

# Client Information FINSA

Supplementary client information on the  
Swiss Financial Service Act FINSA

November 2022

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## 1. INTRODUCTION

This brochure contains essential information about the Swiss Financial Services Act (FINSA), which came into force on January 1, 2020. The FINSA aims to provide greater protection for investors and create comparable standards for financial service providers. The transition period is a maximum of two years, which means that the FINSA requirements must be fully implemented by the end of 2021. This brochure also includes information on the implementation of the new regulatory standards that apply to clients of ROC Investment AG. This is general information such as regulatory supervisory status, considered investment universe, suitability and appropriateness of chosen investment strategy, client classification, best execution principles, conflicts of interest, compensation, general risks and complaint handling.

Please do not hesitate to contact us for further information or if you have any questions. It should be noted that this brochure is provided for informational and regulatory purposes only and should not be considered marketing material. It does not constitute a solicitation or offer for financial services or a recommendation to buy or sell any financial instrument. This brochure is also available as a PDF-file at [www.rocinvestment.ch](http://www.rocinvestment.ch).

## 2. GENERAL INFORMATION

### FIELD OF ACTIVITY

ROC Investment AG (hereinafter "ROC") is a fully independent Swiss wealth management company established in Zurich in 2012 pursuant to Art. 2 para. 1 let. A FINIG (Financial Institutions Act). ROC is fully owned by its managing partners, all proven investment and banking specialists.

Our core business is asset management and complementary services (Execution-Only) with the aim to protect and increase the wealth of our clients. ROC is subject to professional secrecy in accordance with the Financial Institutions Act (FINIA).

Our clients are high net worth individuals and families from Switzerland and around the world who appreciate the privilege of truly independent professional advice and the value of working with us.

### SUPERVISORY STATUS AND CONTACT INFORMATION

Below are ROC's contact details, their regulatory oversight status, and the contact details of their supervisory bodies:

ROC Investment Ltd.	Commercial Register Company Number: CHE-237.912.652
Rämistrasse 31	VAT-Number: CHE-237.912.652 MWST
8001 Zurich	LEI-Number: 529900B9YXEQPE0Q4Z55
+41 (0)44 209 15 55	FATCA ID / GIIN: Y6F8AY.99999.SL.756
<a href="mailto:info@rocinvestment.ch">info@rocinvestment.ch</a>	<a href="http://www.rocinvestment.ch">www.rocinvestment.ch</a>

ROC is subject to the Swiss supervisory organization AOOS ([www.aos.ch](http://www.aos.ch)). AOOS is a Swiss supervisory organization for asset managers authorized under the Financial Market Supervision Act (FINMASA). AOOS is subject to and is supervised and regulated by the Swiss Financial Market Supervisory Authority FINMA in Bern ([www.finma.ch](http://www.finma.ch)).

AOOS  
Schweizerische Aktiengesellschaft für Aufsicht  
Clausiusstrasse 50  
8006 Zurich  
+41 (0)44 215 98 98  
[info@aoos.ch](mailto:info@aoos.ch)

Until now, ROC was licensed as an independent asset manager by the industry association VSV Verband Schweizerischer Vermögensverwalter ([www.vsv-asg.ch](http://www.vsv-asg.ch)). Since November 2020, ROC is affiliated to and supervised by the above mentioned supervisory organization AOOS. According to the new Financial Institutions Act (FINIG), asset managers are also subject to a new licensing requirement. By the end of 2022, all asset managers and other financial intermediaries must submit a license application to FINMA. ROC submitted this mandatory application to the Swiss Financial Market Supervisory Authority FINMA in mid-2022.

**At the end of October 2022, FINMA granted ROC Investment AG a license as asset manager pursuant to Art. 2 para. 1 lit. a FINIG based on the positive audit result.**

### **3. CONSIDERED MARKET OFFER / INVESTMENT UNIVERSE**

With a high proportion of Swiss francs and investments in Swiss equities, we underline our investment approach with a clear Swiss focus. With the exception of very specific investment products, we use funds and structured products very cautiously. Whenever possible and reasonable, we prefer to invest directly in equities and bonds. The asset classes and financial instruments used can be seen in Appendix 1 of our asset management agreement.

The market offering considered when selecting investment products (e.g. units of collective investment schemes or structured products) exclusively comprises financial instruments from carefully selected external product providers. In order to avoid conflicts of interest, ROC completely refrains from manufacturing its own investment products. Furthermore, ROC is in no way bound to the products of any institution or partner and is therefore in the privileged position to select the best financial instruments from the entire universe of investment products of carefully selected fund providers.

