

GENERAL INFORMATION SHEET ON THE FEDERAL ACT ON FINANCIAL SERVICES (LSFIN)

Introduction

This general information note provided by MFM Mirante Fund Management SA (hereinafter "MFM") is intended to introduce you to the main principles of the Federal Act on Financial Services (LSFin).

Goals of the LSFin and time limits

The purpose of the LSFin is to:

- Protect the interests of clients
- Establish comparable conditions for the provision of financial services
- Strengthen the reputation and competitiveness of the Swiss financial center [Switzerland as a financial center?]

All financial services providers must apply the LSFin from January 1, 2020 with transitional periods of up to two years for certain obligations

Financial services and instruments

The LSFin applies when MFM provides its clients with the following financial services on the financial instruments described below:

- a) Financial Services :
 - Purchase or sale of financial instruments
 - Receipt and transmission of orders on financial instruments
 - Wealth management
 - Investment advice
 - Credit granted to execute transactions in financial instruments
- b) Main financial instruments :
 - Equity securities (including shares, participation certificates, dividend-right certificates)

- Debt securities and bonds
- Units in collective investment schemes
- Derivatives and structured products

Classification of clients according to the LSFIn

In order to ensure protection is adapted to each group of investors, MFM must classify its customers among the 3 following categories:

- Private client
- Professional client
- Institutional client

The rules of behavior that MFM must apply vary according to this classification. These rules are described in detail at the end of this document.

The private client benefits from the highest level of protection.

Customers classified as professional customers can expressly waive the obligation of MFM to provide information and documentation and reports in writing.

The rules of conduct do not apply to transactions with institutional clients.

Depending on the client's particular situation, the client may decide to change from one classification to another by "opting-in" or "opting-out". This change must be made in writing.

Concept of "accredited investor" or "non-accredited investor"

This concept, which was already central under the former regime of the Federal Act on Collective Investment Schemes (CISA), will continue to exist with the entry into force of the LSFIn according to the client classification determined by the latter (private, professional, institutional).

The distinction between "qualified investor" and "non-qualified investor" is always decisive in the case of the distribution/offering of collective investment schemes (investment funds).

Foreign collective investments must be approved by FINMA before being offered in Switzerland to non-qualified investors. For this purpose, all funds under the

MFM Funds (Lux) SICAV domiciled in Luxembourg, are authorized for distribution in Switzerland for this type of clients.

Professional and institutional clients are always considered qualified investors.

On the other hand, private clients are not considered qualified investors. Therefore, they do not have access to collective investment schemes reserved for qualified investors, nor can they invest in collective investment schemes not authorized in Switzerland. However, the signature of a management or advisory mandate in favor of the financial intermediary (unless the status of qualified investor is expressly waived), automatically gives the status of qualified investor to the private client having signed such a mandate.

Private clients may also request in writing to change their classification to professional client, provided they meet the requirements as described in (j) below.

The following are considered to be accredited investors:

- Professional clients as defined in art. 4 para. 3 to 5 LSFIn:
 - a) Financial intermediaries in accordance with the Banking Act (BA), the Financial Institutions Act (FINA) and the CISA
 - b) Insurance companies
 - c) Foreign clients subject to prudential supervision as in letters a) and b)
 - d) Central Banks
 - e) Public law institutions with a professional treasury
 - f) Pension funds or pension institutions with a professional treasury
 - g) Companies with a professional cash flow
 - h) Large companies; i.e. companies exceeding two of the following values: balance sheet total (> CHF 20 million), turnover (> CHF 40 million), equity capital (CHF > 2 million)
 - i) Private investment structures with a professional treasury set up for high net worth clients
- Professional clients as defined in art. 5 para. 1 and 4 LSFIn:
 - j) Wealthy private clients and private investment structures established with opting-out
 - k) Swiss and foreign collective investment schemes
 - l) Clients with a discretionary management mandate or a long-term investment advisory mandate with a financial intermediary subject to the Federal Act on Banks and Savings Banks or to the Financial Services Act or with a foreign financial intermediary subject to equivalent prudential supervision, unless they have declared that they do not wish to be considered as such (opting-in) (art. 10 para. 3 ter CISA)

Summary table

Type of investor	Definition
<p>Private Client:</p> <p><i>(Possibility of opting out to become a professional client under certain conditions, considered as an accredited investor if under a discretionary management mandate or an investment advisory mandate with a financial intermediary)</i></p>	<ul style="list-style-type: none"> • Client considered non-professional or institutional
<p>Professional customer :</p> <p><i>Considered an "Accredited Investor</i></p> <p><i>(Possibility to become a private customer through an "Opting-in")</i></p>	<ul style="list-style-type: none"> • Public law institutions with a treasury • Pension funds or institutions for occupational pension provision with an occupational cash flow • Companies with a professional cash flow • Large companies (companies exceeding two of the following values: balance sheet total (> CHF 20 million), turnover (> CHF 40 million), equity capital (CHF > 2 million)Private investment structures with professional treasury set up for high net worth clients • Professional clients as defined in art. 5 para. 1 and 4 LSFIn: <ul style="list-style-type: none"> - Wealthy private clients and private investment structures with opting out - Swiss and foreign collective investment schemes
<p>Institutional Client :</p> <p><i>Considered an "Accredited Investor</i></p> <p><i>(Possibility to become a professional customer through an "Opting-in")</i></p>	<ul style="list-style-type: none"> • Financial intermediaries within the meaning of the Federal Law on Banks and Savings Banks and the CISA • Insurance companies covered by the ICA • Central Banks • National and supranational institutions under public law with a professional treasury

Rules of conduct

a) Duty to inform

In order to satisfy the obligation of information, MFM provides its Customers with an information booklet detailing in particular:

- Its name and address, its field of activity and the supervisory regime to which it is subject
- The nature, characteristics, operation, costs and economic relations with third parties concerning the financial services offered
- Methods of providing information documents on financial instruments
- The market offer taken into consideration for the selection of financial instruments
- The possibility of initiating a mediation procedure in case of disagreement

In addition, an information brochure "Risks inherent in trading in financial instruments (2019 version)", raises awareness among its Clients of the general risks associated with financial instruments. This booklet is issued by the Swiss Banking Association and is available through the following link:

https://www.swissbanking.ch/ Resources/Persistent/9/1/8/2/9182ad201af93c3a04776c5b993ce8e57b02bb45/ASB_Risques_inh%C3%A9rents_au_commerce_instruments_financiers_2019_FR.pdf

b) Verification of appropriateness and suitability

- Discretionary management mandate and/or investment advisory mandate taking into account your entire portfolio:
MFM will only advise a Customer on a transaction in a financial instrument if it believes that the Customer has sufficient experience and knowledge to understand the characteristics and risks of the transaction and that the transaction is appropriate to the Customer's financial situation and investment objectives.
- Investment advice on individual transactions :
MFM will verify the appropriateness of your knowledge and experience with the financial instrument in question.

c) Documentation and reports

MFM is required to document the financial services agreed upon and the information collected on each client.

In the case of Investment Advisory, MFM also documents for each client the needs and reasons for each individual recommendation.

d) Transparency and diligence in relation to client orders

When handling its clients' stock exchange orders, MFM applies the principles of good faith and equal treatment.

When executing or receiving and transmitting stock market orders, MFM ensures the best possible result in terms of price, cost, speed and probability of execution and settlement for all its clients. MFM instructs the stock exchange orders of its wealth management clients at the custodian banks, which are themselves subject to the "best execution" rules.

The rules of conduct do not apply to trading with institutional clients. Clients classified as professional clients may expressly waive MFM's obligation to provide information and documentation and reports.

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