

DATED,

**INVESTMENT MANAGEMENT AGREEMENT**

**BETWEEN**

**C-Quadrat (Suisse) SA**

**AND**

XXXX

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	Geneva acting as a Regulator of Financial Services for Swiss Financial Intermediaries ( <a href="http://www.arif.ch">www.arif.ch</a> );
<i>Broker</i>	any broker selected by the Investment Manager to execute a trade for the Client;
<i>Client's Profile</i>	the profile, including risk profile, of the Client as specified in Appendix A;
<i>Confidential Information</i>	any information relating to the portfolio, finances, business, transactions or affairs of the Client;
<i>Custodian</i>	the bank or custodian with whom the Client has opened a Custody Account;
<i>Custodian Account(s)</i>	the account(s) of the Client with the Custodian over which a Power of Attorney is granted;
<i>FCA</i>	<i>Financial Conduct Authority</i> , the independent non-governmental body acting as Regulator of the financial services industry in the United Kingdom ( <a href="http://www.fca.gov.uk">www.fca.gov.uk</a> );
<i>Investment Guidelines</i>	the guidelines for investment of the Client as specified in the Appendix A;
<i>Portfolio</i>	That part of the Custodian Account(s) managed by the Investment Manager subject to the Power of Attorney and this Agreement;
<i>Power of Attorney</i>	a power of attorney signed by the Client in favour of the Investment Manager over the Custodian Account(s);
<i>Service Supplier</i>	any agent, Broker, Sub-Investment Manager, or other delegate chosen by the Investment Manager to autonomously and durably supply an essential service for it and/or for the Client;



*Sub-Investment Manager* any investment manager (in particular C-QUADRAT Asset Management (UK) LLP, supervised by the FCA) selected by the Investment Manager to which the Investment Manager has delegated the performance of some or all of the investment management services hereunder.

*Retrocessions* any retrocessions, commissions, bonuses or other benefits received from the Custodian or other third party service providers.

1.2 Any reference to the singular includes reference to the plural and vice versa and reference to the masculine gender includes reference to the feminine and neuter genders and vice versa.

1.3 Unless otherwise expressly stated to the contrary herein, any reference to any clause, sub-clause, paragraph, sub-paragraph or Appendices (as the case may be) shall be deemed to be a reference to the relevant clause, sub-clause, paragraph, sub-paragraph or Appendices (as the case may be) of or to this Agreement.

1.4 Any reference to persons includes reference to any legal person and to any body corporate, unincorporated association, partnership, trust, unit trust, mutual fund or other collective investment scheme and the manager or trustee of any such collective investment scheme.

1.5 The headings are inserted for convenience of reference only and shall not in any way form part of or affect or be taken into account in the construction or interpretation of any provision of this Agreement or the Appendices.

## **2 Mandate and Powers of the Investment Manager**

### **1.6 Discretionary Management**

1.6.1. The Client hereby appoints the Investment Manager and the Investment Manager hereby agrees with effect from the date of this Agreement to act as investment manager, with full discretion to invest, manage and realise the cash and other assets of the Client in the Portfolio in accordance with and in



furtherance of, the Client's Profile and the Investment Guidelines (subject to any alterations or modifications as may from time to time be agreed in writing) and subject to the provisions hereof and of the Power of Attorney.

16.2. The Invest Manager is not authorised to perform withdrawals or transfers of the Client's assets in any form or manner whatsoever, nor may the Investment Manager give instructions for this purpose to the Custodian. Exception is made for the remuneration due to the Investment Manager in accordance with clause 5.1.

16.3. The Client has been informed by the Investment Manager that, under article 10 paragraph 3<sup>ter</sup> of the Swiss Federal Act on Collective Investment Schemes (CISA), the Client is considered as a so-called "qualified investor", unless the Client declares in writing that it does not wish to be considered as such ("opt-out"). After having been duly informed by the Investment Manager about the implications of being a qualified investor within the meaning of the CISA, the Clients confirms by signing this Agreement that it does not wish to renounce to its qualified investor status.