### **4. SUITABILITY ASSESSMENT**

#### **IMPLEMENTATION**

In the case of asset management mandates, ROC must assess or verify whether the investment strategy requested by the client is suitable for him, considering his risk capacity and willingness.

In order to perform a suitability assessment, ROC requires specific information about the client's personal and financial circumstances. Together with the customer, ROC completes a so-called "Investment Profile", which is designed to gather the following necessary information on the client's:

- Knowledge and experience with regard to asset classes
- Investment objectives, including investment horizon; and
- Financial situation, including financial risk ability and risk tolerance.

ROC will rely on the information provided, and clients are strongly advised to immediately inform us if any of their circumstances change and no longer match the information provided, whether in the Investment Profile or otherwise.

#### **ASSET MANAGEMENT MANDATE: SUITABILITY TEST OF THE INVESTMENT STRATEGY**

Based on the Investment Profile, ROC defines an appropriate general investment strategy for the assets held with it. If a client has several mandates, the consistency of the individual investment strategies is assessed holistically.

#### **EXECUTION-ONLY MANDATE: NO SUITABILITY AND APPROPRIATENESS TEST**

The client acknowledges that ROC does not review the appropriateness and suitability of the securities and financial instruments purchased by the client with respect to the client's investment knowledge and experience, investment objectives, financial circumstances, including the client's ability to bear losses and risk tolerance. The client shall independently assess whether the respective investments are appropriate and suitable for him/her and shall refrain from acquiring financial instruments whose mode of operation he/she does not sufficiently understand. The client acknowledges that the asset manager will inform him only once about the non-performance of the appropriateness and suitability check. In connection with the future placing of orders by the client, no further notice shall be given by the asset manager.

## **5. CLIENT SEGMENTATION**

### **INFORMATION ON CLIENT SEGMENTATION**

Client segmentation in accordance with the Swiss Financial Services Act (FINSA) serves to ensure a level of protection adapted to the client. The FINSA provides for the following classification for clients of financial service providers: Private clients, professional clients and institutional clients. Depending on the category, investor protection differs, for example with regard to information obligations, the requirement for suitability and appropriateness checks, and documentation and accountability obligations.

#### **STATUS AS A PRIVATE CLIENT**

Private clients receive the highest level of investor protection. The choice of financial instruments available is generally limited to products for private clients or to those explicitly authorised for distribution to private clients.

#### **STATUS AS A PROFESSIONAL CLIENT**

Professional clients are treated as knowledgeable investors who receive a lower level of investor protection than retail clients because of their knowledge and experience and their ability to bear financial losses. Some rules of conduct do not apply to professional clients. Professional clients are entitled to access a wider investment universe. This includes financial products that are only aimed at professional clients or are not authorised for distribution to retail clients.

## HOW TO BECOME A PROFESSIONAL CLIENT

Either a client is already classified as a professional client by law ("per se" professional clients) or he can request a change of classification (opting out).

The following clients are defined as "per se" professional (or institutional) clients: Public corporations with professional treasury services, Pension funds and institutions that serve the purpose of occupational pension provision with professional treasury services, Companies with professional treasury services, Large companies, Private investment structures set up for high net worth individuals with professional treasury services, Financial intermediaries under the Swiss Banking Act (BA), the Swiss Financial Institutions Act (FINIG) and the Swiss Collective Investment Schemes Act (CISA), Insurance undertakings under the Swiss Insurance Supervision Act (ISA), Foreign clients subject to prudential supervision (financial intermediaries and insurance undertakings), Central banks.

High net worth private clients can apply for reclassification as professional clients (opting-out). To become a professional client, the client must meet at least one of the following two legal requirements:

- a) The client, by virtue of his education and professional experience or comparable experience in the financial sector, has the necessary knowledge to understand the risks of the investments and also has permissible assets (financial investments) of at least CHF 500 000, or
- b) the client has eligible assets (financial investments) of at least CHF 2 million.

In this context, direct investments in real estate and claims from social insurances as well as credit balances from occupational pension schemes are not considered assets.

Private clients who wish to be reclassified as professional clients must submit our separate "Client Segmentation (FIDLEG)" form for this purpose. The opting-out applies to the full business relationship with ROC. Clients must confirm that they meet the necessary requirements in all aspects before they can become professional clients.

