
PICTET WEALTH MANAGEMENT FINANCIAL SERVICES GOVERNED BY FINSA REQUIREMENTS

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INTRODUCTION

Banque Pictet & Cie SA provides personalised discretionary portfolio management and investment advisory solutions through its dedicated business unit Pictet Wealth Management (Banque Pictet & Cie SA and/or Pictet Wealth Management, collectively referred to as “PWM”), drawing on the Group’s specialists in the main asset classes as well as its operational units.

Certain services forming part of our investment solutions offering are governed by the provisions of the Financial Services Act (FinSA), which came into effect on 1 January 2020.

The aim of this brochure is to inform clients about the services subject to these new requirements, without attempting to provide detailed information on each investment service in our range of services. Do not hesitate to contact your relationship manager for more information about the full offering. For more information on the provisions of FinSA, please refer to the “Information about FinSA regulation governing investor protection” brochure available on our dedicated FinSA webpage at www.group.pictet/finsa-pwm

Please note that, while all PWM services subject to FinSA are listed below, the availability of some services depends on the client’s investor profile.

FINANCIAL SERVICES IN GENERAL

Different forms of financial services are offered: discretionary portfolio management, investment advice, services to acquire/dispose of financial instruments and order execution (no advice). These types of financial services are subject to FinSA and governed by its provisions.

With discretionary portfolio management, investment decisions are delegated to the financial services provider. With investment advice and execution-only services, the client is fully responsible for the investment decisions. The financial service provider’s duties differ in the two scenarios, namely with regard to the information to be provided to the client.

DISCRETIONARY PORTFOLIO MANAGEMENT

With discretionary portfolio management, the client entrusts assets to PWM and gives instructions to invest them on their behalf in accordance with a contractual agreement that sets out the client’s investment goals. Investment decisions are made exclusively by PWM.

Our discretionary offering provides a wide range of mandates from multi-asset to single-asset strategies covering every asset class, including alternative assets.

For more information please refer to our dedicated webpage:
www.group.pictet/discretionary-mandates.

Clients who have entered into a discretionary portfolio management mandate are considered qualified investors within the meaning of the Collective Investment Scheme Act (CISA). Consequently, PWM may also invest in investment vehicles that are not protected by the standards provided for in CISA or its ordinance (CISO), including funds not approved by the Swiss Financial Market Supervisory Authority (FINMA) for distribution in or from Switzerland. This may result in greater flexibility in determining and compliance with the investment policies of these instruments, less stringent supervision and restricted access to information.

The client may request PWM at any time to no longer treat them as a qualified investor. Such request must be made in writing.

INVESTMENT ADVISORY

Investment advice consists of personal recommendations related to the trading of financial instruments. The advice can relate to a portfolio (advice geared to the client's portfolio and defined investment strategy) or transactions (advice concerning specific financial instruments).

PWM has designed a simple yet comprehensive set of advisory solutions for clients who wish to play a more active role in the investment and management of their wealth. The aim is to enable clients to take advantage of all our investment expertise focused on the long term through solutions tailored to each client's specific needs.

For more information please refer to our dedicated webpage:
www.group.pictet/advisory-services.

Clients who have entered into an advisory mandate are considered qualified investors within the meaning of the CISA. Consequently, PWM can also provide clients (in their capacity as qualified investors) with recommendations concerning investment instruments that are not protected by the standards provided for in CISA or its ordinance (CISO), including funds not approved by the Swiss Financial Market Supervisory Authority (FINMA) for distribution in or from Switzerland. This may result in greater flexibility in determining and complying with the investment policies of these instruments, less stringent supervision and restricted access to information.

The client may request that PWM no longer treat them as a qualified investor at any time. Such request must be made in writing.

ORDER EXECUTION

With execution-only services, the client makes their own investment decisions without receiving any advice or recommendations from the financial service provider. As such, the client bears full responsibility for assessing the investment instruments and the risks they entail.

As custodian, we handle a number of aspects of asset administration. These include collecting income, settling trades, proxy voting and corporate actions. Should the client need additional services, we can actively manage cash through a cash management mandate, make payments, set up credit facilities and lend securities to third parties, enabling the client to earn additional income. These services may require specific mandates.

TRADING

The trading services provided to PWM clients by PTS (Pictet Trading & Sales) give access to financial markets and all asset classes. As this is an order execution service, no pre-trade (appropriateness and/or suitability) tests are carried out. PTS nevertheless provides best execution of client orders, in accordance with the principles of good faith and equal treatment. For additional information, refer to the “Information about FinSA regulation governing investor protection” brochure and the order execution policy available on our dedicated investor protection webpage.

LENDING SOLUTIONS

Conventional lending, including mortgages, is subject to civil-law provisions under the Swiss Civil Code (SCC) and the Code of Obligations (CO). However, when a client takes out a loan with a view to investing in financial instruments, such as in the form of a Lombard loan, this financial service is subject to FinSA. Given the specific risks associated with this type of lending, FinSA provides for certain requirements on investor protection (information, documentation and rendering of account).

PWM provides flexible lending solutions enabling clients to have the liquidity to finance new projects by using the assets held in the portfolio.

Lombard loans enable clients to cover short- and medium-term liquidity needs or take advantage of new investment opportunities without having to sell existing assets.

Leverage can be used as part of the client’s investment strategy to enhance returns or diversify a portfolio by reinvesting in other types of assets.

Lombard loans are available only to clients who have a discretionary mandate with PWM or whose assets are held in custody at PWM. The loans are secured by assets held in the portfolio. The loan-to-value ratio is determined by PWM based on the type of the assets pledged as collateral.

Legal information

This document has been issued by Banque Pictet & Cie SA. The document is meant solely to provide information about how Banque Pictet & Cie SA intends to comply with financial services and investor-protection regulatory requirements.

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