## 2.2 Voting rights

2.2.1 The Client hereby grants the Investment Manager the power to act on its behalf and for its account at any ordinary or extraordinary meeting of shareholders in any legal entity in which the Client holds share capital at any given time and to exercise any membership rights pertaining to its shareholding. The Client relinquishes its right to be consulted before such meetings and authorizes the Investment Manager to vote in accordance with the recommendations of the managing bodies of the concerned legal entities.

2.2.2 Should the recommendations of the managing bodies vary with or be contrary to the best interest of the Client, the Investment Manager shall disregard such recommendations and vote in the best interest of the Clients,

2.2.3 If the agenda of such meeting shall be comprised of topics going beyond the course of ordinary business, the Investment Manager will seek instructions from the Client whenever possible. Failing such instructions or if the Client remains unreachable after reasonable efforts have been made to try to reach



it, the Investment Manager will act in the best interest of the Client as the Investment Manager sees fit.

- 2.3 For the avoidance of doubt the Investment Manager's services shall not include valuation or custody services.

### **3 Appointment of a Service Supplier**

- 3.1. The Investment Manager may, in the performance of its duties and in the exercise of any of the powers and rights vested in it hereunder, appoint and pay one or more external Service Suppliers, located in Switzerland or abroad, such as an agent or a delegate including a Sub-Investment Manager or a Broker, to perform some or all of the services required to be performed by the Investment Manager hereunder. The Client understands and agrees that such appointment of foreign-based Service Suppliers may imply that the Client's data be transferred and stored outside Switzerland (in particular in the United Kingdom).
- 3.2. The Service Supplier shall be chosen, instructed and controlled carefully by the Investment Manager. A written agreement will clearly define the delegated tasks for any outsourced or delegated activity.

### **4 Obligations of the client**

#### **4.1 Protection of the Investments**

- 4.1.1 The Client shall take all appropriate measures to protect the rights pertaining to the Investments, particularly, if requested to do so, to give instructions to exercise or to sell subscription rights, to exercise an option right, to carry out the payment of a margin call or to act in any other way that the Investment Manager may from time to time request. Failing any reaction from the Client, the Investment Manager shall act in the best interest of the Client as the Investment Manager think fit. Accordingly, the Investment Manager shall not be considered liable in any ways for having acted without instructions from the Client.



#### 4.2 Compliance with legal obligations

4.2.1 According to clause 12.2.2 in this Agreement, the client shall personally take all necessary measures to comply with Swiss and foreign legal obligations regarding the Investments, such as for example to declare legal or statutory participation thresholds in the share capital of quoted companies or to accomplish any fiscal obligations.

4.2.2 The Client acknowledges and accepts that the Investment Manager will decline any liability in this respect and commits itself to indemnify the Investment Manager for any damage suffered by it subsequently to the violation of Swiss or foreign legal obligations by the Client.

### **5 Remuneration of the Investment Manager**

5.1 For services rendered the Investment Manager will charge the following fees and will deduct such directly from the Custodian Account:

5.1.1 A management fee equal to xx% per annum payable quarterly in arrears. Interests in any fund managed by the Investment Manager comprised in the Portfolio will be deemed not to be included in the Portfolio for the purpose of calculating the management fee; and

5.1.2 A performance fee equal to xx% of the return on the Portfolio over one year USD Libor (time-weighted and net of any management fees). The performance fee will be calculated as of 31 December every year and will be paid in the following January. The performance fee will be subject to a high water mark.

5.2 Fees are calculated on the daily average market value of the assets under management over the period.

5.3 The Investment Manager may change its fees at any time at its discretion by giving notice in writing of any change to the Client.