For the purpose of offering collective investment schemes, both professional clients and private clients who have concluded an asset management agreement are considered qualified investors by law. This allows these clients to invest in collective investment schemes that are only offered to qualified investors. However, such clients must classify themselves as professional clients in accordance with the opting-out procedure described above in order to be able to invest in corresponding collective investment schemes.

## OPTING-IN

Clients who have been reclassified as professional clients can opt back in at any time to be classified as private clients (opting-in).

## **6. PRINCIPLES OF BEST EXECUTION**

When we execute investment transactions, we always aim to achieve the best possible result for you in terms of financial, timing and quality. To execute our transactions, we use carefully selected custodian banks in Zurich (99% of trades) and a bond broker in Geneva (1% of trades, bonds only), all of which are regulated and supervised by the Swiss Financial Market Supervisory Authority (FINMA) and thus guarantee the best possible overall execution in terms of price, time and quantity ("best execution").

ROC is neither owned nor controlled by any third-party shareholders. ROC is exclusively owned and managed by its operating partners. When selecting custodian banks, brokers and also investment product providers (third parties), we are therefore absolutely independent and are not bound by any exclusivity obligations. We pass on any asset advantages (retrocessions, etc.) received from third parties in full to our clients. We regularly assess the quality and reliability of these third parties.

In order to ensure the proper processing and compliance with the above principles of investment transactions, ROC has also issued internal directives, which we make available to you upon request.

## **7. CONFLICTS OF INTEREST**

When it was founded in 2012, ROC already took various organisational measures (no retrocessions or passing them on, no own investment products, no third-party shareholders and participations) with the aim of excluding the most important conflicts of interest to be found in the financial industry and thus to direct the focus of its service solely on the interests and investment success of its clients.

In order to identify other potential conflicts of interest which may exist despite the above measures and to prevent them from having a detrimental effect on clients, ROC has taken additional precautions and issued internal directives. Other possible conflicts of interest may include: Employee transactions (self-dealing), benefits/advantages from third parties to ROC employees as well as non-monetary compensation (e.g. free research information) from our custodians or brokers.

We will be happy to provide you with further information on potential conflicts of interest in connection with the services offered by ROC and the precautions taken upon request.

## **8. COST INFORMATION**

Cost and fees are incurred for the financial services provided by ROC and third parties (custodian banks). ROC's management fee agreed with the client is set out in Appendix 2 of the asset management agreement. If you wish an overview of the costs and fees of the relevant third party respectively your custodian bank, please contact ROC and we will be happy to help you.

## 9. COMPENSATION BY OR TO THIRD PARTIES

Third-party refunds are fees paid by banks, brokers or investment product providers to asset managers based on trading volumes or product portfolios. Accepting such fees may create incentives and conflicts of interest that negatively impact their investment behaviour.

ROC rejects all types of such compensation - also known as "retrocessions" or "retros" - or passes them on in full to its clients. In most cases, however, ROC invests in "retro-free" financial instruments. Our financial compensation is thus fully transparent and comes exclusively from our clients.

Intermediaries who refer clients to us receive a share of the management fees collected by ROC. The amount of this possible compensation is communicated in our form "Information about FINSA and FINIA – Client Confirmation" under point 6.

## 10. RISK INFORMATION

Investments in financial instruments (for example shares, bonds, funds, structured products) offer opportunities, but also involve risks. It is important that clients understand the risks of financial instruments. The Swiss Bankers Association (SBA) brochure "Risks in Trading with Financial Instruments" contains general information on typical financial services as well as on financial instruments and the associated risks. The brochure "Risks in Trading with Financial Instruments" can be downloaded on our website ([www.rocinvestment.ch](http://www.rocinvestment.ch)) or obtained from ROC.

### ASSET MANAGEMENT

In asset management, the following risks basically arise, which lie in the risk sphere of the client and are therefore borne by the client:

- **RISK OF THE SELECTED INVESTMENT STRATEGY:** Different risks may arise from the investment strategy selected and agreed by the client (cf. below). The client shall bear these risks in full. A presentation of the risks and a corresponding risk explanation will be provided during the discussion of the investor profile before the investment strategy is agreed.
- **ASSET PRESERVATION RISK** or the risk that the financial instruments in the portfolio will lose value: This risk, which may vary depending on the financial instrument, is borne in full by the client. For the risks of the individual financial instruments, reference is made to the brochure "Risks in Trading with Financial Instruments" of the Swiss Bankers Association.
- **INFORMATION RISK ON THE PART OF THE ASSET MANAGER** or that the asset manager has too little information to make an informed investment decision: When managing assets, the asset manager considers the client's financial circumstances and investment objectives (suitability test). Should the client provide the asset manager with insufficient or inaccurate information regarding his financial circumstances and/or investment objectives, there is a risk that the asset manager will not be able to make investment decisions that are suitable for the client.
- **RISK AS A QUALIFIED INVESTOR IN COLLECTIVE INVESTMENT SCHEMES:** Clients who make use of asset management services within the framework of a long-term asset management relationship are deemed to be qualified investors within the meaning of the



