above factors can be considered more important than others depending on the relevant transaction. For more information responsAbility has made available a Best Execution Statement which can be downloaded from our website www.responsability.com/en/legal/financial-services-act-finsa.

9. RISKS IN FINANCIAL INSTRUMENTS TRADING

Financial markets are associated with opportunities and risks and it is important that clients understand the risks before using a financial service or transacting in a financial instrument.

responsAbility has made available the brochure “Risks in Financial Instruments”. It can be downloaded from our website www.responsability.com/en/legal/financial-services-act-finsa and is also available from your client relationship manager.

10. COSTS

Financial services provided by responsAbility incur costs and trading financial instruments bear risks. Please consult the current risk and price brochures for further information. They can be downloaded from our website: www.responsability.com/en/investment-products and are also available from your client relationship manager. If you wish to receive an overview of your personal costs and fees, your client relationship manager is happy to assist you.

Information on the actual costs, fees and risks of the financial services you have received, are available as follows:

- When subscribing Funds: Key Information Document (KID)
- When subscribing other Financial Instruments: Product information brochure

11. CONFLICTS OF INTEREST

responsAbility adheres to the strictest ethical standards in investment management. It has taken organizational measures to prevent situations of conflict arising between the interests of responsAbility (including its staff and of any other business partners) and those of its clients.

responsAbility has also identified a certain number of potential conflicts of interest and provided for mitigation measures to prevent them, as set forth in its Code of Conduct/Conflict of Interest Policy.

If responsAbility does identify a conflict of interest which cannot be resolved, the client will be informed of the nature and source of this conflict, the risk associated with it, and the measures taken to mitigate it.

12. MEDIATION BODY

responsAbility is affiliated to the following mediation body:

Finanzombudsstelle Schweiz (FINOS)

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CH-8001 Zürich
Switzerland
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13. STATUS AND UPDATES

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