

Specific Terms for Alternative Investments

Banque Bordier & Cie SCmA

This brochure provides the Client with essential pre-contractual information regarding investments in alternative investments, including Private Assets, notably Private Equity (primary, secondary, co-investments) and Private Debt (including real estate private debt).

Its purpose is to:

- inform the Client of the characteristics, risks, commitments, fees and operational specificities associated with such investments;
- supplement the information already provided in the Bank's contractual documentation (General Terms and Conditions, Discretionary Portfolio Management Mandate, Investment Advisory Mandate); and
- enable the Client to make an informed investment decision.

This brochure constitutes general pre-contractual information.

It does not replace the documentation specific to each Investment (prospectus, LPA, offering memorandum, subscription documents), which alone shall be legally binding.

Any investment decision must be based on a review of the documentation specific to the relevant Investment, as well as on the Client's own analysis, where appropriate with the assistance of independent advisers.

1. Nature of Private Assets Investments

Private Assets refer to unlisted or equivalent financial instruments invested directly or indirectly in assets not traded on a regulated market. They are characterised in particular by a long investment horizon, limited liquidity and specific risk profiles.

The main categories of Private Assets include in particular:

- Private Equity: direct or indirect equity investments in non-listed companies, notably through primary funds, secondary funds, co-investments or equivalent structures;
- Private Debt: private loans, structured financing, unlisted debt instruments, including real estate private debt, granted to companies or backed by specific assets;
- Investment structures: various legal or contractual vehicles such as limited partnerships

(LPA), alternative investment funds (AIF), specialised or reserved funds (SIF/RAIF), special purpose vehicles (SPV), feeders, segregated portfolios, side-cars, co-investment vehicles or similar structures.

1.1 Absence of a Secondary Market

Investments in Private Assets are generally not traded on a regulated or organised market.

Their sale, transfer or pledge may be prohibited, strictly limited or subject to the prior consent of the manager, the investment vehicle or other relevant parties. Consequently, **the liquidity of such instruments is generally limited or non-existent.**

1.2 Financial Commitments

Private Assets investments are frequently structured as **commitment-based investments** (capital commitments). In this context, the Client subscribes to a maximum theoretical commitment amount, which is drawn down progressively by the manager through capital calls, depending on the needs of the investment vehicle and in accordance with its constitutive documentation.

2. Operation of Capital Commitments

2.1 Maximum Theoretical Commitment

Upon subscription to a Private Assets investment structured as a commitment, the subscribed amount corresponds to a maximum theoretical commitment. This amount represents the maximum financial obligation that may be called by the manager in accordance with the constitutive documentation of the investment vehicle. The amount actually paid may be lower, depending on capital calls made during the life of the Investment.

2.2 Successive Capital Calls

The commitment amount is generally not paid in full at subscription. The manager proceeds with successive capital calls, typically:

- with relatively short notice, often between 10 and 15 business days;
- in order to finance underlying investments, operating expenses of the vehicle, taxes or any other obligations provided for in the applicable documentation.

The timing, frequency and amount of capital calls depend on the investment strategy, deployment schedule and contractual provisions specific to each Investment.

2.3 Consequences of Default

In the event of partial or total non-payment of a capital call within the prescribed timeframe, the Investment documentation generally provides for sanction mechanisms, which may include in particular:

- default interest and/or contractual penalties;
- temporary suspension or permanent loss of certain investor rights;
- forced dilution of the participation;
- forced transfer or sale of the participation, potentially on highly unfavourable terms;
- total loss of the investment and, where applicable, an obligation to indemnify other investors or the investment vehicle for any damages incurred.

3. Specific Risks Associated with Private Assets

Investments in Private Assets involve a **high level of risk, very limited liquidity** and a **long investment horizon**. They are generally reserved for experienced investors capable of understanding their mechanisms and bearing their financial, legal and tax consequences.

The main risks are as follows:

Risk Category	Description	Key Considerations
Illiquidity	No organised secondary market.	<ul style="list-style-type: none"> ▪ No resale guarantee; ▪ exit often impossible for several years; ▪ transfers subject to restrictions
Capital loss	Capital is not guaranteed.	<ul style="list-style-type: none"> ▪ Risk of partial or total loss; ▪ absence of capital protection
Valuation	The value of investments is based on valuation methodologies and estimates.	<ul style="list-style-type: none"> ▪ Absence of a market price; ▪ periodic valuation (often quarterly or semi-annually); ▪ significant reliance on assumptions and on the manager
Private Equity specific risks	Performance is closely dependent on non-listed companies and their management.	<ul style="list-style-type: none"> ▪ Dependence on key personnel (key person risk); ▪ higher-risk strategies (growth, restructuring, LBOs);