5.4. The Client acknowledges and agrees that the Investment Manager may have entered into agreement(s) with the Custodian and/or other third party service providers pursuant to which the Investment Manager may receive Retrocessions, in particular





as finder's fees or retainer fees. This is in accordance with professional practices (see in particular the ARIF's Code of Deontology concerning the exercise of the profession of independent asset manager). **Should such Retrocessions to the Investment Manager be perceived, these will be paid back to the client. Unless expressly requested otherwise, the Client hereby declares that he assigns such Retrocessions to the Investment Manager and waives any related claim, right or interest.** He accepts that the Investment Manager collects and retains the Retrocessions in their entirety without any obligation to disclose them without request. The Retrocessions constitute part of the total remuneration of the Investment Manager. The Client has been expressly informed of the risks inherent to this form of remunerating the Investment Manager, in particular the risk of conflict of interest. The Client is aware of the existence of these risks, being specified that he has also been informed that the activities of the Investment Manager are governed by this Agreement and limited by the Investment Manager's general duty of diligence. The method for calculating the amount of the Retrocessions is defined in the agreement between the Investment Manager and the Custodian / third party service provider. The Client is aware of the fact that the amount of the Retrocessions may vary from one agreement to another. The Investment Manager may receive Retrocessions deriving from transactions carried out on the Custodian Account. The amount of Retrocessions usually represents

between 0% and 0.50% of the Client's assets under management  
by the Investment Manager and of the transactions' costs.

If he wishes so, the Client may request additional information from the Investment Manager about such Retrocessions. This information cannot be requested more than once every semester and may concern (i) the precise amount of the Retrocessions received by the Investment Manager within the last one or two preceding financial year(s), and/or (ii) the amount of the Retrocessions already received within the current financial year, as well as the foreseeable amount of Retrocessions to be received by the end the current financial year. The Client is aware of the fact that the financial reports provided by the Custodian / third party service provider are not all equal in their accuracy and that, as a result, do not necessarily allow the Investment Manager to determine the precise amount of the Retrocessions relating



only to the Client's assets. Important additional calculations may therefore be required to enable an accurate and registered allocation of the Retrocessions received by the Investment Manager. In these situations and if he wishes to receive additional information, the Client agrees to cover the costs that may arise from such an inquiry based on an hourly rate of CHF 200.-.

## **6 Liability of the Investment Manager**

- 6.1 Neither the Investment Manager, its members, officers, employees and affiliates, nor their respective legal representatives (each, an "Indemnified Party"), shall be liable to the Client or its shareholders for any acts or omissions, or any error of judgment or for any loss suffered by them in connection with the management of the Client's assets, except those resulting from the wilful default, fraud or gross negligence of or any material breach of this Agreement by the Indemnified Party.
- 6.2 The Investment Manager shall be entitled to rely absolutely upon and shall not incur any liability in respect of any action taken or thing suffered in good faith in reliance upon any paper or document believed to be genuine and to have been sealed or signed by the proper parties or be in any way liable for any forged or unauthorised signature or seal affixed to any document and in discharging its duties hereunder the Investment Manager may, in the absence of manifest error, rely without enquiry upon all information supplied to it by the Client or any of its directors, officers, servants, employees or agents. The Investment Manager may accept as sufficient evidence of any instruction, notice or other communication given to it by the Client or any of its directors, officers, servants, employees or agents any document or paper signed or purporting to be signed on its behalf by such person or persons whose signature the Investment Manager is for the time being authorised to accept.
- 6.3 The Investment Manager shall not be required or entitled to take any legal action on behalf of the Client or otherwise in respect of its services hereunder other than on such terms as the Client may in its absolute discretion agree and unless fully indemnified to the Investment Manager's reasonable satisfaction for all costs and liabilities in connection therewith.



## **7 Duration and termination**

- 7.1 This Agreement shall continue in full force and effect until terminated pursuant to clauses 7.2, 7.3 or 7.4.
- 7.2 Any party may terminate this Agreement upon thirty (30) days' notice in writing to the other. The Client agrees that it will not revoke the Power of Attorney prior to termination of this Agreement.
- 7.3 The Investment Manager or the Client may terminate this Agreement at any time forthwith by notice in writing to the other party hereto if such other party ("Defaulting Party") shall at any time during the continuance of this Agreement, where applicable, commit any material breach of this Agreement or commit persistent breaches of this Agreement which is or are either incapable of remedy or have not been remedied within one week of the other party serving notice upon the Defaulting Party requiring it to remedy the same.
- 7.4 The Client may terminate this Agreement immediately in the event that the Investment Manager is no longer permitted to perform its obligations under any applicable law.
- 7.5 On the termination of this Agreement the Investment Manager shall be entitled to receive all fees and other monies accrued and due up to the date of such termination but shall not be entitled to compensation in respect of such termination.
- 7.6 The termination of this Agreement shall be without prejudice to any rights that may have accrued hereunder to any party hereto against the other parties hereto before such termination.

