

Vontobel

# Information on Investor Protection

April 2023

Wealth Management

**3  
Introduction**

**4  
Important information  
about Vontobel**

**13  
Additional information  
for clients with investment  
management and  
advisory service  
solutions**



Vontobel uses only recycled paper for printing. It takes about 1.5 times less energy and 2.5 times less water to produce recycled paper than it does to produce paper from fresh fiber. Recycled paper also cuts greenhouse gas emissions by more than 20 percent. We offset the remaining emissions with various CO<sub>2</sub> projects around the world.  
[vontobel.com/sustainability](https://vontobel.com/sustainability)

# Introduction

**At Vontobel, protecting our clients' wealth is our mission. This subject has only become increasingly important in a world of growing uncertainty and complexity.**

As a company built on foresight, an entrepreneurial mentality, and personal responsibility, we consider asset protection and thorough transparency with our clients to be the basis for our successful business relationship. We are convinced that these guiding principles will help both us and you to have a better understanding of the increasing complexity we face. They will help you as our client and us as your product and service provider.

Improving client protection and transparency are driving forces behind current Swiss and European financial market regulations. This brochure focuses particularly on the implementation of the Swiss Financial Services Act (FinSA)<sup>1</sup> and of the European Markets in Financial Instruments Directive (MiFID II)<sup>2</sup> at Vontobel.

Your satisfaction, complete transparency, and open communication are crucial to our investment business. This applies to our processes, products, and services as well as to our fee structure. In this brochure, you can find important details about our business relationship and about the business interaction between you and us.

The goal of this brochure is to give you an additional, concise overview. In order to keep this brochure understandable and easy to read, it is not intended as comprehensive coverage of the investment business and all the contractual items related to it. In addition, in some places in the brochure, we will refer to other documents that we have already given you or that you can obtain from us free of charge. Please note that any contractual provisions take priority over this brochure.

You can find the current version of this brochure at [vontobel.com/fnsa](http://vontobel.com/fnsa). Your Relationship Manager would be glad to provide you a copy if you would like one. Your Relationship Manager is also there for you if you would like more information or if you have questions.

<sup>1</sup> This act came into force on January 1, 2020. It has a two-year transition period.

<sup>2</sup> The EU Directive 2014/65/EU has been in force since January 3, 2018.

## About us

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do—and we only do what we master. This is how we get our clients ahead.

As a globally operating financial expert with Swiss roots, we specialize in investment management, active asset management, and investment solutions. We empower our colleagues to take ownership of their work and bring opportunities to life. Because we are convinced that successful investing starts with assuming personal responsibility. We relentlessly question what has been achieved, striving to exceed the goals and expectations of our clients.

The registered shares of Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom an obligation to assume social responsibility as well.

# Important information about Vontobel

## Locations

### **Vontobel Holding AG**

Vontobel is a globally active company of financial experts with Swiss roots and specializes in investment management, active asset management, and investment solutions. The registered shares of Vontobel Holding AG are listed on the SIX Swiss Exchange. Vontobel's headquarters are in Zurich, Switzerland.

### **Bank Vontobel AG**

Bank Vontobel AG has its headquarters in Zurich and has other branch offices in Switzerland. Bank Vontobel AG is licensed to act as a bank and securities dealer by the Swiss Federal Financial Market Authority FINMA, Laupenstrasse 27, CH-3003 Bern and is subject to supervision by FINMA. Vontobel is a member of the Swiss Bankers' Association and is affiliated to the deposit guarantee scheme operated by Switzerland's banks and securities dealers. Information on the scope of coverage provided by this deposit guarantee is provided on the website of the Swiss Banks' and Securities Dealers' Depositor Protection Association ([esisuisse.ch](http://esisuisse.ch)).

### **Vontobel Swiss Financial Advisers AG**

Vontobel Swiss Financial Advisers AG (Vontobel SFA) is a subsidiary of Vontobel Holding AG. Vontobel SFA is registered as an investment adviser with the US Securities and Exchange Commission (SEC), and has a license in Switzerland from the Swiss Financial Market Supervisory Authority (FINMA) as "Wertpapierhaus". It has its principal office in Zurich. Additional information about Vontobel SFA business and its affiliate can be found on Vontobel SFA Form ADV, which is publicly available on the SEC website ([adviserinfo.sec.gov/](http://adviserinfo.sec.gov/)).