Risk Category	Description	Key Considerations
Private debt specific risks	Returns depend on the borrower's ability to repay.	<ul style="list-style-type: none"> ▪ frequent use of leverage ▪ Risk of borrower default or insolvency; ▪ frequent absence of external rating; ▪ potential subordination; ▪ dependence on the quality of collateral and covenants; ▪ risk of restructuring or renegotiation of financing terms (extension of maturity, suspension of interest, conversion into equity, reduction of principal); ▪ valuation based on internal estimates in the absence of an active market; ▪ sectoral and geographical concentration; ▪ potential use of leverage at the vehicle level
Real Estate Risks (where applicable)	Unlisted real estate investments are exposed to specific factors.	<ul style="list-style-type: none"> ▪ Decline in asset value; ▪ vacancy risk; ▪ regulatory, tax or environmental burdens; ▪ refinancing risk
Tax risks	Tax consequences may be complex and subject to change over time.	<ul style="list-style-type: none"> ▪ ECI income (notably through U.S. partnerships); ▪ multi-jurisdictional reporting obligations; ▪ taxation of distributions; ▪ withholding taxes

3.1 Legal and Operational Specificities of Private Debt

Private debt instruments are generally negotiated over-the-counter and may rely on non-standardised contractual documentation.

In the event of borrower distress, financing terms may be renegotiated or restructured.

- The investor may therefore be exposed to:
- modification of maturities or interest rates;
- conversion into equity instruments;
- reduction of principal repayment;
- insolvency proceedings..

4. Legal Structure of Investment Vehicles

Private Assets investments are generally made through specific legal vehicles, the form, jurisdiction and contractual documentation of which determine investors' rights and obligations.

4.1 Limited Partnerships

A significant portion of Private Assets funds are structured as limited partnerships.

In this context:

- the investor acts as a limited partner;
- rights and obligations are governed primarily by the limited partnership agreement (LPA);
- liability is generally limited to the committed amount;
- the commitment is firm and irrevocable up to the subscribed amount.

The general partner or manager typically enjoys broad discretionary powers.

4.2 Side letters

Certain investors may benefit from specific arrangements through side letters, including:

- enhanced information rights;
- fee arrangements;
- governance or reporting adjustments.

Such agreements are individual and do not ensure equal treatment among investors.

4.3 Foreign Jurisdictions

Private Assets vehicles are often established in foreign jurisdictions, such as:

- Luxembourg (SIF, SICAV, RAIF/FIAR),
- United States (Delaware), Cayman Islands, Guernsey, Jersey,
- Ireland, United Kingdom.

Investor rights, protections and remedies may differ significantly from Swiss standards and may be more complex or costly to enforce.

Investment vehicles may not be subject to a level of supervision or investor protection equivalent to that applicable to investments offered to the public in Switzerland. The exercise of investor rights may, in certain cases, be more complex, more costly or subject to longer

timeframes.

The rights, obligations and protections available to the investor depend directly on the legal structure of the investment vehicle and the jurisdiction to which it is subject. These elements may differ significantly from Swiss standards and must be assessed in light of the documentation specific to each Investment.

5. Subscription Process via the Bank

For Clients who have entrusted the Bank with a discretionary portfolio management mandate or an investment advisory mandate, whether on a portfolio basis or on a transaction-by-transaction basis, subscriptions to Private Assets Investments are, as a general rule, executed through the Bank.

Depending on the relevant structures and the specific requirements of the investment vehicles, the Bank may act in the capacity of:

- nominee, as legal owner of the Investments on behalf of the Client;
- custodian of the subscription account or of the technical account used in connection with the Investments;
- administrative intermediary, responsible for the transmission of communications, documents and instructions between the Client and the managers, administrators, custodians or other service providers of the Investments.

In this context, the Bank may centralise information flows and relay, on a purely administrative basis, capital calls, distributions, investment documentation and any other communications relating to the life cycle of the Investments.

5.1 Limited rôle of the Bank

The Bank's role in the subscription process is strictly limited to administrative and operational functions.

In this capacity, the Bank:

- does not guarantee the performance, return or solvency of the investment vehicles;
- does not verify or monitor the investment strategy, management, governance or decisions taken by the managers, promoters or other parties involved in the Investments;
- does not provide any legal or tax advice and does not assume any tax obligations on behalf of the Client;

- does not provide any secondary liquidity and does not guarantee the assignability, transferability or valuation of the Investments.

The Bank's role is limited to transmitting, within the scope of its duties, the information, documents and administrative instructions received or required, without assuming any liability as to the content, accuracy, completeness or consequences of such elements.

6. Bank remuneration

In connection with Private Assets Investments, the Bank may receive, depending on the services provided and within the limits of the applicable legal and contractual framework:

- investment advisory or portfolio management fees;
- administration, structuring and operational processing fees;
- where contractually agreed (in particular in the relevant Subscription Order) and permitted under applicable regulations, fees, commissions or other financial benefits paid by third parties, including managers, promoters, arrangers, platforms or other parties involved in the Investments, to the extent legally and contractually permitted.
- Fees and commissions charged directly to the Client are determined in accordance with the applicable mandate, the Bank's prevailing fee schedule and any specific terms set out in the relevant Subscription Order.

Any remuneration received by the Bank from third parties, including the applicable terms, calculation methods and ranges, are described in a separate information document available on the Bank's website under the section Legal & Compliance / Switzerland / FinSA¹.