## **8 Dealings of the Investment Manager**

- 8.1 Nothing in this Agreement shall prevent the Investment Manager from acting as investment manager or in any other capacity whatsoever for any other person on such terms as the Investment Manager may arrange so long as its services to the Client hereunder are not materially impaired thereby and the Investment Manager shall not be liable to account for any profit earned or other benefit arising therefrom. The Investment Manager shall not be deemed to be affected with notice of or to be



under any duty to disclose to the Client any fact or thing which may come to the notice of the Investment Manager, or any director, officer, servant, employee or agent of the Investment Manager, in the course of or in connection with the Investment Manager rendering such services to any other person or in any manner whatsoever otherwise than in the course of carrying out its duties hereunder.

8.2 Nothing in this Agreement shall render the Investment Manager liable to account for any profit earned or other benefit arising from any advice given by the Investment Manager to any other person, company, joint venture, mutual fund or other collective investment scheme or trustee or manager thereof in relation to the acquisition, holding, financing, sale or disposal of any property, assets, securities or instruments of whatsoever nature including, without limitation, any property, assets, securities and instruments of a type acquired, held, financed, sold or disposed of by the Client.

8.3 The Client acknowledges and accepts that the Investment Manager may receive rebates, upfront commissions or finder's fees from third party funds or banks following an investment made on behalf of the Client pursuant to this Agreement.

8.4 Should the Investment Manager receive such rebates, upfront commissions or finder's fees from third party funds or banks, the Investment Manager will inform the Client in due course with the upper and lower range of any of such rebates, upfront commissions or finder's fees.

## **9 Reporting and rendering of accounts**

9.1 The Investment Manager sends or arranges to have sent to the client a yearly written report with respect to the Investment management performed under this Agreement. The report allows the client to understand the operations carried out during the elapsed year and describes the financial state of the investments under management at the date of such report.



9.2 Together with the report, the Investment Manager will keep or arrange to have kept statements of cash, securities and other investments managed by the Investment Manager under this Agreement as well as portfolio performance estimates available for the Client upon demand.

9.3 The Investment Manager may request the client to sign a disclaimer of liability together with the yearly report with regard to the management undertaken during the elapsed year.

## 10 Confidentiality

Each party hereby covenants with and undertakes to the other that, save as may be required by law or by any regulatory authority or agency or as may otherwise be contemplated by this Agreement, it shall keep secret and confidential and shall not disclose to any person any Confidential Information, provided however that it shall not be required to keep secret and confidential Confidential Information which has properly entered the public domain otherwise than through the default of such party.

## 11 Conflicts of interest

The Investment Manager may have a material interest in a transaction to be entered into for the Client or a relationship that gives rise or may give rise to a conflict of interest in relation to a transaction or an interest in a transaction that is or may be in conflict with the interest of any of the Investment Manager or the Investment Manager's customers. In such circumstances, the Investment Manager will seek to ensure fair treatment for each of its customers by, for example, disclosure of the relevant interest or relying on a policy of independence.

## 12 General provisions

### 12.1 Representations and warranties

12.2 Each of the parties hereto hereby represents and warrants to the other that:

12.2.1 it has full legal right and authority to enter into this Agreement and to perform its obligations hereunder in accordance with the terms hereof;



12.2.2 it has complied with and will continue to comply with all laws, rules and regulations or court and government orders by which it is bound or to which it is subject in connection with the execution and performance of this Agreement.

