

Information on Investor Protection at NPB

NPB Neue Privat Bank AG is an owner-managed Swiss private bank. As entrepreneurs, we emphasize personal responsibility, performance and foresight. The protection of our clients' assets and transparency is a high priority for us within the framework of a sustainable joint business relationship. The information below should help you to understand important aspects of the investment business and investor protection. The following investor protection principles are based on the Swiss Federal Financial Services Act (FinSA, ger. FIDLEG; "FIDLEG") and takes into account best practice like the European Directive on Markets in Financial Instruments, ("MIFID II").

1. Information about NPB

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NPB Neue Privat Bank AG was founded in 2001 by four partners and a small circle of Swiss private investors as a pure wealth management bank. It is an autonomous and independent Swiss private bank with offices in Zurich only (www.npb-bank.ch). For its activities as a bank and securities dealer, NPB is a licensed bank and securities dealer supervised by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Bern..

NPB is also a member of the Swiss Bankers Association and is - for the protection of client funds - affiliated with the Swiss Banks' and Securities Dealers' Depositor Protection Association. Further information on the scope of the liabilities protected by the Deposit Guarantee System can be found on the website of the Swiss Banks and Securities Dealers Deposit Guarantee Association (www.esisuisse.ch).

NPB's outsourcing partner for IT systems and business processes is InCore Bank AG. InCore Bank AG has emerged in 2007 from the private bank Maerki Baumann & Co. as the first transaction bank in Switzerland. InCore Bank AG merged with SOBACO Solutions AG in 2017 to offer customers future-oriented IT and outsourcing solutions from a single source.

2. Services

2.1 Investment management mandate

Investment management mandate refers to the discretionary management of client assets by NPB by investing in various asset classes and financial instruments (bonds, equities, alternative investments, etc.) in accordance with the investment strategy agreed upon with the client. The investment strategy is determined by taking into consideration the client's investment objectives, financial circumstances, risk tolerance, knowledge and experience. The client delegates the decision on specific investments to NPB. For the conclusion of an investment management agreement NPB is obliged by law to obtain information about appropriateness and suitability, investment objective and financial situation of the client.

2.2 Investment advice mandate

In contrast to the investment management mandate, within an investment advice mandate NPB provides services and recommendations tailored to the client with regard to investments in various financial instruments. However, the investment decision remains with the client. Accordingly, NPB only carries out transactions on the explicit order of the client. NPB advises the client comprehensively on the management of his assets and takes into account his needs and knowledge of investment instruments. As in the case of investment management mandate, before opening an account, the law requires appropriate information about the client to be obtained, in particular knowledge and experience with financial investments.

2.3 Execution Only

NPB carries out purchase or sale transactions (with non-complex financial instruments) solely initiated by the client as Execution Only (transaction without consulting). In contrast to asset management and investment advice, NPB does carry out any appropriateness and suitability checks.

In case of a financial instrument classified as complex by NPB the client will be informed that NPB does not have the necessary information regarding the client's knowledge and experience and that it is at the client's sole and own discretion whether he wishes to refrain from the transaction or to carry on despite this information.

2.4 Securities credit facilities

NPB may grant loans to clients 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.

2.5 Information regarding financial instruments

NPB takes a "Best in Class" approach by choosing the financial instruments in the various financial services. i.e. NPB tries to allocate the best suitable products whereas NPB own products are an exception.

3. Client Classification

Pursuant to FIDLEG, NPB is obliged to classify its clients according to precisely prescribed criteria into the following categories: "retail client", "professional client" and "institutional client". The strength of investor protection depends on the classification with highest level of protection for private clients / private investors. The classification is based on the knowledge and experience of the client, his financial circumstances and the frequency, scope and nature of financial transactions carried out in the past. All new customers are informed of their classification, existing customers will only be informed when their previous classification has changed.

3.1 Retail client

NPB considers all clients who cannot be assigned to another classification as retail clients. Retail clients enjoy the highest level of protection provided by law.

3.2 Professional client

A retail client may arrange with NPB to be reclassified as a "professional client" if certain conditions relating to financial circumstances, knowledge, and experience in the financial sector are met. If the client fulfils the criteria according to FIDLEG (the EEA clients additionally according to MiFID II), the client is classified as a professional client.

It should be noted that the change in classification also entails a change in the level of protection provided by law. In the case of a professional client, NPB may assume that the person acting has sufficient knowledge and experience to adequately assess the risks of an investment decision.

NPB only accepts applications by private clients to become professional clients if the legal conditions are met. If the client is interested, NPB will be pleased to send the corresponding forms.