### **Vontobel Securities AG**

Vontobel Securities AG is headquartered in Zurich and has a branch office in New York. It is licensed by the U.S. Securities and Exchange Commission (SEC) as a broker / dealer according to the U.S. Securities Exchange Act of 1934 and is registered as a member of the U.S. Financial Industry Regulatory Authority (FINRA). Vontobel Securities AG is a subsidiary of Vontobel Holding AG.





#### **Bank Vontobel Europe AG**

Bank Vontobel Europe AG is fully licensed to act as a bank by the German Federal Financial Supervisory Authority (BaFin) and has branch offices in Munich, Hamburg, and Frankfurt. The bank is a member of the Association of German Banks and is affiliated with its Deposit Protection Scheme (EdB). Information on the scope of coverage provided by this deposit guarantee is provided on the website of the Association of German Banks ([edb-banken.de](http://edb-banken.de)).

#### **Vontobel Wealth Management SIM S.p.A.**

Vontobel Wealth Management SIM S.p.A. is a subsidiary of Vontobel Holding AG. It has share capital of EUR 5 million and is headquartered in Milan. The company was authorized by CONSOB (Commissione Nazionale per le Società e la Borsa) for business activities as a “società di intermediazione mobiliare (SIM).” Possible deposit protection is determined by offering different models and custody types from Vontobel Wealth Management SIM S.p.A.

#### **Vontobel Pte. Ltd.**

Vontobel Pte. Ltd. is a subsidiary of Vontobel Holding AG and is headquartered in Singapore. The company has a capital markets services license (securities dealer) according to the Securities and Futures Act (Cap. 289) as well as a Para-9 license (for cross-border financial services subject to licensing performed by Bank Vontobel AG) and is subject to supervision by the Monetary Authority of Singapore (MAS).

## Investment services

### Information about the investment services and ancillary services

Vontobel offers a full range of wealth management and banking services. Its services include investment management, advisory services, and purchasing, selling, and safekeeping securities and other financial instruments. Vontobel also provides all types of ancillary investment services, payment services, and credit and securities financing. The scope of services offered may vary in the different Vontobel entities.

### Investment management (Vontobel Managed Solutions)

With an investment management mandate, you delegate the power of making investment decisions to Vontobel. Your goals and financial risk tolerance are always our top priority. Unless you decide otherwise, we will take sustainability risks into consideration in our investment process, in line with our Sustainable Investing and Advisory Policy ([vontobel.com/entity-sfdr](http://vontobel.com/entity-sfdr)). If you are investing in an offering focusing on very broad diversification, the likely impacts of sustainability risks on the returns of the product are not deemed to be relevant. Vontobel bases the composition of your portfolio on your individual preferences and requirements.

For this service, you agree on appropriate contracts with us. This authorizes Vontobel to manage assets in the specified account and states the chosen investment strategy and other key features relating to how the mandate is to be carried out.

### Advisory Service (Vontobel Advisory Services)

If you have an advisory service mandate, you maintain control and make the final investment decisions. Vontobel merely executes transactions based on your explicit instructions. Vontobel provides clients with comprehensive advice and support in managing their assets. We consistently take account of your needs, wishes, and expectations and use them as the starting point when providing advisory service. Our advisory services may be associated with financial risks for our clients. We also consider

sustainability risks and take them into account when providing advisory service in line with our Sustainable Investing and Advisory Policy ([vontobel.com/entity-sfdr](http://vontobel.com/entity-sfdr)). We offer a range of advisory solutions that allows you to choose the level of support you require. To receive this service, you agree on appropriate contracts with us. This contractual basis establishes the framework, such as the scope of the assets, the desired service level, and investment guidelines, by which Vontobel will provide individual recommendations.

