

Information for clients regarding the Swiss Financial Services Act (‘FinSA’)

December 2021

Dynamic Tree Asset Management
 (“Dynamic Tree”)

Introduction

At Dynamic Tree, investor protection is very important. The financial world is becoming increasingly complex and information and transparency are very important so that clients can make informed investment decisions.

The FinSA is the new Swiss regulatory framework for financial services and its main purpose is to enhance client protection and create a level playing field for the various Swiss financial services providers. The level of client protection afforded depends on the client segment to which each client is classified. The FinSA entered into force on January 1, 2020, and Dynamic Tree is required to implement it in full no later than December 31, 2021.

The purpose of this brochure is to provide general information about Dynamic Tree in accordance with FinSA, as well as to direct our clients where to find additional relevant information. It provides an overview of the following contents:

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This information brochure is provided to clients before financial services are rendered by Dynamic Tree and is intended for information and regulatory purposes only. The information provided in this brochure is not exhaustive. In addition, the information contained in this brochure is neither marketing material nor detailed information concerning the specific investment activities that make up Dynamic Tree’s overall service offering.

If you have any questions, please contact your investment advisor.

1. General information about Dynamic Tree

Founded in 2010, Dynamic Tree is an independent, privately-owned investment management firm incorporated under the laws of Switzerland as a corporation and listed in the commercial registry of the Canton of Schwyz (UID # CHE-115.766.229).

Contact details:

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Churerstrasse 47
8808 Pfaeffikon SZ
Switzerland

Tel.: +41 44 787 5900
Email: info@dynamictree.com
Web: www.dynamictree.com

Field of activity:

Dynamic Tree provides discretionary and non-discretionary investment management services to high-net-worth individuals and families.

For more information about our services/field of activity, please see our website or contact your investment advisor.

Supervisory status

Switzerland

Currently, Dynamic Tree is supervised by VQF Financial Services Standards Association. As a self-regulatory organization (SRO) officially recognized by the Swiss Federal Financial Market Supervisory Authority (FINMA), the VQF is obliged to supervise its members in their efforts to combat money laundering and prevent the financing of terrorism.

VQF Financial Services Standards Association
General-Guisan-Strasse 6
6300 Zug
Switzerland

Tel. +41 41 763 28 20
Web: www.vqf.ch

When the new Swiss Financial Institutions Act (FinIA) enters into force on January 1, 2023, financial services providers will require a license from the Swiss Financial Market Supervisory Authority (FINMA). Dynamic Tree plans to apply for a license as a Portfolio Manager with FINMA pursuant to Article 17 (1) of FinIA during the second quarter of 2022. Information regarding the future licensing status of Dynamic Tree can be found on our website, at: www.dynamictree.com/regulatory/

Canada

In Canada, Dynamic Tree is registered with the provincial securities regulatory authorities as an adviser in the category of portfolio manager in Alberta, British Columbia, Ontario and Quebec, and as a dealer in the category of exempt market dealer in Alberta and Ontario.

Alberta

Alberta Securities Commission
Suite 600, 250-5 Street SW
Calgary, Alberta T2P 0R4
Canada

Tel.: +1 (403) 297-6454
Web: www.albertasecurities.com
Email: inquiries@asc.ca

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2
Canada

Tel.: +1 (604) 899 65 00
Web: www.bcsc.bc.ca
Email: inquiries@bcsc.bc.ca

Ontario

Ontario Securities Commission
20 Queen Street West
Toronto, ON M5H 3S8
Canada

Tel.: +1 (416) 593 83 14
Web: www.osc.gov.on.ca
Email: inquiries@osc.gov.on.ca

Québec

Autorité des marchés financiers
800, Square Victoria, 22e étage
Montréal, QC H4Z 1G3
Canada

Tel.: +1 (514) 395 03 37
Web: www.lautorite.qc.ca

2. Appropriateness and suitability

Due to the regulations applicable under FinSA, Dynamic Tree must clarify whether products and financial instruments are suitable for clients when providing financial services, by focusing on our clients' previous investment knowledge and experience. Clients must understand the complexity, risk and cost of the financial instruments being offered or recommended. Furthermore, clients must be able to bear any losses associated with the financial instruments in question. Finally, each client's individual risk tolerance is also taken into account.

3. Client segmentation

Under FinSA, clients of financial services providers are classified as either private, professional or institutional clients. The extent of investor protection afforded depends on that classification, with **private clients** enjoying the highest level of client protection. In order to ensure the highest possible level of protection, all of our clients are classified as private clients. Accordingly, we fully inform our clients about product risks before providing a financial service or executing a transaction. Furthermore, as a general rule, our clients can only invest in financial instruments that are expressly intended for private clients.

