



Clients Information Policy

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1. INTRODUCTION

Banque de Patrimoines Privés, S.A. (Hereinafter, "**Banque de Patrimoines Privés**" or the "**Bank**") has developed its best practices in order to meet the requirements established by the Market in Financial Instrument Directive 2014/65/UE of the European Parliament and of the Council of 15 May 2014 (hereinafter "MiFID II Directive").

MiFID II Directive includes a series of obligations of application to those entities that provide investment services in relation to the information that these entities must provide to their clients. In particular, it outlines the general principles that entities providing investment services must meet in relation to the information they provide to their clients and potential clients, including policies relating to advertising communications.

Thus, in the preparation of this Clients Information Policy (hereinafter, the "**Policy**"), the following regulatory sources have been considered:

- MiFID II Directive.
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU ("Delegated Regulation").
- Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU ("Delegated Directive")
- MiFID II Law XXXXXXXX

The above provisions are collectively referred to as the "**Applicable Regulations**".

2. PURPOSE AND SCOPE OF THE POLICY

This Clients Information Policy aims to provide Banque de Patrimoines Privés with a series of compulsory practices in terms of information to clients and potential clients mainly in the pre-contractual phase.

This Policy will apply to all persons related to the Bank (employees and agents) who participate in the provision of investment services and have contact by any means with clients or potential clients of the Bank.

The requirements defined in this policy, unless otherwise indicated in any of the categories set forth below, will only apply to communications or information that the Bank sends to retail or professional clients or potential clients and therefore, this policy is not applicable to those clients or potential clients that have the status of eligible counterparty.

3. OBLIGATIONS OF INFORMATION

3.1. General standards

All information, including distribution or advertising communications that the Bank delivers to clients or prospective clients, must be fair, clear and not misleading.

In particular, the Bank shall ensure that, without prejudice to the specialties that are regulated in this section, all the information referred to in the previous paragraph and that is developed throughout this section complies with the following conditions:

- Include the name of the Bank;
- It must be accurate information and always gives a fair and prominent indication of any relevant risks when referencing any potential benefits of an investment service or financial instrument.
- When indicating the relevant risks, a font size that is at least equal to the predominant font size used throughout the information provided, as well as a layout ensuring such indication is prominent;
- It will be sufficient and will present it in a way that is understandable to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received;
- It will not disguise, diminish or obscure important items, statements or warnings;
- It will be presented in a consistent manner in the same language throughout all forms of information and marketing materials that are provided to each client, unless the client has accepted to receive information in more than one language;
- It will be up-to-date and relevant to the means of communication used;
- In any case it shall include the name of any competent authority (i.e. CSSF) in such a way that would indicate or suggest endorsement or approval by that authority of the products or services of the Bank.

In addition to the above standards of general application, in the cases described below for the information, including distribution or advertising communications to be fair and clear, and not misleading, the Bank will follow the conditions set out in each of the following sections:

- A. Where the information compares investment or ancillary services, financial instruments, or persons providing investment or ancillary services, the Bank shall ensure that the following conditions are satisfied:
- i. the comparison is meaningful and presented in a fair and balanced way;
 - ii. the sources of the information used for the comparison are specified;

