

## Swiss Capital Wealth Management (Liechtenstein) AG Client information within the framework of the new statutory provisions MiFID

New statutory provisions for asset management companies are set to come into force on 1 November 2007 in the Principality of Liechtenstein within the context of the implementation of the EU Markets in Financial Instruments Directive (in short: MiFID). These provisions oblige all such companies to provide their clients with detailed information about the services and products offered. Swiss Capital Wealth Management (Liechtenstein) AG has already provided you with extensive information within the Asset Management Agreement. We now take the opportunity to comply with further statutory regulations as follows:

Swiss Capital Wealth Management (Liechtenstein) Ltd., is a company incorporated under Liechtenstein law with registered office in 9490 Vaduz, and is domiciled at Kirchstrasse 3. As an asset management company, Swiss Capital Wealth Management (Liechtenstein) AG provides the following financial services (Art. 3 Abs. 1 VVG):

- Portfolio Management
- Investment advice
- Acceptance and transmission of orders concerning one or more financial instruments
- Securities and financial analysis or other forms of general recommendations concerning transactions with financial instruments directly serving customer care.

### 1. Information about Financial Instruments

In accordance with Art. 16 of the Liechtenstein Asset Management Act («VVG») and in conjunction with the Directive concerning Client Information of the Bank Ordinance (Appendix 7.3), clients and potential clients must be provided with a reasonable level of information pertaining to financial instruments. This information must contain an adequately detailed general description of the nature and the risks of the financial instruments, thus enabling the client to take investment decisions on an adequately informed basis.

You will be able to find all of this information in the enclosed brochure published by the Liechtenstein Bankers Association on «Risks in Securities Trading», which contains all necessary information about financial instruments.

### 2. Client Communication

You can contact Swiss Capital Wealth Management (Liechtenstein) AG, Kirchstrasse 3, FL-9490 Vaduz, as follows:

Phone no.: +423 237 59 21  
E-Mail: info@scwm.li

Insofar as client communication is not regulated in the asset management mandate, you may communicate with us at any time, in German or English, and will always receive the

corresponding documents of Swiss Capital Wealth Management (Liechtenstein) AG in German or English language. In your capacity as a client, Swiss Capital Wealth Management (Liechtenstein) AG will, as a rule, communicate with you by letter.

If you contact Swiss Capital Wealth Management (Liechtenstein) AG using electronic means of communication, e.g. e-mail, Swiss Capital Wealth Management (Liechtenstein) AG shall reserve the right to contact you by the same means. However, we wish to draw your attention to the fact that the use of e-mails entails certain risks with respect to confidentiality.

### 3. Financial Market Authority

Swiss Capital Wealth Management (Liechtenstein) AG is subject to the supervision of the Liechtenstein Financial Market Authority FMA, Heiligkreuz 8, PO Box 684, LI-9490 Vaduz ([www.fma-li.li](http://www.fma-li.li)).

### 4. Client Classification

We wish to inform you that we have classified you as a non-professional client because this means you enjoy the highest level of protection. You may apply to be re-classified to a lower level of protection insofar as certain criteria are fulfilled. Upon request, we shall be pleased to explain the relevant conditions.

### 5. Client Reporting

It is essentially the case that Swiss Capital Wealth Management (Liechtenstein) AG will provide a schedule of the asset management services on a yearly basis (Attachment 3, Article 5, Investment Consulting Agreement). This period may be reduced to three months, if required. If this is the case, we kindly ask you to notify us in writing.

If a credit-financed financial portfolio has been approved between Swiss Capital Wealth Management (Liechtenstein) AG and the client, then the company will report on a monthly basis.

Insofar as the client wishes to be given a settlement for each individual security, then Swiss Capital Wealth Management (Liechtenstein) AG shall reserve the right to extend the reporting duty to an annual interval.

### 6. Measures to protect the entrusted client assets

Swiss Capital Wealth Management (Liechtenstein) AG merely renders asset management services. It does not itself hold any of the financial instruments of the client for safekeeping.

### 7. Dealing with potential conflicts of interest

We have enclosed a copy of Information on Dealing with Potential Conflicts of Interest with this document. For more detailed policies on dealing with conflicts of interest, see our homepage under [www.scwm.li](http://www.scwm.li)

## 8. Benchmark

To portray the financial portfolio administration in a transparent manner, we use a so-called benchmark as a valuation method. The benchmark differs in terms of the respective client portfolios, and is defined in accordance with the investment goal and investment strategy. In the case of individually compiled custody accounts and/or special client wishes, the benchmark will in each case either be individually agreed with the client, or the use of a benchmark will be waived.

## 9. Investment goals

Swiss Capital Wealth Management (Liechtenstein) AG will reach an agreement with you on the investment goals, the risk level which must be taken into account by the asset manager, and any possible special restrictions pertaining to this discretion, insofar as this has not already been done.

## 10. Valuation of financial instruments

Swiss Capital Wealth Management (Liechtenstein) AG will use the following valuation criteria to value the financial instruments held in the client portfolio:

- Investment funds will always be valued in accordance with the unit prices published by the respective investment fund company.
- The value of listed securities will be determined in accordance with the respective end-of-trading prices of the most liquid market for these securities.
- If no stock market price is provided for the financial instrument, then Swiss Capital Wealth Management (Liechtenstein) AG shall determine the market value using general valuation principles.
- The valuations of the financial instruments in the client portfolio will be performed at the latest with respect to the agreed reporting deadlines.

## 11. Execution of orders

As a rule, the custodian bank will be responsible for the execution of orders. The custodian bank will report its order execution principles to its clients. Where Swiss Capital Wealth Management (Liechtenstein) AG presents its clients with a choice of custodian banks, or places orders with securities traders or brokers directly, it shall inform its clients about the criteria which determined its choice in a so-called execution policy.

The company may possibly pool client orders, before forwarding these for execution in the form of a collective order. If this collective order is executed at different prices, then the company shall arrange the allocation to the individual client custody accounts on the basis of average figures. This will minimise (but will not eliminate) the chance of a client being disadvantaged.

## 12. Costs

The costs are set out in the asset management mandate. It is possible that further costs and taxes may be imposed upon the client arising out of the asset management in conjunction with the financial instruments and securities services which have been procured on his behalf. These will not necessarily be covered by the overall fee, and will be invoiced to the client. Payment will be performed by means of a debit from the asset management account of the investor using the direct debit procedure. This means the client will be able to raise an objection.

## 13. Internal Complaint Point

Swiss Capital Wealth Management (Liechtenstein) AG has established an internal complaint point in order to ensure a transparent and fair treatment of complaints addressed by the client. It is responsible for recording, elaboration and taking action for submitted complaints. For further information on the procedure, please contact the company directly on the details provided in part 2 of this document