



## **FINANCIAL SERVICES ACT (FINSA)**

### **INFORMATION FOR CLIENTS OF HL CAPITAL SARL**

#### **Introductory remarks**

The new Swiss Financial Services Act (FinSA) entered into force on January 1st, 2020. The aims of the new Swiss FinSA include strengthening investor protection and establishing comparable standards for financial service providers. The protection of the Swiss financial centre is also one of the aims pursued by this new act.

FinSA obliges financial services providers to give to clients detailed information on various aspects of their services provision. The purpose of this document is providing clients (hereinafter “Client” or “Clients”) with an overview of HL Capital SARL (hereinafter “HL CAPITAL”) and its activities in connection with the provision of financial services.

The following information does not cover all aspects related to the provision of financial services by HL CAPITAL. Where necessary, this document therefore refers to other documents which the Client receives or can obtain from HL CAPITAL.

#### **Information on HL CAPITAL**

Founded in 2023, HL CAPITAL is an investment advisory firm focus on liquid alternative investments for professional and institutional clients. It offers alternative investment solutions, customized solutions both in long only and long short strategies and structured products.

HL CAPITAL is a public limited company under Swiss law registered in the Geneva Commercial Register (IDE CHE-306.482.716) headquartered in Geneva.

Contact details :

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Avenue des Grandes Communes 8  
1213 Petit Lancy  
Telephone : +41 78 243 02 33  
[contact@hlcapital.ch](mailto:contact@hlcapital.ch)  
[www.hlcapital.ch](http://www.hlcapital.ch)

As an investment advisory firm, we are not subject to prudential supervision. However, the team is registered as client advisor at ARIF (Association Romande Des Intermediaires Financiers) which is a licensed registration body supervised by FINMA.

Contact details :

ARIF  
Rue de Rive 8  
Case Postal 3178  
1211 Geneve3  
Telephone : +41 22 310 07 35



## Terms and conditions of business

The rights and obligations between HL CAPITAL and the Client in connection with the provision of financial services shall be governed by the specific service agreement. This information for Clients serves as supplementary information.

### Clients' classification

HL CAPITAL is obliged to classify the Client as retail client, professional client or institutional client. The scope of the individual duties of conduct varies depending on the Client segment. New clients are informed about their classification and existing Clients are only informed about a change of their existing classification. **HL CAPITAL advises only professional and institutional clients.**

#### Retail client

A retail client is considered to be a Client who cannot be clearly assigned to the professional client or eligible counterparty category. By being classified as a retail client, the Client enjoys the highest level of protection.

#### Professional client

Professional clients are considered:

- Public corporations with professional treasury;
- Pension funds and institutions which, according to their purpose, serve the purpose of occupational pension provision, with professional treasury;
- Companies with professional treasury;
- Large companies;
- Private investment structures with professional treasury for wealthy retail clients.

A professional client has a lower level of protection than a retail client. In particular, HL CAPITAL may assume for a professional client that the acting persons have sufficient experience, knowledge and expertise to make decisions and to adequately assess the associated risks and that the risks associated with the investment decisions are financially bearable for the Client.

In addition, professional clients may waive the application by HL CAPITAL of the rules of conduct pursuant to Art. 8, 9, 15 and 16 FinSA (information, documentation and rendering of account obligations) vis-à-vis them.

#### Institutional client

According to the law, institutional clients are only:

- Regulated legal entities such as financial intermediaries under the Banking Act (BA), the Financial Institutions Act (FinIA) and the Collective Investment Schemes Act (CISA), insurance undertakings under the Insurance Supervision Act (ISA);
- Foreign clients subject to equivalent prudential supervision;



➤ Central banks; and

➤ National and supranational public corporations with professional treasury operations.

They benefit from the lowest level of protection. The rules of conduct pursuant to Art. 7 to 19 FinSA per se do not apply to this client segment.

### **Reclassification**

Clients have the following options for changing their client segment:

- Retail clients may at any time request in writing to HL CAPITAL a change of client classification to (elective) professional client (opt-out) if they meet at least one of the following criteria:
  - The Client has the knowledge necessary to understand the risks of the investments, based on personal training and professional experience or comparable experience in the financial sector, and has assets of at least CHF 500,000;
  - The Client has assets of at least CHF 2 million.
- Pension institutions and institutions with professional treasury which, according to their purpose, serve the purpose of occupational pension provision and companies with professional treasury may declare that they wish to be regarded as institutional clients instead of professional clients;
- Professional clients have the option of requesting a reclassification as retail clients;
- Institutional clients may declare that they wish to be considered professional clients.

Such a change also entails a change in the level of protection applicable to the Client.

