



**FARO INVEST**  
Vermögensberatung AG

## **Client information within the framework of new statutory provisions**

New statutory provisions for asset management companies have 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. The Faro Invest Vermögensberatung AG (hereinafter called Faro Invest) 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 [Vermögensverwaltungsgesetz ("VVG")] in conjunction with the Directive concerning Client Information of the Bank Ordinance [Bankenverordnung] (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**

You can contact Faro Invest Vermögensberatung AG, Austrasse 49, LI-9490 Vaduz, under the following

Telephone number: 00423 238 10 10  
Fax number: 00423 238 10 11  
e-mail address: admin@faroinvest.li

You may communicate with us at any time in German, English, Italian or French and you will always receive the corresponding documents from the Faro Invest in the corresponding language.

In your capacity as a client, Faro Invest will as a rule communicate with you by letter, and if necessary by fax as well. If you contact Faro Invest using electronic means of communication, e.g. e-mail, then Faro Invest 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.



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**3. Financial Market Authority**

Faro Invest is subject to the supervision of the Liechtenstein Financial Market Authority FMA, Heiligkreuz 8, PO Box 684, LI-9490 Vaduz ([www.fma-li.li](http://www.fma-li.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 Faro Invest will provide a schedule of the asset management services on a six-monthly basis. This period may be reduced to three months, should you wish. If this is the case, we kindly ask you to notify us in writing.

If a credit-financed financial portfolio has been approved between Faro Invest and the client, then the company will report on a monthly basis.

Insofar as the client wishes to be given a settlement for each individual security, then Faro Invest shall reserve the right to extend the reporting duty to an annual interval.

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

Faro Invest merely renders asset management services. It does not itself hold any of the financial instruments of the client for safekeeping.

**7. Dealing with potential conflicts of interest**

We have enclosed a copy of Information on Dealing with Potential Conflicts of Interest with this document.

**8. Benchmarking**

To portray the financial portfolio administration in a transparent manner, we will put various benchmarks at the end of the year at your disposal which will allow you a comparison with the performance achieved.

**9. Investment goals**

Faro Invest 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, insofar as this has not already been done.

**10. 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 Faro Invest 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 in a so-called execution policy.

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.



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### **11. Costs**

The costs are set out in the asset management mandate, 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.

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.

### **12. Information for existing clients**

As an existing client, you will have received a great deal of information from us in the past which may in part be duplicated by the present document. Insofar as this is made necessary by the new statutory provisions, whether with respect to the details for the client profile or in terms of the asset management agreement, we shall contact you within the next few weeks. In other respects, you may rest assured that the information with which you have been provided in the present document complies with the new statutory provisions.

#### **FARO INVEST VERMÖGENSBERATUNG AG**

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