- iii. the key facts and assumptions used to make the comparison are included.
- B.** Where the information contains an indication of past performance of a financial instrument, a financial index or an investment service, the Bank shall ensure that the following conditions are satisfied:
- i. that indication is not the most prominent feature of the communication;
 - ii. the information must include appropriate performance information which covers the preceding 5 years, or the whole period for which the financial instrument has been offered, the financial index has been established, or the investment service has been provided where less than five years, or such longer period as the firm may decide, and in every case that performance information is based on complete 12-month periods;
 - iii. the reference period and the source of information is clearly stated;
 - iv. the information contains a prominent warning that the figures refer to the past and that past performance is not a reliable indicator of future results;
 - v. where the indication relies on figures denominated in a currency other than that of the Member State in which the retail client or potential retail client is resident, the currency is clearly stated, together with a warning that the return may increase or decrease as a result of currency fluctuations;
 - vi. where the indication is based on gross performance, the effect of commissions, fees or other charges are disclosed.
- C.** Where the information includes or refers to simulated historical results, the Bank will ensure that the information refers to a financial instrument or a financial index and the following conditions are satisfied:
- i. the simulated past performance is based on the actual past performance of one or more financial instruments or financial indices which are the same as, or substantially the same as, or underlie, the financial instrument concerned;
 - ii. In respect of the actual past performance referred to point i. above, that the conditions set out in points i, ii, iii, v and vi of paragraph B are satisfied;
 - iii. The information contains a prominent warning that the figures refer to simulated past performance and that past performance is not a reliable indicator of future performance.
- D.** Where the information contains data on future performance, the Bank will ensure that the following conditions are satisfied:

- i. The information is not based or on simulated historical results or refer to simulated past performance;
- ii. the information is based on reasonable assumptions supported by objective data;
- iii. where the information is based on gross performance, the effect of commissions, fees or other charges is disclosed;
- iv. the information is based on performance scenarios in different market conditions (both negative and positive scenarios), and reflects the nature and risks of the specific types of instruments included in the analysis;
- v. the information contains a prominent warning that such forecasts are not a reliable indicator of future performance.

Where the information refers to a particular tax treatment, it shall prominently state that the tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

4. GENERAL PRE-CONTRACTUAL INFORMATION

Pre-contractual information on investment services and investment products should be provided in sufficient time to provide an investment service.

The information contained in the welcome pack shall includes:

1. Client Registration Form, Client Category Communication and Suitability Test (or appropriateness if applicable).
2. Pre-contractual information required by MiFID, included in the corresponding prospectus which includes:
 - Bank's Information.
 - Information about client classification and assessment requirements.
 - A summary of the Policy on Conflicts of Interest, Safeguarding of Assets and Execution and Order Management.
 - The expenses, fees and incentives related to the Investment Services.
 - A description of the main characteristics of the financial instruments and the risks associated with them, as well as the costs
3. Terms and Conditions and General Conditions of the Bank.
4. Particular conditions of the investment services and pre-contractual information sheets of the service.

4.1. Bank information

The Bank will provide its clients or potential clients, prior to the provision of any investment service or assist the following information:

- The name and address of the Bank, and the contact data necessary to enable the effective communication of the client with the Bank;
- The languages in which the client or potential client will be able to communicate with the Bank and receive documents and other information from the Bank;
- The communication methods to be used between the Bank and the client, including, when ways of sending and receiving orders are applicable;
- Information proving that the Bank is duly authorized, and the name and contact address of the competent authority that granted the authorization;
- If the Bank acts through a linked agent, a statement of this fact specifying the State in which said agent is registered;
- A summary description of the policy on conflicts of interest.

4.2. Information regarding categorization

Prior to the formalization of any relationship between the Bank and the potential client, the Bank will communicate to the potential client its classification as a retail client, professional client or eligible counterparty according to MiFID II.

In addition to the communication of the classification, at the same time, the Bank will inform the potential client of the right that assists them in their case to require a different classification and any limitations that if it chooses to exercise such right could be derived in terms of their protection regime

4.3. Information on financial instruments

Prior to the provision of any investment or auxiliary service, the Bank shall provide its clients or potential clients with a general description of the nature and risks of the financial instruments in respect of which it intends to operate or express an interest, taking into account , in particular client categorization.