12.3 Waiver

A waiver by either party of any breach of any of the terms, provisions or conditions of this Agreement or the acquiescence of such party in any act (whether commission or omission) which but for such acquiescence would be a breach as aforesaid shall not constitute a general waiver of such term provision or condition or of any subsequent act contrary thereto. Any liability of either party under the provisions of this Agreement may in whole or in part be released compounded or compromised by such party in its absolute discretion as regards the other party under such liability without in any way prejudicing or affecting its rights against the remaining parties under the same or a like liability whether joint and several or otherwise.

12.4 Variation of terms of Agreement

This Agreement shall only be capable of variation by agreement in writing between the Client and the Investment Manager.

12.5 Assignment

This Agreement shall not be assignable in whole or in part by either party hereto without the prior consent in writing of the other.

12.6 Notices

Every notice to be given hereunder shall be in writing and shall be expressed to be a notice given hereunder and shall be deemed duly given:

12.6.1 upon being left on a business day at the address set out in this Agreement of the party to whom it is being given or at such other address as such party shall have previously communicated by notice to the party giving such first mentioned notice; or



12.6.2 upon receipt if posted by prepaid registered post to the address set out in this Agreement of the party to whom it is being posted, or such other address as such party shall have previously communicated by notice to the party giving such first mentioned notice; or

12.6.3 upon receipt if transmitted on a business day by facsimile to the correct facsimile number of the party to whom it is being transmitted;

provided that where the notice has been transmitted by facsimile the party who has transmitted it shall (without prejudice to the validity of the notice given) send a copy of the notice by prepaid registered post to the party to whom it has been transmitted to that party's address set out in this Agreement or to such other address as such party shall have previously communicated by notice to the party giving such first mentioned notice.

12.6.4 The Client hereby releases the Investment Manager from any liability resulting from any error, delay, bad execution or non-execution of any instruction given by the Client due to a defective transmission or to the unavailability of a transmission service provider used by the Client or by the Investment Manager.

## 12.7 Governing law

12.7.1 This Agreement shall in all respects (including the formation thereof and performance thereunder) be exclusively governed by and construed in accordance with the laws of Switzerland.

## 12.8 Jurisdiction

12.8.1 In the event of a dispute or controversy resulting from the interpretation or the performance of this Agreement, the Parties shall use their best efforts to settle it amicably.

12.8.2 If the Parties cannot agree to an amicable settlement, the latter shall irrevocably submit to the non-exclusive jurisdiction of the courts of the Republic and Canton of Geneva, Switzerland.



C-Quadrat  
(Suisse) SA

IN WITNESS WHEREOF this Agreement was entered into on the day first above written.

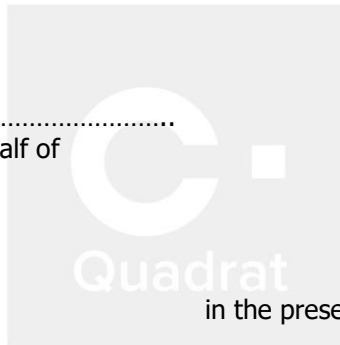
Signed by

Signed by

.....  
duly authorised for and on behalf of  
**C-Quadrat (Suisse) SA**

.....  
duly authorised for and on behalf of

.....  
duly authorised for and on behalf of  
**C-Quadrat (Suisse) SA**



in the presence of:

in the presence of:

.....

**Appendix A** – Client Profile and Investment Guidelines

**Appendix B** - Risk Considerations

**C-Quadrat (Suisse) SA**  
Rue du Général Dufour 12  
1204 Genève, Suisse  
T +41 (0) 22 819 4073  
F +41 (0) 22 819 4071  
[www.c-quadrat.com/ch](http://www.c-quadrat.com/ch)





## Appendix A – Client Profile and Investment Guidelines

### 1. Personal details:

See Know Your Customer form

### 2. Planned amount of money that shall be managed by the Investment Manager:

See Know Your Customer form

### 3. Information concerning the financial Situation of the Client

Level of assets under management in:

See Know Your Customer form

Level of total assets following the deduction of debts in:  CHF  
 Other:

<input type="checkbox"/> up to 100'000	<input type="checkbox"/> 3 million – 10 million
<input type="checkbox"/> 100'000 – 1 million	<input type="checkbox"/> > 10 million
<input type="checkbox"/> 1 million – 3 million	

Annual income in:  CHF  
 Other:

<input type="checkbox"/> up to 100'000	<input type="checkbox"/> 250'000 – 500'000
<input type="checkbox"/> 100'000 – 250'000	<input type="checkbox"/> > 500'000

Anticipated annual financial commitments or planned withdrawals to be met by the managed assets in:  CHF  
 Other:

### 4. Knowledge/experience of financial investments

The Client has already performed security transactions in the past

(Number per year):  None  
 0 – 10  
 10 – 20  
 More frequent



His knowledge/experience of different asset classes is as follows:

	None	Little	Considerable
Money market investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed-interest investments (e.g. bonds)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternative investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Derivatives (options, futures, forward transactions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Precious metals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Experience of asset management mandates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5. Information concerning the Client's investment goal**

Investment purpose:

- Building up / increasing assets
- Providing for family
- Provision of liquidity
- Security short-term profit (speculation)
- Retirement provisioning
- Other: \_\_\_\_\_

Investment horizon:

- 1 to 2 years
- 5 to 10 years
- 3 to 5 years
- More than 10 years

Investment currency / benchmark:

- Reference currency:  CHF  EUR  USD  GBP
- Other: \_\_\_\_\_

- Benchmark:  No goal (goal = absolute return)
- Yes: xx% Bonds, xx% Equities



Are there classes of assets that you would like to favour?

- No
- Yes :

or on the contrary, that you would like to limit, or even exclude?

- No
- Yes:

Are there countries, currencies or sectors that you would like to favour,

- No
- Yes: \_\_\_\_\_

or on the contrary, that you would like to limit, or even exclude?

- No
- Yes: \_\_\_\_\_

Have you got minimal requirements with regard to quality and/or negotiability of the placements to be made?

- No
- Yes: \_\_\_\_\_

Would you like to limit the permanent use of credits?

- No
- Yes: \_\_\_\_\_

Remarks regarding investments goals or specific restrictions:

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## 6. Risk evaluation and strategic asset allocation

Risk tolerance	Risk tolerance and investment goal	Proposed investment strategy	Asset allocation (guideline ranges)
<p><b>Very low</b></p> <input type="checkbox"/>	<p>The Client is very reluctant to take risks. He does not wish to expose his assets to any unnecessary risks, and therefore prefers "safe" investments.</p>	<p><b>Fixed interest</b></p> <p>The aim of a fixed-interest portfolio is primarily to safeguard assets nominally in each individual year and to earn regular interest income.</p>	<p>Money market: _____%</p> <p>Bonds: _____%</p> <p>Convertibles: _____%</p> <p>Equities: _____%</p> <p>Commodities/ precious metal: _____%</p> <p>Hedge-funds: _____%</p> <p>Private equity: _____%</p> <p>Other: _____: _____%</p>
<p><b>Low</b></p> <input type="checkbox"/>	<p>The Client is fairly risk-adverse. He is however willing to take a limited risk in order to achieve a higher long-term yield on his assets.</p>	<p><b>Income</b></p> <p>The aim of an income-oriented portfolio is to maintain the real value of assets in the long term, with minor price fluctuations. Regular interest income is optimised by dividends and capital gains.</p>	<p>Money market: _____%</p> <p>Bonds: _____%</p> <p>Convertibles: _____%</p> <p>Equities: _____%</p> <p>Commodities/ precious metal: _____%</p> <p>Hedge-funds: _____%</p> <p>Private equity: _____%</p> <p>Other: _____: _____%</p>