Collective Investment Schemes Act. Qualified investors have access to forms of collective investment schemes that are exclusively open to them. This status enables a broader range of financial instruments to be considered in the design of the portfolio. Collective investment schemes for qualified investors may be exempt from regulatory requirements. Such financial instruments are therefore not or only partially subject to Swiss regulations. This may give rise to risks, in particular due to liquidity, investment strategy or transparency.

## EXECUTION-ONLY

In addition to the above-mentioned price fluctuation risk, the following risks arise in the case of Execution-Only, which lie in the customer's sphere of risk and are therefore borne by the customer:

- *ASSET PRESERVATION RISK* is the risk that the financial instrument in the portfolio will lose value: This risk, which may vary depending on the financial instrument, is borne entirely by the client.
- *INFORMATION RISK ON THE PART OF THE CLIENT* or the risk that the client has too little information to make an informed investment decision: With Execution Only, the client makes investment decisions without the asset manager's intervention. Accordingly, the client needs specialist knowledge to understand the financial instruments and time to familiarize himself with the financial markets. If the client does not have the necessary knowledge and experience, he runs the risk of investing in a financial instrument that is inappropriate for him. A lack of or inadequate financial knowledge could also lead to the customer making investment decisions that do not correspond to his financial circumstances and/or investment objectives.
- *RISK REGARDING THE TIMING OF ORDER PLACEMENT* or the risk that the customer chooses a bad time for placing the order, which leads to price loss.
- *RISK OF INSUFFICIENT MONITORING* or the risk that the client does not monitor his portfolio or monitors it inadequately: The asset manager does not have any monitoring, warning or clarification obligation at any time. Various risks, such as cluster risks, may be associated with insufficient monitoring by the client.

## 11. PRODUCT INFORMATION

In addition to the brochure "Risks in Trading with Financial Instruments", product fact sheets (for example, basic information sheets) are available for many financial instruments if they are provided by the manufacturer of the investment product. Clients can obtain such fact sheets – if available – via ROC.

## 12. DORMANT ACCOUNTS

It happens that contacts with customers are broken off and the assets subsequently become dormant. Such assets may be permanently forgotten by customers and their heirs. The following is recommended to prevent contact being broken off or assets becoming dormant:

- **ADDRESS- AND NAME CHANGES:** Please notify us immediately of any change of residence, address or name.
- **SPECIAL INSTRUCTIONS:** Please inform us of extended absences and of any redirection of correspondence to third party address or withholding of correspondence, as well as how to be reached in urgent cases during this time.
- **GRANTING OF POWERS OF ATTORNEY:** It may be advisable to designate an authorized person whom the asset manager can approach in the event of a break in contact.
- **ORIENTATION OF TRUSTED PERSONS AND TESTAMENTARY DISPOSITION:** Another way to avoid lack of contact and news is to orient a trusted person about the relationship with the asset manager. However, the asset manager may only provide information to such a trusted person if he or she has been authorized to do so in writing. Furthermore, the assets concerned may be mentioned, for example, in a testamentary disposition.

Further information can be found in our "General Terms and Conditions" (GTC, item 6) as well as in the brochure "Dormant Assets" published by the Swiss Bankers Association (SBA). This brochure and further information regarding dormant assets are available on SBA's website ([www.swissbanking.ch](http://www.swissbanking.ch)).

### **13. COMPLAINTS HANDLING / OMBUDSMAN'S OFFICE**

Client complaints are best addressed directly to ROC. ROC is committed to addressing complaints as quickly and well as possible.

If a customer considers a response to be inadequate, ROC appreciates feedback so that it can reconsider the matter. If you are not satisfied with the way your concern has been answered, you can initiate a mediation process through the following Ombudsman's Office:

#### **CONTACT DETAILS**

OFS Ombud Finance Switzerland  
10 rue du Conseil-Général  
1205 Geneva, Switzerland  
+41 (0)22 808 04 51  
[contact@ombudfinance.ch](mailto:contact@ombudfinance.ch)  
<https://ombudfinance.ch>