This description should explain the characteristics of the specific instrument type, considering, operating and results of the financial instrument under different market conditions, both positive and negative, as well as the risks inherent in this type of specific financial instrument, in a sufficiently detailed manner to

enable the client to make informed investment decisions. In addition, in this information on financial instruments, where relevant for the specific type of instrument in question, and the level of knowledge of the client, the Bank shall include:

- Risks related to the type of financial instrument; including if there is an explanation of the leverage and its effects, the risk of total loss of the investment, as well as the risks associated with the issuer's insolvency or related events, such as internal recapitalization;
- The price volatility of such instruments and any limitations on the market in which they can be traded;
- Information on obstacles or restrictions for divestment, including in particular the possible methods of departure and the consequences of any exit, possible limitations and estimated time to be able to sell that type of financial instrument recovering the initial costs of the operation:
- The fact that an investor may assume in addition to the acquisition cost of the instruments, financial commitments and other obligations, including contingent liabilities, as a result of operations with such instruments;
- Any mandatory margin or similar obligation, applicable to such instruments.

Notwithstanding the above, the Bank will also apply the following standards in the specific cases indicated below:

- If a financial instrument is the subject of a public offer and a prospectus has been published in relation to such offer, the Bank will inform the client or prospective client of the place where the prospectus is made available to the public;
- If the financial instrument referred to in the first paragraph of this point consists of two or more different financial instruments or services, the Bank shall provide an appropriate description of the legal nature of the financial instrument, its components and the manner in which the interaction between the components affects the risks of the investment;
- If the financial instrument referred to in the first paragraph of this point incorporates a guarantee or protection of capital, the Bank shall provide the client or prospective client with sufficient information regarding the scope and nature of such guarantee or capital protection mechanism. In addition, if such guarantee is provided by a third party, the information referred to in this section shall include data of the guarantor.

4.4. Specific information on investment advice

Prior to the provision of the investment advice service, the Bank must provide the client or potential client with information that clearly and concisely explains whether the investment advice is independent or not and because the advice has one or more other character and, if applicable, the restrictions

applicable considering the independent nature or not of the advice. In addition, the Bank will ensure that the information regarding the advice service will include the following:

- The range of financial instruments that may be recommended, including, where applicable, the relationship of the Bank with the issuers or suppliers of the instruments;
- A description of the types of financial instruments considered in the service, the range of financial instruments and suppliers analyzed for each type of instrument according to the scope of the service.

4.5. Information on costs and expenses

Prior to the provision of any investment service, the Bank will inform the client or potential client of the following:

- All related costs and expenses charged by the Bank, or third parties when referred to the client to these third parties considering the investment or auxiliary service in which the client is interested or will provide;
- All costs and related costs in relation with the production and management of financial instruments.

In addition, in the cases indicated below, the following rules will apply:

- In the event that a total part of the costs and expenses must be paid in foreign currency or represent an amount of foreign currency, the Bank will inform of the currency in question, exchange rate and applicable costs, in relation to this point information on payment terms or other forms of execution will also be provided.
- In the case of services related to CII, if the Bank does not include all costs and expenses in its key investor information document, the Bank will provide information on these additional costs and expenses.

For the estimation of such costs and expenses, the Bank will use the costs actually incurred if they are available prior to the provision of the service or if such costs actually incurred are not available, the Bank will use reasonable estimates of said costs.

All the rules previously set forth in this section may not apply if agreed with the client or potential client, except in the event that the service to be provided is investment advice or management of portfolios or when, irrespective of the service provided, it is lent on financial instruments that have implicit derivatives.

5. MONITORING AND UPDATING OF THE POLICY

5.1. Monitoring compliance with the Policy

Compliance Department will be responsible for the continuous monitoring of compliance by the different operational areas of the different standards and provisions contained in this policy.

At all times, persons or areas responsible for the preparation, distribution or delivery of information or distribution communications to clients or potential clients may request from Compliance Department any clarification or information they deem necessary in relation to the regime defined in this Policy.

5.2. Update of the Policy

At least annually, and in any case when there is a relevant regulatory change, Compliance Department will make a comprehensive review of the content and scope of the Policy and include any changes deemed necessary in any case that will be subject to the approval of the Board of Directors of the Bank.