Active Advisory Mandate - Product Information Sheet

Information about the Bank

Cornèr Bank Ltd – Via Canova 16, 6900 Lugano, Switzerland – Tel. +41 91 800 51 11 – Fax +41 91 800 53 49 – Internet https://www.corner.ch – SWIFT Code CBLUCH22NRA – As a financial institution with a banking licence, Cornèr Bank Ltd ("Bank") is under the supervision of the Financial Market Supervisory Authority FINMA (Laupenstrasse 27, 3003 Berne, Switzerland – Tel. +41 31 3279100)

Characteristics

The Active Advisory Mandate consists in the Bank providing personalized investment recommendations related to the portfolio assets held in the Client's securities custody account, in keeping with the Client's chosen investment strategy and any special instructions given by the Client. Clients may decide, at their own discretion, whether or not to take account of the Bank's advice. The investment advisory services will be provided face-to-face or remotely, according to the standards recognized by the Bank. The Bank provides such advice on its own initiative or at the Client's request. In particular, the Bank may also contact the Client on its own initiative to make an investment proposal if the portfolio deviates significantly from the investment strategy, as identified during scheduled periodic reviews, or the account contains unused liquid assets. The advisory service is provided directly by a specialist on the Active Advisory Team. All that is described in greater detail in the relevant Active Advisory Mandate.

The Bank will provide an initial advisory meeting for the choice of an investment strategy in line with the Client's risk appetite and risk-bearing capacity. To that purpose, the Bank will draw up a risk profile based on the Client's financial situation, investment objectives, knowledge and experience. In the Risk Profile, the Client has the option of expressing an interest in investment-related sustainability factors (so-called "ESG factors"). Before making any individual recommendations or proposing any investment orders to the Client, including orders on the Client's initiative without the Bank's recommendation, the Bank will make sure they are suited to the Client's level of knowledge and experience, the risk level of the chosen strategy and the ESG preferences expressed in the risk profile. In the case of orders on the Client's initiative, the Bank is required to initially advise the Client against placing unsuitable investment orders and refrain from executing such orders unless the Client gives express confirmation to the Bank of the intention to proceed with the execution. For information about assessing the sustainability risk factors of investments, please see the "ESC Characteristics" section below.

The proposed investment strategies will provide for the use of common bank investment instruments, particularly term deposits or fiduciary deposits, precious metals, securities (e.g. equities and bonds), structured products and collective investments (e.g. mutual investment funds and real estate funds). The products offered on the market considered for the selection of financial instruments includes instruments of the Bank itself as well as of third-parties.

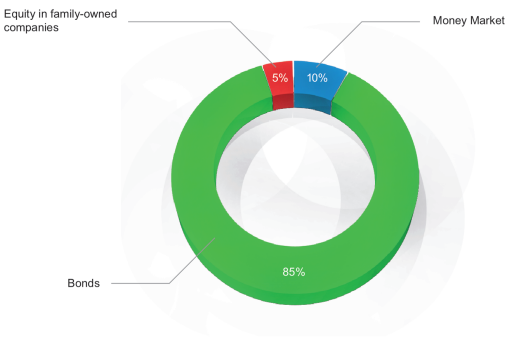
The Active Advisory Mandate offers four investment strategies available in three reference currencies (CHF, EUR, USD). The strategies are defined based on a maximum level of portfolio risk and by an indicative asset allocation to the different categories of financial instruments. For the procedures of portfolio risk assessment, please see the "Risks" section below.

At least once every three months, the Bank checks whether the portfolio is in line with the maximum risk level chosen for the investment strategy and with the Client's ESG preferences, and will inform the Client in case of discrepancies.

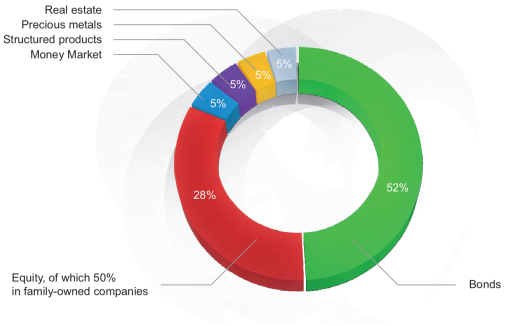
Strategy	**Consistency**	**Solidity**	**Opportunity**	**Energy**
Investment objectives	Medium-term conservation of capital and realization of proceeds in the form of interest income.	Long-term capital growth through interest income, moderate capital gains and dividends	Long-term capital growth though capital gains, dividends and moderate interest income	Long-term capital growth through capital gains and dividends
Risks	Relatively limited asset value fluctuation and **low** risk **Maximum risk level: 2.5**	Moderate asset value fluctuation and **medium** risk **Maximum risk level: 3.5**	More pronounced asset value fluctuation and **medium-high** risk **Maximum risk level: 4.0**	Strong asset value fluctuation and **high** risk **Maximum risk level: 4.5**