### **Your classification**

You can sign an advisory mandate with HL CAPITAL. You are consequently classified as qualified investor within the meaning of CISA for the purposes of these services and may acquire funds for qualified investors with advice or within the scope of the asset management mandate.

Although CISA and FinSA classification are not equivalent, the criteria that allowed you to obtain the CISA qualified investors classification could now lead you to a classification in the segment “professional client” according to FinSA. Provided you meet the necessary requirements (see previous section), you can request at any time to HL CAPITAL such a classification (opt-out). In order to do so, please contact your relationship manager.

All declarations with regard to the change of client segment must always be made in writing.

In case such a changing request of client segment fails, your classification according to FinSA remains that of retail clients.

As a general rule, you are obliged to inform HL CAPITAL of any changes that might affect your classification. If HL CAPITAL realises that you no longer meet the conditions of the client segment you are classified, HL CAPITAL is obliged to take action itself and adjust your classification. In this case HL CAPITAL will inform you immediately.



## **Advisory services**

With the advisory mandate, HL CAPITAL gives investment recommendations with regard to the client's portfolio and the investment strategy that has been defined by him. The client is involved in the management of his asset while benefiting from HL Capital advices. HL Capital do not execute orders, has no power on accounts and the client retain the final investment decision.

## **Risks involved in trading financial instruments**

Transactions with financial instruments are associated with opportunities and risks. These can be very different depending on the financial instrument. In particular, the following risks must be mentioned:

- Price change risk / risk of declining securities prices;
- Credit risk (default risk or insolvency risk) of the issuer;
- Interest rate and exchange rate risk;
- Liquidity risk or risk of suspension of sale / redemption (lack of tradability);
- Total loss risk.

Investments in financial instruments with higher potential returns are also associated with greater risks than investments in financial instruments with lower potential returns. The price of financial instruments is subject to fluctuations on the financial market over which HL CAPITAL has no influence.

Past income (i.e. interest, dividends) and capital gains are not indicators of future income or capital gains. Further information can be found in the brochure "Risks involved in Trading Financial Instruments" published by the Swiss Bankers Association (current version available at the following link: [https://www.swissbanking.ch/Resources/Persistent/e/1/8/d/e18dc86d8033b556db0c7db772e9b025042db1d5/SBA\\_Risks\\_Involved\\_in\\_Trading\\_Financial\\_Instruments\\_2023\\_EN.pdf](https://www.swissbanking.ch/Resources/Persistent/e/1/8/d/e18dc86d8033b556db0c7db772e9b025042db1d5/SBA_Risks_Involved_in_Trading_Financial_Instruments_2023_EN.pdf) ; a copy will be sent by post on request).

## **Investment Universe**

The investment universe considered when making investment recommendations by HL CAPITAL is determined by external research and analysis from various independent external sources and/or from different financial intermediaries. The synthesis of this research and these analyses help the Advisory Team in their investment choices.

The investment universe of HL CAPITAL includes Equities, Bonds, Funds, ETFs and Structured products. Funds and Structured products advised by HL CAPITAL are also considered in the investment universe.

Ultimately when selecting financial instruments, HL CAPITAL generally considers either third-party or own financial instruments.

## **Execution orders**

HL CAPITAL does not provide execution services but only advisory.



### **Cost and fees associated with services**

The fees related to the advisory services and other services of HL CAPITAL are available on request. HL CAPITAL is going to inform the Client through its contract document about the cost (management fees, performance fees...) associated with the service.

### **Third party benefits**

The contract documents are also going to provide information about the compensations, remunerations which HL CAPITAL, from time to time, may accept directly or indirectly from third parties in connection to the investment advice it provides to its Clients.

Structured products fees : 0,5% to 2%

### **Conflict of Interest**

HL CAPITAL strives to protect the interests of its Clients. Nevertheless, conflicts of interest cannot always be completely ruled out. HL CAPITAL takes appropriate organizational precautions to avoid such conflicts of interest or to rule out the possibility of Clients being disadvantaged by conflicts of interest. If discrimination against Clients cannot be excluded, this will be disclosed

### **Complaints**

A complaint can be sent at any time by mail to HL CAPITAL. It will be treated as soon as possible in order to improve the services of HL CAPITAL.

### **Mediation body**

Any client who considers the answers received from HL CAPITAL to be unsatisfactory may initiate a mediation procedure before the mediation body, at the following address:

Terraxis SA  
Rue de la Tour de l'Ile  
1204 Genève  
Telephone: +41 22 732 61 19  
[www.terraxis.ch](http://www.terraxis.ch)

### **Legal notice**

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