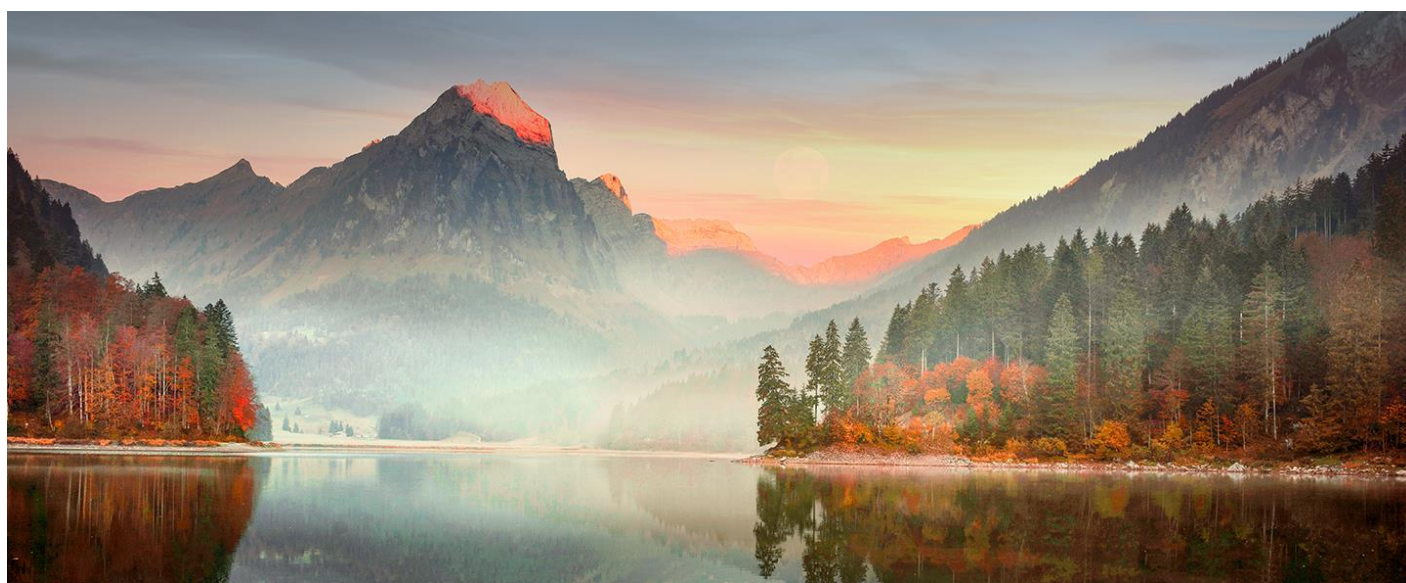

Financial Services



The financial services made available by HSBC Private Bank (Suisse) SA (the "Bank") are summarised as follows:

Non-managed accounts

Our non-managed solution is a service that is restricted to the execution of trades (brokerage), custody and securities administration services only ("execution-only" services). When transmitting buy or sell orders to HSBC Private Bank (Suisse) SA, there might be circumstances where an order cannot be executed or where the execution is only partial. Our ability to execute your orders is dependent, amongst other, on the market depth, whether the securities or instruments in which you are invested have a liquid market or have a market price available as well as the type of order you give (eg. at best, limit order, etc.). You should be aware that the use of limit orders to trim investment losses might not be an effective method to protect you from losses and your losses might surpass your initial investment, in particular if you use leverage or derivatives. While being served under an execution-only service level, we do not provide you with any investment advisory services or have any discretionary investment management authority. We will not assess whether any transaction is suitable or appropriate for you in view of your

individual circumstances, such as, your financial situation, investment objectives or investment knowledge and experience. The Bank will not follow the development of your assets from an investment perspective and you won't be informed in case your assets' investment potential changes.

Investment advisory mandates

Through our advisory services you will benefit from portfolio-based investment advice alongside brokerage, custody and securities administration services. Your service level will influence the level of engagement the Bank will have with you, including your access to content (for example, access to macro-economic publications and research among others), whether or not you will benefit from pro-active investment advice or will be contacted to be informed of any ongoing portfolio monitoring alerts. You will receive a personalized service tailored to your financial circumstances, willingness to take risks and investment objectives.

