



## Client Information within the Framework of the statutory Provisions of MIFID

New statutory provisions for asset management companies are set to come into force on 1 November 2007 in the Principality of Liechtenstein within the context of the implementation of the EU Markets in Financial Instruments Directive (in short: MiFID). These provisions oblige all such companies to provide their clients with detailed information about offered services and products. Zehenter & Partner Invest AG already provided you with extensive information within the framework of the conclusion of the contract. We now take the opportunity to comply with the further statutory regulations as follows:

### 1. Information about financial instruments

In accordance with Art. 16 of the Liechtenstein Asset Management Act (VVG) in conjunction with the Directive concerning Client Information of the Bank Ordinance (Appendix 7.3), clients and potential clients must be provided with a reasonable level of information pertaining to financial instruments. This information must contain an adequately detailed general description of the nature and the risks of the financial instruments, thus enabling the client to take his investment decisions on an adequately informed basis.

You will be able to find all of this information in the enclosed brochure published by the Liechtenstein Bankers Association on «Risks in Securities Trading», which contains all necessary information about financial instruments. If we have not yet provided you with a copy of this brochure, it is enclosed with this letter.

### 2. Client communication

The Zehenter & Partner Invest AG, Im alten Riet 153, 9494 Schaan, Fürstentum Liechtenstein – following named „ZPI“ – can be contacted under:

Phone: +423 236 40 20  
Fax: +423 236 40 29  
Mail: [office@zpi.li](mailto:office@zpi.li)

Insofar as client communication is not regulated in the asset management mandate, you may communicate with us at any time in German or English, and will always receive the corresponding documents of ZPI in either German or English according to prior agreement.

In your capacity as a client, ZPI will as a rule communicate with you by letter, and if necessary by fax as well. If you contact ZPI using electronic means of communication, e.g. e-mail, then ZPI shall reserve the right to contact you by the same means. However, we wish to draw your attention to the fact that the use of e-mails entails certain risks with respect to confidentiality.

### 3. Financial Market Authority

ZPI is subject to the supervision of the Liechtenstein Financial Market Authority FMA, Heiligkreuz 8, PO Box 684, LI-9490 Vaduz ([www.fma.li](http://www.fma.li)).

### 4. Client classification

We wish to inform you that we have classified you as a non-professional client, because this means you enjoy the highest level of protection. You may apply to be reclassified to a lower level of protection, insofar as certain criteria are fulfilled. Upon request, we shall be pleased to explain the relevant conditions.

### 5. Client reporting

**It is essentially the case that ZPI will provide a schedule of the asset management services on a yearly basis.** This period may be reduced, by prior notice through the customer wish. If this is the case, we kindly ask you to notify us in writing. Additionally, each customer advisor will provide each client with a total statement of all assets at years' end include a performance report, which shows as well all incoming and outgoing payments and securities.

Insofar as the client wishes to be given a settlement for each individual security, ZPI will inform the relevant banks accordingly and the documents are sent to the know customer address.

### 6. Measures to protect the entrusted client assets

ZPI merely renders asset management services. Without any exception, the client accounts are run by external banks. ZPI does not itself hold any of the financial instruments of the client for safekeeping. As a matter of fact, actions in order to separate client and company assets are not required.

### 7. Dealing with potential conflicts of interest

We have enclosed a copy of Information on Dealing with Potential Conflicts of Interest with this document. For a more detailed "Conflict of Interest Policy" on dealing with conflicts of interest, please refer to our website under [www.zpi.li](http://www.zpi.li).

### 8. Benchmarking

To portray the financial portfolio administration in a transparent manner, we use a so called benchmark as a valuation method. The benchmark differs in terms of the respective client portfolios, and is defined in accordance with the investment goal and investment strategy.

In the case of individually-compiled custody accounts and special client wishes, the benchmark will in each case either be individually agreed with the client, or the use of a benchmark will be waived. You can find the benchmark in the asset management contract within the description of the investment strategy.

### 9. Investment goals

ZPI will reach an agreement with you on the investment goals, the risk level which must be taken into account by the asset manager, and any possible special restrictions pertaining to this



discretion. These guidelines and specifications are agreed upon in the asset management contract and/or the client profile.

#### 10. Valuation of financial instruments

ZPI will use the following valuation criteria to value the financial instruments held in the client portfolio:

- Investment funds will always be valued in accordance with the unit prices published by the respective investment fund company.
- The value of listed securities will be determined in accordance with the respective end-of-trading prices of the most liquid market for these securities.
- If no stock market price is provided for the financial instrument, then ZPI shall determine the market value using general valuation principles.

The valuations of the financial instruments in the client portfolio will be performed at the latest with respect to the agreed reporting deadlines.

#### 11. Execution of orders

As a rule, the custodian bank will be responsible for the execution of orders. The custodian bank will report its order execution principles to its clients. Insofar as ZPI presents its clients with a choice of custodian banks, or places orders with securities traders or brokers directly, then it shall inform its clients about the criteria which determined its choice. We have enclosed a copy of our „Execution Policy“ to his document. For a more detailed information, please refer to our website under [www.zpi.li](http://www.zpi.li).

The company may possibly pool client orders, before forwarding these for execution in the form of a collective order. If this collective order is executed at different prices, then the company shall arrange the allocation to the individual client custody accounts on the basis of average figures. This will minimise – but will not eliminate – the chance of a client being disadvantaged.

#### 12. Costs

The costs are set out in the asset management contract, and can be studied there.

It is possible that further costs and taxes may be imposed upon the client arising out of the asset management in conjunction with the financial instruments and securities services which have been procured on his behalf. These will not necessarily be covered by the overall fee, and will then be invoiced to the client additionally.

Payment will be performed by means of a debit from the asset management account of the investor using the direct debit procedure. This means the client will be able to raise an objection.

#### 13. Inherited risks and price changes in security trading

Security trading itself bears special risk due to the specific structure of the different financial instruments. In particular, the following risk have to be mentioned:

- Risk of price changes / declining security prices
- Credit risk / reliability risk of issuer of the financial instruments
- Risk of total loss

The individual price of a security is subject to changes within the financial market. ZPI and/or involved banks do not have any influence on its development. As a matter of fact, completed trades of securities cannot be recalled. Past returns (e.g. dividends, interests) and achieved increases in value cannot be used as an indicator for future returns or value increases. Detailed information can be found in the brochure of the Liechtenstein Banking Association about «Risks in Securities Trading», which contains all relevant information about the different financial instruments.

For further questions, please contact your personal advisor or contact on our website under [www.zpi.li](http://www.zpi.li).