7. Investor Eligibility Criteria

Access to Private Assets Investments is reserved for investors meeting specific eligibility criteria, arising both from applicable regulations and from the requirements specific to the relevant investment vehicles.

In particular, the Client must, inter alia:

- qualify as a professional client within the meaning of the Swiss Financial Services Act (FinSA), respectively be considered a qualified investor within the meaning of the Swiss Collective Investment Schemes Act (CISA), it being specified that collective investment schemes reserved for qualified investors are not subject to the same regulatory requirements as those offered to the public;
- where applicable, meet the criteria of a well-informed investor² under the relevant foreign regulations, in particular under Luxembourg law (including specialised investment funds - SIF and reserved alternative investment funds - RAIF/FIAR) ;
- where required, qualify as an accredited investor³ and/or a qualified purchaser⁴ within the meaning of applicable U.S. regulations (in particular the U.S. Securities Act of 1933 and the Investment Company Act of 1940);
- satisfy the specific requirements imposed by each fund or investment vehicle, including minimum subscription amounts, requirements relating to knowledge and financial experience, capacity to bear risks, investment horizon, as well as restrictions relating to nationality, domicile or tax status.

Given that Private Assets Investments are, by their nature, **reserved for a limited circle of experienced investors**, the Bank relies on the information and representations provided by the Client regarding their investor status and may transmit such information to managers, administrators or other parties involved in the Investments in order to demonstrate the Client's eligibility.

8. Information sharing and confidentiality

In order to execute a Private Assets Investment, the Bank may be required to transmit certain personal data relating to the Client:

- to managers, administrators and custodians;
- to auditors, calculation agents and operational service providers;

¹ « Information concerning the les remunerations to third parties » : <https://www.bordier.com/legal-and-compliance/switzerland/finisa/>

² For the definition of "well informed investor": cf. art. 2, par. (1), of the Luxembourg Law of 13 February 2007 on specialised investment funds: <https://legilux.public.lu/eli/etat/leg/loi/2007/02/13/n1/jo>

³ For a definition of "accredited investor": cf. Rule 501 of Regulation D of the U.S. Securities and Exchange Commission (SEC): <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=8edfd12967d69c024485029d968ee737&r=SEC-TION&n=17y3.0.1.1.12.0.46.176>

⁴ For a definition of "qualified purchaser": cf. §2(a)(51)(A) of Investment Company Act: <https://www.govinfo.gov/con-tent/pkg/COMPS-1879/pdf/COMPS-1879.pdf>

- to Swiss or foreign authorities where required.

Documents and information relating to the Investments are subject to confidentiality obligations.

Further information regarding the processing of personal data by the Bank, including the purposes of processing, the categories of data concerned, the recipients and the rights of the data subjects, is available on the Bank's website under the section Legal & Compliance / Switzerland / General Legal Information, in the Data Protection Notice⁵.

9. Taxation

The tax treatment applicable to the Investments depends in particular on:

- the legal structure of the investment vehicle (in particular where it is, or is treated as, a partnership, such as a limited partnership or limited liability partnership);
- the jurisdiction of the fund;
- the tax legislation applicable to the Client and, where relevant, to the beneficial owner;
- the location of the underlying assets.

9.1 U.S. Source Income and Effectively Connected Income (ECI)

Where Investments are structured as partnerships, investors, including non-U.S. persons, **may be subject to U.S. federal income tax on their allocable share of income, gains, losses or deductions, irrespective of any actual distribution. In the presence of Effectively Connected Income (ECI) or U.S.-source income, withholding taxes as well as U.S. tax reporting and filing obligations may apply.** Such obligations may arise even in the absence of any cash distribution.

9.2 Client'S Tax Responsibility

The Client shall be solely responsible for:

- assessing the tax consequences of the Investments;
- complying with all applicable tax and reporting obligations;
- consulting their own tax advisers, including, where applicable, a U.S. tax adviser, in order to ensure that the Investments are appropriate to their personal situation;
- providing, within the required timeframes, all

necessary documentation and information (including, in particular, Forms W-8, W-9, FATCA/CRS self-certifications and tax identification numbers).

- The Bank does not provide any tax advice and assumes no responsibility whatsoever for the tax consequences of the Investments, including with respect to the existence or qualification of ECI or U.S.-source income.

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In accordance with applicable legal and regulatory requirements, **the Bank may be required to transmit to the Investments, their service providers or the competent authorities, including abroad (notably the IRS), certain information relating to the Client and/or the beneficial owner.** Failure to provide the required documentation within the applicable time limits may result in certain transactions being refused or restricted.

10. Important Limitations

Private Assets Investments are not suitable for investors seeking short-term liquidity.

Information relating to the fund may be limited or subject to delays.

Past performance does not guarantee future performance.

Additional capital calls may occur at any time.

11. Applicable Law

Any contractual relationship entered into subsequently shall be governed by the specific documents executed by the Client, the Bank's documentation and the applicable laws and regulations.

⁵ Please consult the Notice here : <https://www.bordier.com/legal-and-compliance/switzerland/disclaimer/>

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