Depending on their financial assets, knowledge and experience, clients can apply to be reclassified as professional clients (by opting-out of classification as a private client), allowing them access to additional financial products and services. However, clients should note that professional clients do not enjoy the same level of protection as private clients. Moreover, opting out of classification as a private client is not only valid for a single financial service or product, but for all services and products offered by Dynamic Tree. Once classified as a professional client, clients have the right to request re-classification as a private client at any time.

In addition to the client segmentation carried out in accordance with FinSA, the Swiss Collective Investment Schemes Act ('CISA') distinguishes between qualified and non-qualified investors. FINMA may exempt collective investment schemes in whole or in part from certain regulations provided that they are open exclusively to qualified investors, which may lead to greater flexibility in terms of investment strategy, investment techniques, or access to additional unit classes. Similarly, it is possible to offer qualified investors access to foreign collective investment schemes that have not been approved by FINMA. Consequently, qualified investors do not enjoy the same level of investor protection as non-qualified investors.

Once clients have entered into an investment management contract, they are deemed by law to be **qualified investors** within the meaning of Article 10 (3^{ter}) CISA. They may, however, waive the right to be considered as qualified investors.

Your investment advisor will be happy to provide you with additional information concerning classification under FinSA and CISA.

4. Information on Dynamic Tree's services

Dynamic Tree provides discretionary and non-discretionary investment management services to its clients. The services are provided based on the investment strategy agreed between the client and Dynamic Tree.

Discretionary portfolio management services

Clients who wish to receive discretionary portfolio management services sign a discretionary investment management agreement ('Discretionary Mandate') with Dynamic Tree. Under that agreement, Dynamic Tree is authorized to manage the assets of its clients on a fully discretionary basis (i.e. without prior consultation), according to each client's respective risk profile. Clients may impose restrictions on investing in certain securities or certain types of securities, however. Dynamic Tree periodically reviews and may update an account's asset allocation and holdings in response to economic, political or market conditions, or changes in a client's circumstances. A client's risk profile will determine the type of investment strategy used by Dynamic Tree to manage the client's assets. A reference currency will also be determined with the client (e.g. CAD, USD, EUR or CHF). The following investment strategies are offered by Dynamic Tree to clients who opt for a Discretionary Mandate:

Income:

For clients who want to preserve their capital and are only prepared to accept low fluctuations in the value of their portfolio, recognizing that there will likely only be very limited growth potential and income. Investments will focus on instruments characterized by a minimal level of risk and/or high liquidity.

Balanced:

For clients who want to achieve regular income from interest and dividend earnings, and are prepared to accept moderate fluctuations in the value of their portfolio over the medium term, recognizing that there may only be limited growth potential. Investments will focus on instruments characterized by a medium level of risk,

Growth:

For clients who want to grow the value of their portfolio and accumulate wealth over time to a large extent through price appreciation, and who are willing to accept high risk, short-term loss of a greater magnitude, and greater fluctuations in results year on year, recognizing that the potential to accumulate wealth may be greater. Investments will focus on instruments characterized by a medium to high level of risk.

Equity:

For clients who want to grow the value of their portfolio and accumulate wealth over time predominantly through price appreciation, and who are willing to accept high to very high risk, potential short-term loss of a large magnitude, and high to very high fluctuations in results year on year, recognizing that the potential to accumulate wealth will likely be greater. Investments will focus on instruments characterized by a high level of risk.

Dynamic Tree Top 15 Investment Strategy

The Dynamic Tree Top 15 is an investment strategy composed of 15 international stocks that represent Dynamic Tree's investment ideas from a risk/reward perspective at any given point in time. The Dynamic Tree Top 15 is generally composed of three sets of five listed equities from the following regions: 1) Switzerland, 2) Europe, and 3) the Rest of the World. In circumstances where a given region is deemed not to have the best investment opportunities, up to three of the investments can be allocated to a region that Dynamic Tree believes has greater upside potential in terms of risk/reward. Investments are primarily made in large and medium capitalization companies; a minimum of 80% of the stocks making up the Dynamic Tree Top 15 must have a market capitalization equal to or greater than USD 2 billion (or equivalent in foreign currencies). The Dynamic Tree Top 15 is not an investment fund, but rather an investment strategy that is implemented directly within each client's account.

Our Top 15 investment strategy is for clients who want to grow the value of their portfolio and accumulate wealth over time predominantly through price appreciation, and who are willing to accept high to very high risk, potential short-term loss of a large magnitude, and high to very high fluctuations in results year on year, recognizing that the potential to accumulate wealth will likely be greater. Investments will focus on instruments characterized by a high level of risk.

Bespoke Investment Strategy

The Dynamic Tree Bespoke Investment Strategy provides clients with maximum flexibility and involvement in the investment process, including customization and consideration of client-imposed investment restrictions. The Dynamic Tree Bespoke Portfolio is aimed predominantly at investors who wish to contribute their own ideas to the investment process or simply would like to set their own investment ranges. The level of risk is dependent on the particular circumstances of the bespoke investment strategy.

