



**LOMBARD ODIER**  
INVESTMENT MANAGERS

Federal Act on Financial Services  
(Financial Services Act, the “FinSA”)  
dated 15 June 2018

Mandatory disclosures and notices by  
Lombard Odier Asset Management (Switzerland) SA (“LOAM”)

May 2021

## 1. Purpose of the FinSA, application by LOAM

FinSA was adopted in 2018 with a view of enhancing consumer protection for financial services, establishing a level-playing field for all financial service providers in Switzerland, and meeting international standards.

Please note that LOAM makes use of the transitional periods for applying the rules of conduct and organizational rules. At the moment, LOAM plans to switch to the new rules on 1 January 2022. However, LOAM already meets most information and documentation requirements of FinSA and has placed general information on the LOAM website:

<https://am.lombardodier.com/home/asset-management-regulatory-disc.html>

## 2. Client categorisation and consequences

FinSA requires that LOAM categorises clients into one of the three categories: retail, professional and institutional clients, each one having a different level of client protection, and with the retail client having the most comprehensive level of client protection.

If not already disclosed in a written agreement signed with the client (investment management agreement, remuneration agreement, consultancy agreement, or other, the "Agreement"), the LOAM client relationship manager will inform the client of its categorisation and the opting-in and opting-out possibilities.

Providing financial services to a professional client (as opposed to a retail client) has the following consequences:

- LOAM assumes that the client has the required level of knowledge and experience to understand the risks and characteristics associated with financial instruments and transactions, and that the client can financially bear the risks associated with the financial services LOAM provides the client;
- LOAM is required to provide the client with the key information document ("KID") or prospectus (as available) only upon request;
- unless otherwise provided in the Agreement, the client may agree to release LOAM from applying the provisions set out in Articles 8 and 9 (Duty to Provide Information), and Articles 15 and 16 (Documentation and Rendering of Account) FinSA;
- professional clients are classified as qualified investors according to the Swiss Collective Investment Schemes Act, meaning that they are entitled to acquire financial instruments reserved for qualified investors.

Providing financial services to an institutional client has the consequence that the provisions of the Chapter 2: Code of Conduct, Article 7-17 FinSA do not apply, e.g. LOAM is not required to conduct any appropriateness or suitability checks.

## 3. Change of categorisation

In order to achieve a higher degree of protection (opting-in regime):

- a professional client is entitled to request to be treated as a retail client, and
- an institutional client is entitled to request to be treated as a professional client.

However, if a professional client decides to opt in, LOAM may no longer be able to provide services to the client, as LOAM is not authorised to provide financial services to retail clients in Switzerland.

In order to achieve a lower degree of protection (opting-out regime):

- occupational pension schemes or other institutions whose purpose is to serve occupational pensions with professional treasury operations is entitled to request to be treated as an institutional client;
- a company with professional treasury operations is entitled to request to be treated as an institutional client;
- a Swiss or foreign collective investment scheme or a management company of Swiss or foreign collective investment scheme is entitled to request to be treated as an institutional client (if not already institutional client pursuant to Article 4 para. 3 (a) or (c) in conjunction with Article 4 para. 4 FinSA);
- a high-net-worth retail client (or private investment structures created for him) is entitled to request to be treated as a professional client. A person or entity will be deemed to be high-net-worth if
  - on the basis of training, education and professional experience or on the basis of comparable experience in the financial sector, she or he possesses the necessary knowledge to understand the risks associated with the investments and has at its disposal assets of at least CHF 500,000; or
  - she or he has at its disposal assets of at least CHF 2 million.

In order allow a business relationship with LOAM, LOAM will discuss with retail clients options available to opt out and be categorised as professional client.

#### **4. Information on LOAM**

- 4.1. Name and address: Lombard Odier Asset Management (Switzerland) SA, 6, avenue des Morgines, CH-1213 Petit-Lancy
- 4.2. Regulatory status: Licensed and supervised by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, CH-3003 Berne as fund management company within the meaning of Article 32 Federal Act on Financial Institutions, "FinIA".
- 4.3. Business activities: LOAM is part of Lombard Odier Investment Managers ("LOIM") which is the asset management division of the Lombard Odier Group. As such, it provides the following services:
  - Management of Swiss and foreign collective investment schemes;
  - Management of dedicated / segregated portfolios on behalf of Swiss and foreign professional clients;
  - Investment advisory services;
  - Representation in Switzerland of foreign collective investment schemes;
  - Promotion and offering of LOIM investment strategies and solutions to Swiss professional clients.

#### **5. Information on financial services, associated risks and costs**

Details about the services to be provided by LOAM, their remuneration and the rights and obligations of the client and LOAM are described in the Agreement.

## 6. General risks associated with financial instruments and specific risks linked to the investment strategy

The risks associated with financial instruments are described in the Swiss Bankers Association brochure of November 2019 called "Risks involved in Trading Financial Instruments" that can be obtained from LOAM.

LOAM may assume that the client (if classified as a professional client) has the required level of knowledge and experience and can financially bear the risks associated with the financial service.