3.3 Eligible counterparty / Institutional client

Solely supervised legal entities, governments, central banks and organisations that are supranational organisations are eligible as "institutional clients" (FIDLEG).

4. Suitability and Appropriateness

In order to align the investment strategy and the investment instruments with the circumstances and wishes of the clients within the framework of investment management or investment advice, NPB collects information from the clients within the framework of a so-called suitability and appropriateness test.

With the **suitability test** NPB determines whether the customer has the necessary knowledge and experience to understand the risks associated with the investment service offered or the desired financial instrument. Accordingly, NPB asks the client to provide necessary information in order to offer him optimal services. This includes information about investment objectives, financial circumstances, and the willingness to take risks as well as the client's knowledge and experience. Furthermore, it must be determined that the client, with his knowledge and experience, understands the resulting investment risks.

The client's **investment objectives** include information on planned investment purpose, time horizon and risk profile.

The client's **financial circumstances** include information on his total assets, amount of his regular income and expenditures, his financial obligations as well as planned investments.

The **willingness to take risk** includes the understanding of risk and return and how prepared the client is to tolerate losses.

In the **appropriateness test (transaction related)** NPB determines whether the desired financial instrument is suitable for the client. The suitability of the financial instrument is assessed according to whether it corresponds to the investment objectives of the client and whether the resulting investment risks are financially acceptable for the client according to his investment objectives and his willingness to take risks.

In addition, knowledge and experience of the client with regard to various financial instruments and investment services must be determined. If an authorized person places the order, the knowledge and experience of this authorized representative is taken into account. In addition, knowledge and experience of the client with regard to various financial instruments and investment services must be determined. If an authorized person places the order, the knowledge and experience of this authorized representative is taken into account.

5. Required information

5.1. Principles of order execution "Best execution"

"Best Execution" is the obligation to take all reasonable steps to achieve the best result when NPB executes financial transactions on behalf of the client. In cooperation with its outsourcing partner, NPB has defined principles of order execution.

5.2. Fees

The costs in connection with financial services and supplementary services of NPB are listed in NPB's fee schedule and will be gladly provided upon request. In an exemplary simulation the client is informed about the securities service costs before the execution of the order.

The costs in connection with a securities transaction are also shown in the respective transaction statements and aggregated in the statement of assets.

5.3. Reports, transaction confirmation, reporting

Transaction confirmations are sent by NPB to the client immediately after execution of a securities transaction. The client will receive a statement of assets with an overview of all accounts including the client's securities custody account on a regular basis.

5.4. Research

NPB uses its own and external research to provide the best possible investment advice and asset management. The external research by NPB is subject to cost.

5.5. Remuneration and conflicts of interest

NPB primarily uses investment funds which are free of retrocession or remuneration for investment management mandate and investment advice clients. Within the framework of dependent investment management or investment advice, NPB may nevertheless receive remuneration in individual cases.

NPB provides so-called dependent investment advice within the scope of Article 24 of Directive 2014/65/EU on markets in financial instruments. The client agrees that NPB may accept and retain benefits provided that there is no conflict of interest and the quality of the service provided to the client is improved.

Remuneration paid by NPB to third parties:

If NPB has gained the client relationship via a third party (e.g. finder), NPB may pay a fixed intermediary fee or a part of the income derived from this business relationship to the intermediary.

If the client is advised by an independent (external) asset manager and uses NPB for safekeeping of their securities account and the execution of trading transactions, NPB can pay the independent asset manager a part of the income derived from this business relationship.

Within the investment decisions and investment advice conflicts of interest in potential fee income in connection with investments in or the safekeeping of products, are avoided as far as possible

NPB informs the client transparently about remuneration received or paid. In addition, the client may receive further information on the received or paid remuneration on request.

Information on economic ties

NPB will inform the client on economic ties which could result in a conflict of interest.

5.6. Disclosure of information in securities trading

NPB is obliged to report on transactions in securities trading to the supervisory authorities of individual countries. The reports must contain information on the buyer / seller of these securities and the person who placed the trade order. In case of a legal entity the Legal Entity Identifier (LEI) will be reported.

5.7. Call recording and electronic communication

All telephone conversations are recorded. In addition, the most important contents of personal conversations are held on memos to document the goals and wishes of the customer and to ensure the traceability of recommendations to the customer. The recordings are stored on a permanent data medium, taking into account data protection.

5.8. Ombudsman

In case of disagreements with the client NPB has joined the «Stiftung Schweizerischer Ombudsman», Bahnhofplatz 9, 8021 Zurich (www.bankingombudsman.ch).

The client may initiate a mediation procedure with the ombudsman, which is in principle free of costs, if he has not yet approached an ordinary court.

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