

## Client segmentation

In accordance with Article 4 of the Financial Services Act (FinSA), Bellecapital is obliged to classify all its clients into client segments.

The client segment determines the scope of the applicable client and investor protection level, to be applied and influences, among other things, the extent of the duties to provide information and clarification in connection with our financial services. Classification into a client segment relates to all current and future business relationships and all financial services.

In essence, FinSA distinguishes between two main categories of client for the purposes of client segmentation: private clients and professional clients. (FinSA still recognises the category of institutional clients in accordance with Art. 4 para. 4 FinSA, which primarily covers public-sector corporations. This bears little relevance to Bellecapital.)

### **Private client**

The segment 'private client' (or 'retail client') encompasses all clients not classed as professional clients. These may be natural persons, legal entities or partnerships. Private clients enjoy the highest level of investor protection with the most comprehensive duties to provide information and clarification. However, the financial instruments on offer to private clients may be limited.

### **Professional client**

Clients may be classed as professional clients if they meet the legal requirements. Professional clients need to have a certain quantity of assets. They are regarded as seasoned investors who are offered a wider range of investments than private clients and who require a lower level of investor protection. It is assumed that professional clients have the necessary knowledge and experience of financial services and financial instruments to make investment decisions. In addition, they can assess whether the associated investment risks are appropriate and financially viable for them. There is therefore a lower level of investor protection for a professional client than for a private client.

### **Bellecapital's asset management clients belong to the "private client" segment**

Bellecapital has decided to treat all of its clients as private clients, so that they benefit from the highest level of investor protection with the most comprehensive duties to provide information and clarification.

## Changing client category (opting- in/opting-out)

Wealthy private clients may declare that they wish to be counted as professional clients. In doing so, they must convincingly demonstrate that they a) have the knowledge needed to understand the investment risks as a result of their personal training and professional experience or similar experience in the financial sector, and that they have assets worth at least CHF 500,000; or b) possess assets of at least CHF 2 million, pursuant to Art. 5 FinSA.

To change from a private client to a professional client (opting-out), a special form must be filled in to request this from Bellecapital.

Conversely, professional clients may declare that they wish to be treated as private clients. Art. 5 para. 5 FinSA makes provisions for the possibility of opting-in under certain circumstances. This must also be arranged for in writing.