Strategy	Consistency	Solidity	Opportunity	Energy
Indicative asset allocation				
Money market	10%	5%	5%	5%
Bonds	85%	52%	30%	-
Equities	5%	28%	50%	95%
Structured Products	-	5%	5%	-
Precious metals	-	5%	5%	-
Real estate	-	5%	5%	-

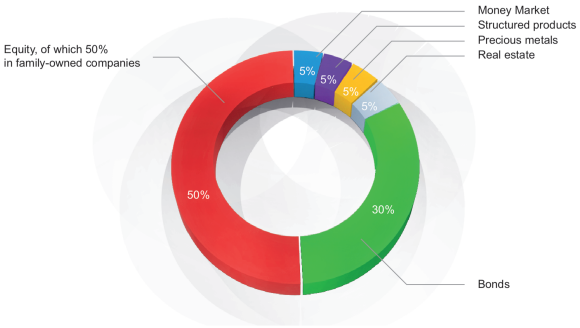
Consistency



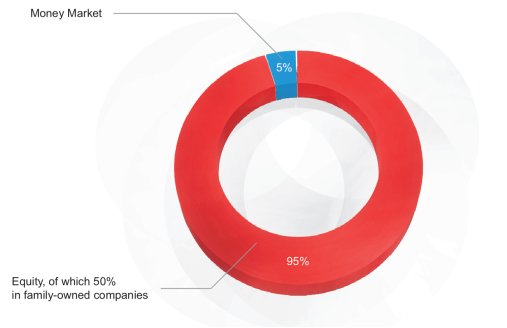
Solidity



Opportunity



Energy



In keeping with the investment strategies that the Bank also adopts for portfolio management, the equities segment of the indicative asset allocations may include equity investments in family-owned companies (listed companies in which the founder's family members have significant shareholdings and are involved in the management).

For asset allocation purposes, structured products that replicate the performance of the underlying on a linear basis and allow participation in its performance — such as, by way of example, tracker certificates, both passive and active (AMC – Actively Managed Certificates) — are classified according to the nature of the reference underlying (for example, equity, where the underlying consists of equity instruments).

This approach is adopted in order to properly reflect the exposure by asset class (the issuers of such products are generally different from the issuers of the underlying assets and, therefore, the issuer risk is also different).

For this purpose, please also refer to the table below.

Asset Class	Description
Liquidity	Liquidity includes assets held in current accounts as well as fixed-term deposits, fiduciary investments and money market instruments. Money market products generally consist of loans in the form of securities or book-entry rights issued for short-term financing purposes, typically with a maturity of up to one year.
Fixed Income	This category includes bond investments. Traditional bonds represent debt capital with a fixed maturity and generally pay a fixed interest rate. This category also includes convertible bonds, bonds with warrants, hybrid bonds, bond funds and bond tracker certificates, both passive and active (AMC). Derivatives with bond underlyings are also included. Their valuation is reported separately in the portfolio statement and does not contribute to the total value of the relevant category.
Equities	This category includes shares, participation and profit-sharing certificates, equity funds and equity tracker certificates, both passive and active (AMC). Derivatives with equity underlyings are also included. Their valuation is reported separately in the portfolio statement and does not contribute to the total value of the relevant category.
Mixed Funds and Certificates	This category includes funds and tracker certificates, both passive and active (AMC), that invest across multiple asset classes such as equities, bonds or real estate. They are used to implement investment strategies and are often referred to as strategic funds.
Structured Products	This category includes products offered publicly or privately whose value depends on the performance of one or more underlying assets (equities, interest rates, indices, currencies or commodities). According to the SSPA model, these include capital protection products, yield enhancement products, participation products, leveraged products and products with additional credit risk.
Precious Metals and Metal Accounts	This category includes investments in gold, silver, platinum and palladium, made through physical purchases, metal accounts, funds or tracker certificates, both passive and active (AMC).
Real Estate Funds	This category includes funds that primarily invest in income-generating real estate, such as residential multi-family properties or commercial buildings.
Other Investments	This category includes alternative funds (hedge funds and offshore funds), private equity, commodity-related funds, investments in physical assets and foreign exchange investments.