### Non-advised transactions

“Non-advised” transactions are buy or sell transactions that are not executed in the context of advisory service services, but rather are performed by us based only on your request. In such a case, Vontobel will assess before an order is issued whether, on the basis of your knowledge and experience, you are able to understand the risks associated with the service or financial instrument concerned.

However, Vontobel makes no assessment of your financial ability to bear the investment risks associated with the service or financial instrument. In addition, the investment objective is not taken into account.

If a financial instrument for which you wish to place a non-advised order is deemed to be inappropriate, or if the necessary information to assess your knowledge and experience is missing, Vontobel will inform you accordingly. It is at your discretion to refrain from making the trade or to proceed in spite of this information. If for any reason we are unable to contact you in good time for the purpose of issuing such information, (e.g. because you have requested us not to contact you, or because we cannot reach you), we reserve the right to refrain from executing the order.

For more information, please see the “Suitability and Appropriateness” section of this document.

**Clients of independent asset managers**

Our services and offers are also geared toward independent asset managers, and we perform various banking services for clients of independent asset managers. Client service, especially investment management or advisory service, is provided solely by the independent asset manager who must also comply with the duties associated with these services.

**Custody services**

Vontobel provides safekeeping services for a large variety of financial instruments worldwide, based on the global Vontobel custody framework.

**Securities credit facilities**

Vontobel may grant loans to you to finance transactions involving securities and other investments if certain conditions are met and the necessary collateral is provided. The granting of loans requires the conclusion of separate credit and pledge agreements.

**Information regarding financial instruments**

Vontobel offers access to a full range of financial instruments. Vontobel's investment universe that is considered for advisory service mandate recommendations is based on the Vontobel open product platform, which is comprised of both products offered by Vontobel and products from a large range of third-party providers. Our advisory service is not regarded in this case as having been performed on an independent basis<sup>3</sup>.

**Risks in securities trading**

Trading in financial instruments involves financial risks. These risks can differ greatly depending on the financial instrument involved. The various types of financial instruments and their associated risks are described in detail in the brochure entitled "Risks Involved in Trading Financial Instruments" available at [swissbanking.org](http://swissbanking.org). If you are unsure about the risks of specific financial instruments or have further questions, your Relationship Manager or your contact person will be happy to assist you.

**Complex or non-complex financial instruments**

All financial instruments are classified as either "complex" or as "non-complex" products, where complex products are subject to more extensive investor protection measures. Please note that Vontobel treats non-complex products with the same protection measures as complex products.

**Client statements and other reporting services**

**Statement of assets**—on a periodic basis Vontobel will send you an itemized statement of the financial instruments held in your account/custody account unless you have made a special agreement to the contrary with Vontobel. Quarterly statements are normal for asset management mandates.

**Transaction confirmations**—upon execution of a securities transaction on your behalf, Vontobel will send you a confirmation of execution (transaction confirmation). We do not inform you about the execution status before your order is executed unless you have expressly instructed us to do so or if difficulties occur when executing the order.

Other reporting services may be provided depending on the financial instruments or services you have selected as well as your status and the applicable reporting regulations.

<sup>3</sup> As defined by Article 24 of Directive 2014/65/EU on Markets in Financial Instruments

## Information on Investor Protection Classification





### Offered classifications

Vontobel assigns a classification to each natural person or legal entity that is entitled to submit orders (the “client”). All clients are classified either as “private clients” or “professional clients”.<sup>4</sup> Each classification is assigned a different level of investor protection (e.g. relating to the extent of suitability and appropriateness testing, mandatory pre-trade client information, available financial instruments, etc.).

- **Private clients:** By default, you will be classified as a private client. This classification gives you the highest investor protection under supervisory law. As a “private client,” you receive detailed information about product risks (product information and risk notifications, for example by basic information sheets), suitability (suitability report), costs, fees, and other parameters before we can perform a service or execute a transaction.<sup>5</sup> Our offer does not contain any services<sup>6</sup> and products that are excluded by the provider or by us for distribution to private clients.
- **Professional clients:** “Professional clients” are treated as experienced investors. They cumulatively meet the following criteria<sup>7</sup>:
  - Net assets of at least CHF 500,000 or EUR 500,000—the greater of the two values applies
  - You have the required knowledge to understand the risks of the investments based on personal education and professional experience or comparable experience in the financial sector—10 transactions per quarter of significant size.
 Or alternatively you are:
  - a regulated financial intermediary or a
  - large operating company

This is why an expanded investment universe is available to you. It includes financial products that are only intended for “professional clients” or that are not approved for distribution to “private clients”. Vontobel may assume that “professional clients” have the required knowledge and experience and that the risks associated with the financial service are financially acceptable to them. For this reason, a lower level of investor protection applies to “professional clients”.