Alongside your dedicated Relationship Manager and Investment Counsellor, you may have access to a team of product specialists and investment strategists. The advice given by the Bank shall be considered as recommendation only. You shall ultimately decide on your own whether you take into account the provided advice or not and therefore remain free in your investment decisions. The Bank has neither the duty nor the right to make decisions or take actions in order to invest or liquidate any of your assets and, accordingly, the Bank does not have any power of attorney to act on your behalf in respect of your assets. Buy, sell or any other transaction orders you place are at your own risk and for your own account. While the Bank, including other HSBC entities, acts with due care when selecting investment solutions and providing investment advice, it gives no guarantee and assumes no responsibility regarding the performance of your portfolio(s). Past performance is no guarantee of future performance. If you are a retail client under the Swiss Financial Services Act, the Bank can provide you, upon request, with a report (also known as a "suitability statement") which documents the needs and the grounds for each recommendation leading to the acquisition or disposal of a financial instrument or the provision of certain services. You may also request a report on all the transactions which took place against the Bank's recommendation.

Portfolio diversification rules: When giving you advice, we shall ensure that our advice does not result in your portfolio holding instruments in excess of the concentration thresholds set out in the tables below. We apply different thresholds which are lower at the point of advice and higher once invested (ongoing). This allows, for example, to take into account capital appreciation of your positions. Your service level will determine whether we contact you to inform you of any instances where, in the course of our ongoing monitoring, we observe that these thresholds have been exceeded.

Ensuring a proper diversification of your portfolio allows you to mitigate the risk of being over-exposed to a single instrument or issuer. Where instruments are diversified on their own, for example collective investment schemes, higher thresholds are applied.

Through our portfolio review document, we provide you with additional diversification indicators (for example in terms of asset allocation, currency allocation, geographical allocation, sector exposure, credit rating allocation, etc.) that should help you understand how your portfolio is positioned and whether it is aligned with your risk profile and investment objectives.

It must be noted that cash held with us or with our branches, over-the-counter derivative transactions where we act as your counterparty as well as physical precious metals holdings will not be subject to any concentration threshold.

- **Maximum threshold per single instrument** (direct holdings only – percentage of the portfolio's gross value)

	At point of advice	Ongoing
Instrument other than funds	10%	15%
Alternative investment fund or ETF	20%	30%
Long only/mutual fund	30%	40%

- **Maximum threshold per single issuer** (direct holdings only -percentage of the portfolio's gross value)

At point of advice	Ongoing
20%	30%

Discretionary management mandates

By selecting a Discretionary management mandate, you entrust the Bank with the management of your assets deposited in a designated sub-account on a discretionary basis and in accordance with the investment objectives/profile chosen by you. The Bank is authorised to carry out, entirely at its discretion and for your account and at your risk, any banking transactions within the framework of applicable investment objectives and restrictions. The Bank's investment experts and portfolio managers build portfolios across all traditional and alternative asset classes and may incorporate a mix of HSBC or third-party solutions, while taking into account your investment objectives and restrictions. While the Bank acts with due care and in accordance with the chosen investment objectives, restrictions and applicable legal and regulatory provisions, it gives no guarantee and assumes no responsibility regarding the performance of your portfolio(s). Past performance is no guarantee of future performance.

Portfolio diversification rules: We shall ensure that no transaction results, at the time of its execution, in the discretionary portfolio holding instruments in excess of the concentration thresholds set out in the tables below which apply at the point of execution.

A separate set of thresholds apply during the ongoing life of the discretionary portfolio and we shall rebalance the portfolio if, in the course of our ongoing monitoring, we observe that these thresholds have been exceeded.

It must be noted that cash held with us or with our branches, over-the-counter derivative transactions where we act as your

counterparty as well as physical precious metals holdings will not be subject to any concentration threshold.

Finally note, if you have provided specific investment restrictions to the Bank, those will take precedence over our portfolio diversification rules.

