EFG Group

Execution-only Service

Information on the financial services

Definition of Execution-only Service
The Execution-only Service offered by EFG Bank European Financial Group SA (the **Bank** or **EFG**) includes basic banking services related to account opening and administration, payments and the execution of financial transactions.
Within the Execution-only Service, the Client[1] does not benefit from EFG's investment expertise and the Bank will not support the Client with any investment decisions or with the management of his portfolio.
Clients wishing to receive additional services may contact their Client Relationship Officer (CRO) and inquire about the Bank's advisory and discretionary management services.

Key risks
The Execution-only Service differs from the Advisory Contract insofar as the Bank does not provide any financial advice. Further, unlike under a Discretionary Mandate or a Portfolio Advisory Contract, the Bank will not consider the Client's financial situation or the market situation before executing instructions.

The Execution-only Service is most suitable for experienced investors who demonstrate a deep understanding of the risks, potential rewards and suitability of their chosen investment strategy.
This service gives them full control over their portfolio and investment decisions without seeking financial advice from the Bank, which will also not perform any suitability assessment of the Client's investments.

Further, it is important to note that the independent selection of investments may generate a non-homogeneous or financially unbalanced portfolio, exposing the Client to higher risks, such as the following:

Market risk
Financial markets are volatile and hard to predict. The value of financial instruments/products and of the overall portfolio partly depends on non-predictable variables such as price fluctuations or investment decisions, which lead to gains or, in some cases, to losses. Interest rates, exchange rates and the economic situation are further uncontrollable variables that depend on macroeconomic indicators. In addition, the Client needs to be aware that past performance is no guarantee of future returns.

Liquidity risk
Liquidity risk is the risk that EFG may not be able to sell the financial instruments/products held in the portfolio on the Client's behalf without having to reduce their price to a significant degree within a reasonable period of time, which could result in significant losses.
This risk exists in particular with unlisted and small-cap companies, investments in emerging markets, investments with sales restrictions, selected structured products and alternative investments.

Counterparty risk
This risk arises if one of the parties involved in a transaction, – such as the buyer, seller, dealer or issuer – cannot meet their obligations at the agreed time. The weaker the financial and economic situation of a counterparty, the greater the risk that the Client may not receive the agreed financial instrument/product or amount, either in part or in full.

Tax risk
Dividends, coupons and other forms of distribution as well as value fluctuations of securities (capital gains) may be taxed subject to the respective requirements of various jurisdictions. This may significantly impact the overall return on the Client's investment.
In addition, investors should consider how gains or losses resulting from their investments will affect their tax position.

Cross-border risk
In general, client information transmitted abroad and cross-border transactions are no longer protected under Swiss law in terms of banking secrecy or data protection.

[1] The masculine form shall include the feminine and the singular shall include the plural and vice versa.

Pursuant to art. 42c of the Financial Market Supervision Act (FINMASA), banks are expressly authorised to transmit non-public information to certain foreign entities. They may also be obliged to reveal client information in accordance with the applicable regulations or in response to a request for information from the authorities.
Consequently, this risk is triggered by the restrictions on and conditions for investments that apply in each country, which may not offer the same level of protection. The Client is responsible for ensuring that the restrictions and conditions that apply to investments in each country are observed before placing orders.

Suitability risk

A suitable investment is one that is appropriate in terms of the level of risk that an investor is ready and willing to take as well as his financial capacity. With an Execution-only Service, the Bank does not assess suitability risks, provide investment advice about the merits of a particular transaction or make any commentary in respect of any transactions that the Client may wish to undertake.

Non-hedging risk

Non-hedging increases the risk exposure of invested portfolios over time and can lead to higher overall volatility of foreign investments, either at the asset class or portfolio level.
This risk arises when dealing with a currency other than the reference currency because the exchange rate that applies might change between the time of purchase and the sale of the asset or portfolio.
Where part or all of the portfolio is not hedged, the Client takes the risk of currency fluctuations between the currency of the investment(s) and the portfolio reference currency, whereas hedging helps to reduce the risk of non-reference currency exposure. The larger an investor's portfolio, the more important it is to protect against currency risks when dealing with different currencies.

Currency risk

Any time the Client invests autonomously in assets denominated in currencies other than his reference currency, this could result in value fluctuations that will impact overall portfolio returns and could potentially lead to significant losses.

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