<sup>4</sup> Vontobel classifies clients served by independent asset managers as “private clients” on an execution-only basis since normally independent asset managers act as clients in regard to Vontobel.

<sup>5</sup> We will provide this information as it becomes relevant for you due to regulatory requirements.

<sup>6</sup> For example, securities lending transactions are excluded.

<sup>7</sup> Corresponds to the regulatory requirements of MiFID II. In deviation from this, it is possible for wealthy private clients to separately opt out of this according to Art. 5 Par. 2 FinSA.

Please note that the classification above applies for investor protection purposes and not for classification due to other regulations such as the Federal Act on Collective Investment Schemes (CISA), the Foreign Account Tax Compliance Act (FATCA), or other tax laws and regulations.

**Client classification changes**

If you meet the necessary legal requirements, you can request that we adjust your client classification that we made.

- You can be reclassified from a “private client” to a “professional client” and receive a reduced level of investor protection along with a leaner investment process and a broader investment universe if you meet the criteria required for “professional clients” (“opting out”).
- It is also possible for “professional clients” to request to be treated as “private clients” and receive greater investor protection, along with a more restricted investment universe (“opting in”).

In either case, you must confirm that you meet all aspects of the necessary requirements. Vontobel will be glad to help you with this. Your Relationship Manager will advise you on the precise procedure and the effects of reclassification.

Please note that any reclassification made by Vontobel will apply generally to all investment services, ancillary services, and financial instruments that we provide. Depending on the regulation, we can also opt you out of individual classes of financial products. If we ascertain that you no longer meet the criteria for the investor protection category in which you have been classified, we are required to make an adjustment of our own accord. In such a case, we will inform you.

**Periodic information**

On a regular basis, you will be informed of your current classification. If you wish to change your categorization, we ask that you contact your Relationship Manager.



## Organizational topics

### Execution of orders (“Best execution”)

“Best execution” is the obligation to take all reasonable steps to obtain the best possible result when either executing transactions on your behalf or using other affiliates or brokers to execute transactions on your behalf. We have summarized the principles governing our execution of clients’ orders in our “Best Execution and Order Handling Policy” that is available at [vontobel.com/finsa](http://vontobel.com/finsa), or it can be provided to you upon request.

### Conflict of interest

We have taken an array of measures to pre-empt potential conflicts between your interests and the interests of Vontobel, our employees, or other clients. We have summarized these measures for you in our “General Conflict of Interest Policy of Vontobel” that is available to you at [vontobel.com/finsa](http://vontobel.com/finsa). If the measures that were taken are not suitable to avoid conflicts of interest, or if disadvantages to you can only be prevented by a disproportionately high amount of effort, we will disclose this to you in an appropriate way.

### Costs and associated charges in connection with investment services and ancillary services

The costs in connection with the investment services and ancillary services provided by Vontobel are detailed in our schedule of fees. Your Relationship Manager will provide you with a copy upon request.

### Inducements

#### Inducements received by Vontobel

Inducements are monetary or non-monetary benefits a Vontobel entity may receive from product providers in connection with the distribution of financial instruments and other services. Inducements are agreed upon separately with the product providers irrespective of the relevant business relationships with you. Charges paid directly by you to Vontobel, such as advisory fees, custody fees, or transaction fees (including transaction fees that are included in the issue price of an instrument) are not inducements.

Unless explicitly agreed upon otherwise with you, Vontobel employs primarily inducement-free investment funds for investment management and advisory service services. For structured products in connection with advisory service, we may receive inducements as reimbursement for structuring the product and/or selecting the most favorable product and issuer for you. We may also receive inducements in connection with products held, delivered-in, or purchased at your initiative.