<p><b>Moderate</b></p> <input type="checkbox"/>	<p>The Client takes a cautious attitude to risks. He is however willing to take a calculable risk in order to achieve an additional return from capital gains in the long term. Economic losses are only acceptable with limitations.</p>	<p><b>Yield</b></p> <p>The yield-driven portfolio seeks to achieve real long-term asset growth with moderate price fluctuations. Interest and dividend income are the primary sources of return, supplemented by capital gains particularly generated by equity investments.</p>	<p>Money market: _____%</p> <p>Bonds: _____%</p> <p>Convertibles: _____%</p> <p>Equities: _____%</p> <p>Commodities/ precious metal: _____%</p> <p>Hedge-funds: _____%</p> <p>Private equity: _____%</p> <p>Other: _____: _____%</p>
<p><b>Average</b></p> <input type="checkbox"/>	<p>The Client regards risks as an opportunity to achieve an attractive longer-term return. On a short-term basis economic losses are acceptable due to the long-term investment horizon.</p>	<p><b>Balance</b></p> <p>The emphasis in a balance portfolio is on real long-term asset growth, whereby moderate price fluctuations are to be expected. Returns are generated in the form of interest and dividends, together with capital gains generated by equity and non-traditional investments.</p>	<p>Money market: _____%</p> <p>Bonds: _____%</p> <p>Convertibles: _____%</p> <p>Equities: _____%</p> <p>Commodities/ precious metal: _____%</p> <p>Hedge-funds: _____%</p> <p>Private equity: _____%</p> <p>Other: _____: _____%</p>
<p><b>Above-average</b></p> <input type="checkbox"/>	<p>The Client wishes to participate significantly in the potential presented by equity markets. In return, he is willing to accept substantial short-term price fluctuations. The client is able financially to bear the respective economic losses.</p>	<p><b>Growth</b></p> <p>The investment goal of a growth oriented portfolio is to achieve substantial long-term real asset growth, whereby the investor must also be willing to accept substantial price fluctuations. Returns are generated in the form of capital gains, together with interest and dividends.</p>	<p>Money market: _____%</p> <p>Bonds: _____%</p> <p>Convertibles: _____%</p> <p>Equities: _____%</p> <p>Commodities/ precious metal: _____%</p> <p>Hedge-funds: _____%</p> <p>Private equity: _____%</p> <p>Other: _____: _____%</p>



<p><b>High</b></p> <p><input type="checkbox"/></p>	<p>The Client is characterized by his high risk tolerance. The opportunities for long-term gains are seen as the decisive factor for his investment. In return for the opportunity to achieve high long-term returns, he is willing to accept above-average fluctuations in value. The client is able financially to bear the respective economic losses during a longer period of time.</p>	<p><b>Equities</b></p> <p>An equity-oriented portfolio is based on the highest-risk investment strategy. This strategy aims to achieve high real long-term asset growth. Investments are made primarily in equities, which may result in substantial price fluctuations. Capital gains and currency movements account for the bulk of the returns; they are supplemented by interest and dividend income.</p>	<p>Money market: _____%</p> <p>Bonds: _____%</p> <p>Convertibles: _____%</p> <p>Equities: _____%</p> <p>Commodities/ precious metal: _____%</p> <p>Hedge-funds: _____%</p> <p>Private equity: _____%</p> <p>Other: _____: _____%</p>
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- ✓ The Client is informed that to the extent permitted in view of this Client’s profile and Investment Guidelines, the Investment Manager may invest in ETFs, SICAVs or other collective investment schemes or mutual type funds managed by the Investment Manager or those of external managers selected by the Investment Manager (the expenses of which will be borne by the Client). Such funds shall be allocated (in whole or in part) to the relevant asset class, at the discretion of the Investment Manager, for the purposes of managing the Client’s Asset within the Investment Guidelines.
- ✓ The Client is also informed that to the extent permitted in view of this Client’s profile and Investment Guidelines, the Investment Manager may effect forward exchange dealings, purchases and sales of standardised option contracts (traded options) and financial futures, and warrants in securities, share indices, commodities, precious metals and foreign currencies, and lend securities and book-entry securities of the Client.