- **Maximum threshold per single instrument** (direct holdings only – percentage of the discretionary portfolio’s gross value)

	Upon execution	Ongoing
Any instrument other than those listed below	10%	15%
Alternative investments fund or ETF	20%	30%
Long only/mutual fund	30%	40%
Fixed income instrument issued by a government with a “AAA” or “AA” credit rating as per Bloomberg composite (or, if not available, worst rating)	100%	100%
Fixed income instrument issued by a government with a “A” credit rating as per Bloomberg composite (or, if not available, worst rating)	40%	50%
Fixed income instrument issued by a government with a “BBB” credit rating as per Bloomberg composite (or, if not available, worst rating)	25%	35%
HSBC-managed fund used to implement investment profile of portfolios under a certain threshold	100%	100%

- **Maximum threshold per single issuer** (direct holdings only – percentage of the discretionary portfolio’s gross value)

	Upon execution	Ongoing
Any issuer other than those listed below	20%	30%
The issuer of instruments to which a higher maximum threshold per instrument applies	Same as maximum threshold applicable per single instrument according to table above “Maximum threshold per single instrument”	

Credit facilities secured by financial assets

You may request a credit facility (loan or overdraft), secured by securities and other financial assets, to be used for your investment and/or liquidity needs. Such credit facilities are also known as lombard loans, and are granted in return for payment of an amount of interest. Such credit facilities are secured by all pledged assets held by you with the Bank. The eligibility of assets you hold with the Bank to be served as collateral for a lombard loan is determined by the Bank at its sole discretion. The Bank does not provide any advice on the use of lombard loans nor does it advise on the level of leverage you decide to use. It is your sole responsibility to decide whether to make use of a credit facility for leverage purposes. Please be advised that the use of a facility for such purposes involves

- i) increased financial, interest rate, price and currency risks,
- ii) potential amplified losses and reduced diversification,
- iii) increased exposure to volatility of assets.

In case of adverse market developments, the leverage effect can create a margin shortfall, and if you fail to respond to the margin call(s), the pledged assets might have to be liquidated by the Bank at times that are unfavourable to you and may be insufficient to cover the outstanding amount of the credit facility.

When providing its financial services, the Bank employs, as a rule, an open architecture, which means that the Bank does not restrict the financial instruments in scope solely to instruments issued by the Bank or entities closely associated with it, such as, notably, its affiliates (“HSBC Group instrument”). The Client acknowledges, however, that, by way of exception to this rule, the Bank employs a closed architecture and the scope of some financial services is restricted to HSBC Group Instruments as per below:

- (a) Trade execution services in respect of dual currency deposits;
- (b) Investment advisory and discretionary management services in respect of dual currency deposits, funds of hedge funds, real estate investments and private equity investments.

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Should you consider any investment action please contact your Relationship Manager.

Not Independent Financial Research: this document does not constitute independent financial research under the Markets in Financial Instruments Directive (MiFID), and has not been prepared in accordance with the Swiss Bankers Association’s “Directive on the Independence of Financial Research”, or any other relevant body of law. Where relevant, the Bank has based its views on those of the HSBC Global Business known as HSBC Global Private Banking (GPB).

Validity: The information is only valid as of the date of issuance. Any assumptions made are not guaranteed. Past performance is not a guide to future performance.

General Investment Risks

Market risk: The value of investments and income from them can go down as well as up, meaning you may not get back the amount invested and you may lose some or all of your investment.

Currency risk: When an investment is denominated in a currency other than your local or reporting currency, changes in exchange rates may have a negative effect on your investment.

Liquidity risk: In the case of investments for which there is no recognised market, it may be difficult for investors to sell their investments or to obtain reliable information about their value or the extent of the risk to which they are exposed.

Specific Investment Risks (relevance may vary according to the publication’s content)

Foreign Exchange, Emerging markets and Commodities may be extremely volatile and subject to sudden fluctuations of varying magnitude due to a wide range of factors. As such, these investments can lead to considerable losses, including full principal invested.

Equities carry general market risk and risks specific to the issuer. The price of an equity can vary significantly. Any event affecting the financial situation or the future financial prospects of the issuer may affect considerably and negatively the market value of equities, leading to corresponding losses, including full principal invested. The payment of dividends is usually dependent on the decision of the company’s board of directors.