The amount of these inducements may vary depending on the product and the product provider. For more information, please refer to the “Inducement” information sheet.

#### Inducements paid by Vontobel

If Vontobel has obtained the business or service relationship with you by a third party acting as an intermediary, Vontobel may pay the intermediary a fixed-amount finder’s fee or pay part of its revenues from that business or service relationship to the intermediary.

If you are advised by an independent financial advisor or external asset manager while using Vontobel for custody and the execution of trades on the market, Vontobel may pay part of its revenues from that business or service relationship to the third party.

Nevertheless, this sort of third party must comply with its own obligations regarding inducements, especially regarding limitations of accepting, reporting duties, and handling conflicts of interest according to their own business relationship with you. Vontobel assumes no liability for obligations of a third party.

### **Conflicts of interest and transparency related to inducements**

In order to avoid potential conflicts of interest, Vontobel's structure and processes have long been designed to ensure that investment decisions and advisory service do not take into account potential fee income linked to investments in products and retention of them.

We transparently inform you about any inducement received or paid. You also have the possibility to get more information regarding these inducements upon request.

### **Disclosure of your information related to holding or trading securities**

Vontobel may be obligated to provide its regulators with reports on all transactions it has executed with regard to securities admitted to trading. Reports must include identification details of the buyer / seller of those securities and the person placing the order to trade. Where such a person is a legal entity, they will have to be reported with their legal entity identifier (LEI). Also, in some countries, it is mandatory for securities to be held in segregated sub-accounts in a client's own name, or for sub-custodians or local trading venues to provide local authorities with details of the persons for whom they hold assets or execute trades. This may be upon specific request or based on a standing reporting duty. You should be aware that holding and trading such securities may obligate Vontobel to provide the local sub-custodians, trading venues, authorities, or other third parties with information about you as the holder or beneficial owner of those securities.

### **Language and means of communication**

You may choose to communicate with Vontobel in one of the following languages: German, French, Italian, Spanish, or English. Subject to availability, contracts, and communication as well as any client documents will be provided in the selected language. In general, we communicate with you in writing or via our digital channels provided to you such as e-banking and our apps. Orders and notifications by telephone, fax, e-mail, or other channels will be accepted if you agree to communicate using these channels. If you use one of these channels to correspond with us, we reserve the right to contact you in the same way.

### **Recording conversations and electronic communication**

Vontobel is obligated to record all electronic communications that are related to a transaction, including communication with you. Transaction-related conversations cannot always be identified as such before they happen and may be part of a broader conversation. As a consequence, all telephone conversations need to be recorded. This means Vontobel will not be able to accept transaction-related conversations with you via channels that it is unable to record. Vontobel also creates internal minutes of key content of face-to-face meetings, in order to ensure the traceability of the recommendations made to you. Records will be stored on a durable medium in a manner that guarantees adequate confidentiality and protection from alteration. By entering into a business relationship with Vontobel or contacting Vontobel via an electronic channel, you consent to the recording and storage methods described above. You are entitled to request a copy of your records. We reserve the right to invoice the costs for doing so.

### **Handling complaints**

Your suggestions, comments, or feedback are best addressed directly to your dedicated Relationship Manager or contact person. If you would like to submit a formal complaint regarding an aspect of your relationship with Vontobel, you can do so by addressing your written complaint to Vontobel's Legal and Compliance Department of the respective entity (please find the addresses in the back). To do so, you can also use our complaint form. You can find information on our process to handle complaints at [vontobel.com/complaints](http://vontobel.com/complaints). If you do not find an amicable solution with Vontobel, you can contact the Swiss banking ombudsman with your concern. The banking ombudsman is the responsible ombudsman's office for complaints against Vontobel in Switzerland and is a neutral source of information and mediator.