All investment strategies managed by Dynamic Tree include a combination of different types of investments such as cash, fixed income, equities and other types of instruments (see the 'Investment universe' section of this document).

Non-discretionary portfolio management services

Clients who wish to benefit from non-discretionary investment advice sign a non-discretionary asset management agreement ('Advisory Mandate') with Dynamic Tree. Under that agreement, Dynamic Tree will interact with clients and, at their request, discuss with them views and recommendations concerning securities, currencies, financial market trends and related investment options, strategies and opportunities. From time to time, we may also provide clients with recommendations that we believe may be appropriate to our clients and their portfolios. Clients will be solely responsible for making all investment decisions. Under an Advisory Mandate, Dynamic Tree will not have any discretionary authority over client accounts, will not monitor positions held in client securities portfolios, and will not be responsible for automatically updating any information or recommendations previously provided to clients. Dynamic Tree will secure client permission prior to effecting securities transactions for clients in their custodial and/or brokerage account(s).

For detailed information on the main rights and obligations arising from an investment management contract, please refer to the relevant contracts concluded between Dynamic Tree and its clients.

5. Investment universe

In principle, Dynamic Tree follows an 'open universe approach', striving to make the best possible choices for our clients when selecting financial instruments. We do not use any in-house products and rely solely on products from third parties at this time.

Dynamic Tree currently makes use of the following investment categories:

- Equities
- Fixed-income instruments such as bonds, etc.
- Foreign currencies

- Collective investments schemes such as investment funds and ETFs
- Commodities
- Derivatives
- Structured Products
- Other financial instruments

6. General risks in trading with financial instruments

For more information on the risks associated with financial instruments, please refer to the Swiss Bankers Association brochure 'Risks in Trading with Financial Instruments', which is available on the website of the Swiss Bankers Association at <https://www.swissbanking.ch/en>, and which will also be provided to clients when opening an investment account with us.

7. Information on business affiliations / conflicts of interest

In connection with the financial services offered by Dynamic Tree, economic ties may exist with third parties. The receipt and treatment of payments from third parties is regulated comprehensively in the investment management contracts concluded between Dynamic Tree and our clients.

For further information on potential conflicts of interest, please visit our website at: <https://dynamictree.com/regulatory/conflicts#>.

8. Information on costs

For the services rendered by Dynamic Tree, a management fee is charged to client accounts quarterly in arrears and is calculated on the basis of the average sum of the clients' assets managed by us at the close of the last business day of each individual month of the relevant financial quarter. Further information about our management fees can be found in our 'Investment Management Agreement' under clause 11 ('Compensation'), as well as in Schedule 1 ('Master Data Sheet') to the investment management contract concluded between Dynamic Tree and its clients.

Management fees charged by Dynamic Tree do not include custodian fees, brokerage fees and other transaction costs, including but not limited to deposit fees, brokerage commissions, custody fees, stock exchange fees, stamp duties or any other fees, costs and expenses levied by third parties. Such fees are extra and on top of the management fees charged by Dynamic Tree.

Mutual funds, exchange traded funds, structured products, etc., also charge their own fees. Such charges, fees and commissions are exclusive of and in addition to the management fees levied by Dynamic Tree.

Dynamic Tree also receives compensation from third parties in connection with the management of client assets. Such compensation is typically based on the volume of assets invested in a particular financial instrument. Further information about third party benefits can be found in our 'Investment Management Agreement' under clause 12 ('Compensation from Third Parties'), as well as in Schedule 5 ('Compensation from Third Parties') to the investment management contract concluded between Dynamic Tree and its clients.

9. Handling of complaints

It is of crucial importance to Dynamic Tree that our clients are satisfied with our services. If you do have a complaint, you can raise your objections directly by sending an email to your Dynamic Tree investment advisor, stating your name, client number, what went wrong, when it happened, and what sort of resolution you expect. Dynamic Tree will respond to your complaint as quickly as possible, and will always endeavour to find an amicable solution.

If you are dissatisfied with our reply, you can also contact the Swiss Ombudsman for Financial Services Providers (OFD), which is an independent mediator for disputes between clients and firms that offer financial services. The mediation services provided by the Ombudsman are free of charge for clients.

Contact details:

Ombudsman Financial Services Provider (OFD)
Bleicherweg 10
8002 Zurich
Switzerland

Tel.: +41 44 562 05 25

Email: ombudsmann@ofdl.ch

Web: www.ofdl.ch/en

Clients residing in Canada also have the option to contact the Canadian Ombudsman for Banking Services and Investments (OBSI):

Canadian Ombudsman for Banking Services and Investments
20 Queen Street West, Suite 2400
P.O. Box 8
Toronto, ON M5H 3R3
Canada

Tel.: +1 416 287 2877

Email: ombudsman@obsi.ca

Web: www.obsi.ca/en