MIRABAUD

SUITABILITY FACT SHEET

WHAT DOES "SUITABILITY" MEAN?

Under the Markets in Financial Instruments Directive (MiFID), financial institutions are required to assess the suitability of their services for clients to ensure responsible investment practices.

To comply with these obligations, the Bank has gathered information about the Client's financial situation, knowledge, investment experience, and objectives. This data serves as the foundation for establishing the Client's risk profile, enabling the Bank to act in his best interests.

The Bank has taken necessary measures to ensure that the investment services provided align with the Client's financial capacity, risk tolerance, and investment strategy. Additionally, the Bank has evaluated whether the Client possesses the requisite knowledge to understand the risks associated with the agreed investment approach.

HOW "SUITABILITY" IS ASSESSED?

The Client's risk profile is categorized on a scale from 1 to 4, with 4 representing the highest level of risk. The investment strategy provided to the Client is also classified on a scale of risk , from 1 to 4, with 1 representing the most conservative approach and 4 the most dynamic. Each level of the Client's risk profile defines the maximum risk level of the investment strategies available to them.

The investment strategy is structured around two distinct approaches:

STRATEGIC APPROACH

This approach defines strategic asset allocations (**SAA**) that are completely independent of the market context or short-term expectations and represent the theoretical path to follow in order to achieve clients' investment objectives.

TACTICAL APPROACH

This approach defines tactical asset allocations (**TAA**) that modulate the composition of the strategic allocation grids according to short-term expectations of the relative performance of the major asset classes that make up the grid. Tactical views are based on an analysis of the macroeconomic environment, market conditions and flows. Changes can occur at the level of the asset class (over or under weight for a class) but also within the asset class itself (focusing on a specific theme, a sector or a geographical area). The risk contained in the tactical allocation grid must not exceed 50% of that contained in the strategic allocation grid.

The risk of each strategy is assessed using a methodology known as 'Portfolio Risk Grade' (**PRG**) on a scale from 1 to 5. Ongoing monitoring ensures that portfolios maintain a risk level aligned with their investment strategy. The Portfolio Risk Grade (PRG) evaluates the overall risk of a client's portfolio on a scale from 1 (low risk) to 5 (high risk). PRG derives from Expected Shortfall, a statistical risk measure that estimates potential losses under adverse market conditions over a 30-day period. This calculation considers:

- The individual risk associated with each investment

To assess this risk, the Bank employs a Product Risk Classification (**PRC**) method. PRC is a standardized risk score ranging from 1 (low risk) to 5 (high risk). It primarily reflects potential losses arising from market and credit risks and is based on the Expected Shortfall method. This approach ensures consistent and transparent comparisons across all types of financial products.

- The diversification effects across portfolio positions
- The Currency risks when assets are held in foreign currencies

As a result, each client's risk profile is defined by a maximum allowable strategy risk, constrained by a predetermined PRG. The investment strategy remains suitable as long as it adheres to these limits.

CLIENT'S RISK PROFILE	MAXIMUM STRATEGY'S RISK	MAXIMUM PRG
1	1	1.99
2	2	2.99
3	3	3.99
4	4	4.99