Alternative investments, such as private equity funds, hedge funds, real estate funds, and **Derivative instruments** are generally considered as high risk investments, and therefore intended for experienced and financially sophisticated investors who are willing and able to bear the associated risks. These risks can include (i) liquidity risks especially the absence of any market for these securities (ii) lack of transparent information on the underlying investments such as valuations and pricing (iii) restrictions on transfer (iv) delays in tax reporting or (v) limited or no regulatory oversight. Investors should pay close attention to the specific risks of each investment in the relevant product material before investing.

When actively managed Investment Funds bear the risks related to the manager of the fund and its investment strategy, including the risks of the underlying assets or instruments they hold. Passive investment funds may not fully meet the performance of their stated benchmark after fees and may also be subject to reduced liquidity. These risks are fully described in the relevant offering material of the funds which investors should carefully consider before investing.

Important Notice (cont'd)

Fixed Income securities include for example government, corporate, high yield or treasury bonds as well as commercial papers or certificate of deposits. Typical risks are (i) the issuer not being able to pay interest or repay the principal in case of financial distress or bankruptcy; the longer the life of the instrument the greater this risk can become over time (ii) the risk interest rates may vary; bond prices and interest rates are inversely related i.e. bond prices increase when interest rates decrease and vice versa (iii) inflation risk; given the income of many debt securities does not change with inflation, the value of income received can decline as inflation increases. In addition, the specific features of debt securities may also carry specific risks. These risks are fully described in the relevant offering material which investors should carefully consider before investing.

Structured products are generally complex financial instruments intended for experienced and financially sophisticated investors. Investors are exposed to the credit risk of the issuer. Structured products are usually designed to be held until their maturity. Investors may not benefit from any active secondary market, and early redemption may result in additional redemption fees and may occur in adverse market conditions that may result in significant losses. Any quoted prices usually include a spread, and therefore may deviate from the actual market value of the product. In Switzerland, structured products are not subject to authorization nor supervision by FINMA. Investors should always carefully consider, before investing, the full list of specific features and risks fully described in the relevant offering material.

Sustainable investments: In broad terms “ESG and sustainable investing” solutions incorporate investment approaches or instruments which consider environmental, social, governance (‘ESG’) and/or other sustainability factors to varying degrees. Certain solutions that are classified as sustainable may be in the process of changing to deliver sustainability outcomes. There is no guarantee that ESG and sustainable investing solutions will produce returns similar to those which don’t consider these factors. In addition, there is no standard definition of, or measurement criteria for, “ESG”, “sustainable investing” or “positive impact” of ESG and sustainable investing solutions.

ESG and sustainable investing and related impact measurement criteria are (a) highly subjective and (b) may vary significantly across and within sectors. HSBC may rely on measurement criteria devised and reported by third party providers or issuers.

There is no guarantee: (a) that the nature of the ESG/sustainability impact or measurement criteria of solutions will be aligned with any particular investor’s sustainability preference; or (b) that the stated level or target level of ESG / sustainability impact will be achieved. ESG and sustainable investing is an evolving area and new regulations are being developed which will affect how investments can be categorised or labelled. An investment which is considered to fulfil sustainable criteria today may not meet those criteria at some point in the future.

Use of credit facility: A Client who requests that the Bank grants a credit facility should be aware of the **potential risks linked to leverage**. The key risk associated with Lending against financial securities is linked to the market price volatility of the financial assets pledged and the underlying liquidity of those assets. Leveraging one’s portfolio increases the potential for amplified gains as well as losses and could significantly increase the volatility of the equity invested. When contracting a mortgage, the **property may be at risk** if repayments are not maintained. Credit is only offered **subject** to the financial circumstances and status of the customer.

The investment risks described above are not exhaustive. Additional risks may come from the absence of portfolio diversification and from the correlation between assets in the portfolio. Additional information can be found here:

<https://www.privatebanking.hsbc.com/about-us/financial-regulations/swiss-financial-services-act/>

The relevant offering material mentioned above can be requested free of charge from HSBC Private Bank (Suisse) SA.

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