## 7. Monetary and non-monetary benefits

- 7.1. LOAM is entitled to charge to the client the remuneration agreed between the parties and set out in the Agreement for the services provided by LOAM.
- 7.2. The remuneration covers the services performed by LOAM under the Agreement, and in particular the following: portfolio management, due diligence and research on collective investment schemes, trade execution, middle-office, risk management, compliance, reporting, client servicing and relationship management. The client acknowledges and agrees that those services may be performed by LOAM or delegated totally or partially to affiliated entities or third party service providers. In case of delegation, the client acknowledges and agrees that LOAM may transfer a portion of its remuneration to its delegates to compensate them for their respective services. Conversely, LOAM may also receive from affiliated entities or third parties a portion of their remuneration to compensate for the services rendered by LOAM. As an example, LOAM shall be entitled to receive a portion of the fees effectively charged by the Luxembourg-based management company of the Lombard Odier Group when investing on behalf of the client in collective investment vehicles managed by LOAM or an affiliated entity. The remuneration of the services provided by various affiliated entities of the Lombard Odier Group, including LOAM, is typically covered in intra-group service agreements depending on the nature of services being provided. For intra-group discretionary portfolio management services, LOAM may usually receive up to 50% of the management fee charged by the relevant affiliated entities. For the intra-group services provided under the Agreement, including without limitation services related to client acquisition and client relationship management, LOAM may usually receive up to 35% of the management fee. The client confirms that LOAM is duly authorised (i) to share a portion of its remuneration with affiliated entities or third party service providers to compensate them for their respective services and (ii) to receive a portion of the remuneration paid to affiliated entities to compensate LOAM for the services rendered. The client further confirms that LOAM is fully entitled to keep such remuneration as a compensation for its services.
- 7.3. As a principle, LOAM will refrain from investing in collective investment vehicles managed by third parties or in other financial products issued by third parties that grant rebates or provide retrocessions, distribution fees or other financial advantage in its favour. Should LOAM receive from a third party a remuneration, rebate or any other financial advantage not provided for under the Agreement in connection with the services it provides to the client under the Agreement, LOAM will inform the client on an annual basis and credit the client with said remuneration, rebate or any financial advantage, unless otherwise agreed between the parties.
- 7.4. LOAM may decide to acquire new teams / products (and indirectly the clients invested in those products) or sell existing teams products (subject to the approval of the clients invested in those products, if applicable) to another financial institution (a "M&A Transaction"). In such a M&A Transaction, the parties may decide to pay the purchase price at the closing date of the transaction or over an agreed time period through an earn-out mechanism. The client acknowledges and agrees that the payment of the purchase price at the time of closing or through an earn-out mechanism in a M&A Transaction shall not be considered as rebates or retrocessions and LOAM shall be fully entitled to keep such payment.
- 7.5. The Agreement may provide for investment research ultimately borne by the client or charged to the client. Should it be the case, LOAM may receive non-monetary benefits such as investment research from brokers and counterparties in connection with the management of the Assets.

## 8. Conflicts of interests, business affiliations and offers taken into account

- 8.1. LOAM is part of the Lombard Odier Group which may provide through affiliated entities (e.g. Bank Lombard Odier & Co Ltd in Geneva) custody, trading and advisory services to clients. The client acknowledges and agrees that LOAM may use the services of affiliated entities to manage the Assets of its clients.
- 8.2. LOAM and affiliated entities may perform financial services or other services for various clients, whose interests may be similar, opposed to or in conflict with the client's own interests. In addition, LOAM and its affiliates may have an interest in certain transactions.
- 8.3. In accordance with its regulatory duties, LOAM shall take appropriate organizational measures to identify potential conflicts of interests and mitigate them to ensure that the client's interests are taken into account in a fair and equitable manner whenever such conflicts do arise. Group policy on conflicts of interests is available on [www.loim.com](http://www.loim.com).
- 8.4. As part of the services offered to its clients, LOAM aims at promoting its core capabilities as a leading investment manager. To achieve this, it will not search for, analyse and recommend all products and strategies which are available on the market, but will mainly promote the investment solutions and strategies that it or its affiliates have developed either via segregated mandates or collective investment schemes.

## 9. Complaints

Any complaint or objection by the client with respect to the performance of the Agreement shall be made in writing upon receipt of the relevant document permitting to the client to become acquainted with the alleged breach of contract, or when it has been delivered in his electronic mailbox. If the client makes no complaint or objection in writing to LOAM within the period of thirty days upon receipt of the document concerned, the transactions carried out by Asset Manager, as well as other communications issued by LOAM, shall be considered to have been approved by the client.

## 10. Mediation

The client has the possibility to initiate mediation proceedings before the following Ombudsman, to which LOAM is affiliated:

Swiss Chambers' Arbitration Institution  
4, boulevard du Théâtre – P.O. Box 5039 – 1211 Geneva 11 – Switzerland – Tel: +41 (0)22 819 91 57  
Löwenstrasse 11 – P.O. Box – 8021 Zürich – Switzerland – Tel: +41 (0)44 217 40 61  
E-mail: [Ombuds-fin@scai.swiss](mailto:Ombuds-fin@scai.swiss)  
[www.swissarbitration.org](http://www.swissarbitration.org)

Any dispute, controversy or claim arising out of or in relation to the Agreement, including the validity, invalidity, breach or termination thereof, can be submitted to mediation in accordance with the Rules of Mediation for Financial Services Disputes of the Swiss Chambers' Arbitration Institution.