Remarks:

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**The Client undertakes to report any changes with respect to this Client’s Profile and Investment Guidelines.**

Place/date: \_\_\_\_\_

Client’s signature:

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## Appendix B - Risk Considerations

This notice cannot disclose all the risks and other significant aspects of warrants and/or derivative products such as futures, options, and contracts for differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a 'spread' position or a 'straddle', may be as risky as a simple 'long' or 'short' position. Although warrants and/or derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

### Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

### Off exchange warrant transactions

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. Your Manager must make it clear to you if you are entering into an off-exchange transaction and advise you of any risks involved.





## Securitised derivatives

These instruments may give you a time-limited right or an absolute right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Or they may give you rights under a contract for differences which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument". These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile. These instruments have a limited life, and may (unless there is some form of guaranteed return to the amount you are investing in the product) expire worthless if the underlying instrument does not perform as expected. You should only buy this product if you are prepared to sustain a substantial loss of the money you have invested plus any commission or other transaction charges. You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position, and if in any doubt please seek professional advice.

## Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements.

## Options

There are many different types of options with different characteristics subject to the following conditions. Buying options: Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges.

However, if you buy a call option on a futures contract and you later exercise the option, you



will acquire the future. This will expose you to the risks described under 'futures' and 'contingent liability investment transactions'.

### **Writing Options**

If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as 'covered call options') the risk is reduced. If you do not own the underlying asset ('uncovered call options') the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

### **Traditional Options**

Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk. Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

### **Contracts for difference**

Futures and options contracts can also be referred to as contracts for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and you should be aware of these. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications.



### **Off-exchange transactions in derivatives**

It may not always be apparent whether or not a particular derivative is arranged on exchange or in an off-exchange derivative transaction. Your Manager must make it clear to you if you are entering into an off-exchange derivative transaction. While some off-exchange markets are highly liquid, transactions in off-exchange or 'non transferable' derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

### **Foreign Markets**

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, your Manager must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

### **Contingent liability investment transactions**

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your Manager to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract. Save as specifically provided by the FCA, your Manager may only carry out margined or contingent liability transactions with or for you if they are traded on or under the rules of a recognised or



designated investment exchange. Contingent liability investment transactions which are not so traded may expose you to substantially greater risks.

### **Limited Liability Transactions**

Before entering into a limited liability transaction, you should obtain from your Manager or the firm with whom you are dealing a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction. The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

### **Collateral**

If you deposit collateral as security with your Manager, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain from your Manager how your collateral will be dealt with.

### **Commissions**

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.



### **Suspensions of trading**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

### **Clearing house protections**

On many exchanges, the performance of a transaction by your Manager (or third party with whom he is dealing on your behalf) is 'guaranteed' by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if your Manager or another party defaults on its obligations to you. On request, your Manager must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

### **Insolvency**

Your Manager's insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, your Manager must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

### **Stabilisation**

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FCA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue

to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- (1) to be consulted before your Manager carries out any such transaction on your behalf;  
or
- (2) to authorise your Manager to carry out any such transaction on your behalf without first having to consult you.

### **Unregulated Investment Vehicles**

The Manager may invest in investment vehicles, including shared companies and subsidiaries, which may not be subject to any form of authorisation or regulatory supervision. They may not be required to have an independent custodian or any custodian at all. Therefore, investment in such investment vehicles carries a higher potential risk and this should be taken into account in any investment decision.

### **Political and Regulatory Risks**

The value of the Client's Portfolio may be affected by uncertainties such as regional political developments, changes in government policies, changes in taxation, restriction on foreign investment and currency repatriation, currency fluctuations and other development in laws and regulations of countries in which investments may be made.

Furthermore, the legal infrastructure, accounting, auditing and reporting standards in certain countries in which investments may be made, may not provide the same degree of investor protection on information to investors as would generally apply to major securities markets.

### **Custodial Risk in Emerging Markets**

Investments in emerging markets are currently subject to certain heightened risks with regard to the ownership and custody of securities. In certain countries, ownership is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Custodian). No certificates representing ownership of companies will be held by the



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Custodian or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, the Manager, outside his complete control, could lose registration and ownership of securities through fraud, negligence or even mere oversight.