The composition of the indicative asset allocations is subject to modification. The Bank therefore reserves the right to modify them at any time without prior notice.

Clients may use the Bank's digital services at any time to look up the asset situation of their own portfolio, including the details of their individual investments.

Risks

Investing in financial instruments may entail various risks. To get an overview of the main risks, the Bank invites you to read the "Risks Involved in Trading Financial Instruments" brochure published by the Swiss Bankers Association (SBA), which the Client receives together with the mandate and/or is available on the website corner.ch/e/finsa.

The investments recommended in the context of the Active Advisory services may entail risks of loss that may, for example, be related to fluctuations in the value of the financial instruments, irrespective of the chosen investment strategy. The inherent risk of an investment strategy largely depends on the risks of the instruments involved in that strategy.

Some of the risks related to certain types of financial instruments are illustrated below.

Investing in equities and/or equity investment funds enables higher returns but also entails higher potential risk, for example in case of highly volatile market prices.

Investments involving higher credit risk or complex instruments, such as derivatives and structured products, as well as investments in emerging markets, which are generally more volatile than investments in well-established markets and more exposed to liquidity risks at the time of redemption, as well as counterparty risks, may offer higher profitability prospects but may also involve greater risk.

When an investment is made in a foreign currency (other than the reference currency of the Client's account), the risk of an unfavourable fluctuation in the exchange rate can have a significant impact on the product's net performance.

Concentration risks are potential vulnerabilities resulting from the structure of an investor's overall portfolio. Such risks arise, for example, whenever a significant share of the assets is allocated to a single financial instrument, to a limited number of financial instruments, or to financial instruments issued by a given issuer, thereby reducing portfolio diversification and increasing exposure to specific financial risk factors.

Within the scope of the Active Advisory mandate, Cornèr Bank wishes to remind the Client of the fact that, for this investment service, concentration risks not aligned with standard market practices are not excluded. According to such practices, concentration risks are significant in the following cases:

- more than 10% of the portfolio is invested in a single financial instrument;
- more than 20% of the portfolio is invested in financial instruments of a given issuer.

Exceeding those thresholds may expose the Client to higher volatility in portfolio performance and greater dependence on the performance of specific instruments or issuers, with the risk of incurring financial losses that are more pronounced than those of a well-diversified portfolio.

The Bank monitors the portfolio composition quarterly and takes appropriate measures to limit concentration risk, in keeping with the Client's investment objectives and risk profile. However, the Bank is not obligated to inform the Client whenever such thresholds are exceeded during the term of the investment service. The Client nevertheless has the option of asking the Bank about the portfolio composition at any time.

The above-mentioned thresholds do not take into account concentrations related to collective investment schemes subject to regulatory provisions on risk distribution (e.g. UCITS funds).

The Bank has developed an indicator enabling quantitative assessment of the risk of an investment portfolio. The assessment takes the following factors into account: the risk classification of the individual investment products, the percentage of the portfolio invested in foreign currencies and the use of financial leverage (involved in Lombard loans, other loans secured by the securities portfolio, investments in futures and accounts with a debit balance). The model does not take possible concentration risks into account. The Product Risk Classification (PRC) is based on an assessment of three different risk factors: market risk or volatility, credit or default risk, and investment liquidity risk. The scale of risk ranges from 1 (low risk) to 5 (high risk). The Bank acquires the PRC data from an independent supplier.

Minimum, maximum and average risk for the main categories of financial products (data from June 2022):

Category of products	Equities	Bonds	Mutual funds	Structured products
Maximum PRC	5.0	5.0	5.0	5.0
Minimum PRC	2.4	1.0	1.0	1.4
Average PRC	4.7	2.5	3.4	4.2

Financial risks related to sustainability (ESG risks)

"ESG" (Environmental, Social & Governance) refers to environmental factors (e.g., energy and water consumption), social factors (e.g., employer attractiveness, supply chain management) and governance factors (e.g., wage policy, operational management).