Swiss banking ombudsman  
Bahnhofplatz 9  
PO box  
8021 Zurich  
Switzerland

[bankingombudsman.ch](http://bankingombudsman.ch)

# Additional information for clients with investment management and advisory service solutions

The following information is only applicable in connection with investment management and advisory service solutions provided by Vontobel. In case third parties such as independent asset managers provide such services to you, the responsibility to ensure suitability and appropriateness lies with the respective third parties.



## Suitability and appropriateness

### Suitability

When providing investment services such as investment management and advisory service, Vontobel will consider whether the services and financial instruments recommended are suitable for you, based on the information provided by you or the person that is authorized by you to give instructions on your behalf. To this end, Vontobel requests specific information about your circumstances. Where Vontobel does not obtain the necessary information, we may abstain from providing advised services.

For this reason, it is obligatory that all clients who would like to receive advised services provide Vontobel with the completed “Investment Knowledge and Experience” form as well as their risk profile. These two forms are designed to evaluate the necessary information regarding client’s:

- knowledge and experience with regard to investment services and financial instruments;
- investment goals, including their investment purpose, planned time horizon, and risk appetite;
- financial situation, including an overview of the client’s total assets, regular income, and regular financial commitments.

Only on the strength of this information are we able to recommend suitable transactions in financial instruments or to execute such transactions on your behalf under the respective agreements. In our view, suitable services and financial instruments are those that:

- are in line with your investment targets;
- involve a level of investment risk that you are able to bear financially;
- involve only risks that you are able to understand on the basis of your knowledge and experience.

Vontobel will rely on the information provided by you or the person who is authorized by you to act on your behalf, and you or the person who acts on your behalf are obligated to immediately inform Vontobel of any change in circumstances, which may require amendments or updates.

If you have been classified as a “professional client”, we assume that you yourself have the requisite knowledge and experience to assess and understand the suitability and risks of a financial service provided to you.

### Appropriateness

Vontobel will assess whether you or the person who acts on your behalf are able to understand the risks associated with a financial instrument before placing the order. To that end, Vontobel is required to obtain the necessary information about your knowledge and experience (or that of the person who acts on your behalf).

### Applicable knowledge and experience

With regard to checking knowledge and experience, the assessment will be based on the information given by the client. This may be you—the client—or a person authorized to act on your behalf. If the relevant person is a non-operating legal entity, we have to know the knowledge and experience relevant for all authorized signatories. For operating legal entities, we apply a single assessment to all authorized persons of the company. However, upon request, the assessment can be applied individually to each authorized person.

### Applicable investment objectives and financial situation

With regard to the testing of investment objectives and the financial ability to bear losses for suitability purposes, the assessment is always based on the circumstances of the account holder(s), even when the recommendation is addressed to an authorized representative.

### Investment research

If Vontobel selects products for its investment management and advisory service services, we do so based on internal and selected external research providers. To ensure the independence of our investment views and to avoid potential conflicts of interest, we duly pay for research services.

**Legal notice**

This brochure is intended exclusively to inform clients of Vontobel and is to give an overview of how Vontobel complies with the applicable regulatory requirements for investor protection. It does not constitute an offer or solicitation by or on behalf of Vontobel to purchase or sell securities or similar financial instruments, to participate in a specific trading strategy in any jurisdiction, or to use services. Vontobel assumes no liability for the appropriateness, completeness, or correctness of the contents of this publication and especially assumes no liability related to changes after publication of these contents. Vontobel's General Terms and Conditions or special agreements between the client and Vontobel take precedence over this brochure.

Bank Vontobel AG  
Gotthardstrasse 43  
8022 Zurich  
Switzerland

Vontobel Swiss Financial Advisers AG  
Gotthardstrasse 43  
8022 Zurich  
Switzerland

Vontobel Securities AG  
Gotthardstrasse 43  
8022 Zurich  
Switzerland

Bank Vontobel Europe AG  
Alter Hof 5  
80331 Munich  
Germany

Vontobel Wealth Management SIM S.p.A.  
Corso G. Matteotti 1  
20121 Milan  
Italy

Vontobel Pte. Ltd.  
8 Marina Boulevard, Marina Bay Financial Centre  
(Tower 1), Level 04-03  
018981 Singapore  
Singapore  
[vontobel.com](http://vontobel.com)