Financial Services Act Factsheet

Background	The Swiss Financial Services Act (FinSA) entered into force on January 1, 2020. The Act introduced new rules for the provision of financial services and the offering of financial instruments. The regulation aims to further strengthen the Swiss financial center, improve investor protection and enhance transparency on financial instruments. Further information is available on nextgen-capital.com/finsa
Focus	FinSA applies whenever the financial service is provided in Switzerland, or to clients domiciled in Switzerland.
NextGen Capital SA and its supervisory organization	NextGen Capital SA is owned by its partners. Since April 2023, it holds a Portfolio Manager license issued by FINMA. NextGen Capital SA is subject to the direct supervision of OSIF (a supervisory organisation) and regulated by FINMA. NextGen Capital SA may also act as investment manager to collective investment schemes which are open exclusively to qualified investors, on the basis of the de minimis rule under Art. 24 para. 2 FinIA. It is not licensed or supervised by FINMA as a manager of collective assets.
Client classification	The legislation established three client classifications: "Retail", "Professional" and "Institutional" clients to determine the level of required investor protection. A change of the client classification can be requested by the client in writing which results in changes in the financial instrument offering and investor protection at the same time. NextGen Capital SA serves "Professional" and "Institutional" clients. NextGen Capital SA also serves "Retail" clients who have declared in writing that they wish to be treated as "Professional" clients ("opting-out"). Please refer to the next page for further information.
Information and documentation	Trading in financial instruments harbours opportunities and risks. Therefore, it is important to understand these risks before investing in such instruments. The revised brochure "Risks Involved in Trading Financial Instruments" includes the most important details of typical risks and is available on our NextGen Capital page (nextgen-capital.com/finsa) As of January 2022, clients benefit in particular from increased transparency through-out the investment cycle e.g.: • Key Information Documents (KIDs): "Retail Clients" receive standardized information for certain financial instruments, including details of risks and costs. • Advisory minutes: After every advisory meeting with the Relationship Manager, "Retail Clients" automatically receive the minutes documenting the suitability and the reasoning of the advice given. "Professional Clients" are able to request them. • Reports: Clients can request investment reports, which contain, amongst others, the portfolio performance, asset allocation, financial instruments and service costs.
Market offer considered	When selecting financial instruments for client portfolios, NextGen Capital SA takes into account both third-party financial instruments and financial instruments issued or managed by NextGen Capital SA itself, including collective investment schemes for which the Firm acts as investment manager. The selection is not restricted to the Firm's own products.

Own funds and conflicts of interest	NextGen Capital SA may act as investment manager to collective investment schemes and, at the same time, provide investment management or investment advisory services to clients who invest in them. In such cases the Firm receives fees at fund level in addition to the fees charged under the client mandate, and therefore has a financial interest in allocating client assets to those funds. The Firm addresses this conflict by crediting the fund-level management fee against the fee charged under the client mandate; by excluding fund holdings from the fee base used to calculate the mandate fee or by subscribing mandate clients into a share class which bears no management fee at fund level. All allocations remain subject to the ordinary suitability assessment and to the investment restrictions of the individual mandate. Third-party introducers and distributors have no role in, and no influence over, the decision to allocate client assets to such funds. Funds managed by NextGen Capital SA are offered in Switzerland to qualified investors only. Fund-specific information, including the Swiss Representative and Paying Agent and the fund documentation, is available at nextgen-capital.com/fund.
Outgoing Referral Fees	NextGen Capital SA may pay third-party introducers or business partners a referral fee or revenue share for introducing prospective clients or fund investors. Compensation is paid out of NextGen Capital SA's own revenues and will not exceed up to 50% of collected (net) management, advisory, investment management, and performance fees. Referral payments are borne entirely by NextGen Capital SA. They do not increase client fees, fund charges, or mandate costs. Onboarding, suitability checks, and investment management are conducted with full professional independence. Introducers have no role or influence in portfolio decisions. Clients may request specific details regarding referral fees paid for their relationship by contacting the Company in writing.
Compensation received from own funds	Where NextGen Capital SA acts as investment manager to a collective investment scheme, it receives management and, where applicable, performance fees from that scheme. These fees are set out in the fund's offering documents and are borne by the fund and therefore indirectly by its investors. Indicative ranges: management fee up to 1 % p.a. of net asset value; performance fee up to 10 % of performance measure subject to a high-water mark. NextGen Capital SA does not accept retrocessions, rebates or other third-party inducements in connection with collective investment schemes it manages. Any such compensation received is passed on to the client in full.
Compensation received from third parties	In connection with discretionary management and advisory mandates, NextGen Capital SA may receive compensation from third parties. The type and extent of such compensation, including the parameters on which it is calculated and the applicable ranges expressed as a percentage of the assets

concerned, are disclosed in the relevant mandate documentation. NextGen Capital SA retains such compensation only where the client has expressly waived restitution in writing on the basis of that disclosure. In the absence of a valid waiver, the compensation is passed on to the client in full.

Clients may at any time request a written statement of the compensation actually received by the Firm in connection with their relationship by contacting Compliance in writing.

Ombudsman

Disputes about legal claims between a client and a financial services provider should be handled in a referral process by the Financial Services Ombudsman ("Ombudsman"). The Ombudsman is a free and neutral information and mediation agency. In general, the Ombudsman only gets actively involved after the asset manager receives and has had an opportunity to respond to a written client compliant.
FINSOM, Avenue de la Gare 66, 1920 Martigny (Switzerland)

Client classification

The legislation established three client classifications: "Retail", "Professional" and "Institutional" clients. The following overview describes exemplary the three client classifications and their effects on investor protection.

	Retail	Professional	Institutional
When providing investment advisory services, we carry out an appropriateness or suitability assessment. When providing investment management services, we carry out a suitability assessment.	Yes [1]	Yes [2]	No
We document your needs and the reasons for our recommendation during the investment advisory process and provide you with documentation on request	Yes	Yes [3]	No
You have access to funds restricted to Qualified Investors in accordance with the Collective Investment Schemes Act (CISA)	No	Yes [4]	Yes
We provide you with a Key Information Document (KID) as part of our investment advisory services when you purchase certain financial instruments. For non-advised services ("execution only"), this document is only provided if available	Yes	No (except at client's request)	No (except at client's request)
We are obliged to obtain best execution when handling your securities orders	Yes	Yes	No

1 For non-advised services ("execution only"), only knowledge and experience is checked for "Retail clients" (appropriateness assessment).

2 For "Professional clients" it can be assumed that they have the required level of knowledge and experience and that they can financially bear the investment risks associated with the financial service. For non-advised services ("execution only"), neither an appropriateness nor a suitability assessment is conducted.

3 "Professional clients" can waive advisory minutes, so they are not being produced. Without the waiving request advisory minutes are only provided on request.

4 Being a "Professional client" under FinSA, you become automatically a "Qualified Investor" under CISA and have access to funds not meeting the Swiss distribution criteria (additional restrictions apply to funds without Swiss Representative and Paying Agent).