"ESG risks" are events or conditions related to environmental issues (e.g., damage and costs of climate-related extreme weather events and changes in consumer habits), social issues (e.g., due to the violation of employment standards and insufficient occupational health or safety protection measures) and governance issues (e.g., due to unequal treatment of shareholders, inadequate risk management, lack of control mechanisms) that can have a negative impact, at a contingent time or in the future, on the company's profitability, costs, reputation and profitability, and on the prices of its financial instruments. ESG risks may affect in various ways the individual classes of investment, geographical areas and economic sectors, as well as individual businesses. Events such as climate change and environmental damage, as well as the need to move towards a (more) sustainable economy, may cause changes in the real economy that lead to new risk factors for investors (for more information, please see the brochure "Risks Involved in Trading Financial Instruments" published by the SBA).

ESG characteristics

In the context of the Active Advisory Mandate, the Bank applies recognized ESG exclusionary criteria, similar to the ones applied by the main institutions operating in the occupational pension sector; the potential investment universe excludes securities of companies that violate standards of human rights, employment, environmental protection and the fight against corruption, or that are involved in the controversial weapons sector.

Moreover, in the case of Clients who have indicated an interest in the sustainability of investments (ESG factors) in the Risk Profile, ESG risks are taken into account by means of a synthetic indicator of the ESG risk of the portfolio (average ESG Risk of the portfolio), based on the ESG Risk classification (ESG Risk Rating) of the individual financial instruments; the Bank obtains such ratings from an independent specialized provider. If the independent provider fails to provide any ESG Risk Rating for one or more financial instruments, such instruments will not be taken into account in calculating the average ESG Risk of the portfolio. Moreover, the following categories are excluded from the assessment of the average ESG Risk of the portfolio: cash and cash equivalents, foreign exchange products, precious metals, derivatives and structured products (excluded categories). To be able to calculate the average ESG Risk of the portfolio, an ESG Risk Rating from the third-party provider must be available for at least 65% of the assets invested in the relevant investment categories (i.e. without considering the excluded categories).

The ESG Risk Rating scale for the individual financial instruments ranges from 0 (minimum ESG Risk) to 100 (maximum ESG Risk). A rating of 30 or more points indicates a high ESG Risk. Under an Active Advisory Mandate, a portfolio meets the ESG criteria set by Cornèr Bank if it has an average ESG Risk Rating less than 25.

Whenever it is impossible to calculate the average ESG Risk of the portfolio (e.g., whenever an ESG Risk Rating from the independent provider is not available for the minimum required percentage of the assets), the suitability of the investment orders will be checked on the basis of the *ESG Risk Rating* of the individual financial instruments, if available. In that case, the maximum risk rating is 30.

Financial terms

Minimum Investment

CHF 2 million or the equivalent

Fees

The Bank will debits fees for performing the Active Advisory Mandate from the Client's account. The Client has two different price models to choose from.

- Standard: advisory fees in addition to the account-keeping, custody and brokerage fees.
- All-inclusive: a single fee covering the advisory fees, account keeping and securities brokerage fees (including third-party fees) and custody fees.

The advisory or all-inclusive fees are calculated based on total asset value and are debited quarterly. The custody fees are calculated based on the total asset value and debited quarterly. The account keeping fees are fixed and debited annually. The brokerage and transaction fees are fixed or calculated based on the amount of the individual transactions and debited at the time of booking of said transactions. The fees are calculated based on the rates shown in the Bank's rate schedule.

Other costs

Collective investment schemes (investment funds) and structured products that may be recommended in the context of the Active Advisory service involve additional costs borne by the investor, i.e. management fees and/or subscription and/or exit fees. Under the advisory mandate, it is possible to acquire institutional classes of funds, which are normally associated with lower costs than the retail classes. Such costs are indicated in the key information documents for the financial instruments provided to the Client by the Bank, subject to availability.

Moreover, the financial investments may be taxable, either at the place of trading or at the place of the Client's domicile. The Bank makes every effort to avoid selecting investments that have tax disadvantages for the Client but is unable to take the Client's specific tax situation into consideration for purposes of optimization.

Term, Termination of the Agreement

The agreement shall be open-ended and may be terminated by the Client at any time without penalty. The Bank, too, may exercise a similar right.

Changes

The Bank reserves the right to modify the present document at any time without prior notice.