Bank
Banque
Banca
CLER

Portfolio-related investment advice

This document contains information on the specifics of portfolio-based investment advice. It informs you about possible benefits and risks. These basics can help you choose a type of financial service tailored to your needs. For further information and if you have any questions, please contact your client advisor.

General information

Portfolio-related investment advice

Personal recommendations relating to transactions in financial instruments are regarded as investment advice. As part of portfolio-related investment advice, recommendations are made to the client on the acquisition, sale or holding of financial instruments, taking into account the entire or a specific client portfolio in accordance with an investment strategy agreed with the client. The client makes the investment decisions themselves. Bank Cler then invests the assets in the name, for the account and at the risk of the client.

Depending on the investment strategy agreed with the client, the recommendations may relate to various financial instruments such as money market investments, fixed-income investments, equities, funds, alternative investments such as real estate, commodities, hedge funds, derivatives and structured products.

In the case of a personal recommendation of certain categories of financial instruments, such as collective investment schemes or structured products, Private Clients (as per client segmentation within the meaning of FinSA[1]) are provided with a basic information sheet by the financial service provider. This contains, in particular, information on the financial instrument and the associated risks and costs.

Possible benefits

Portfolio-related investment advice: The client would like to be supported by the Bank in the investment process, but can make the investment decisions themselves.

Portfolio monitoring: The client would like to receive recommendations for optimising their portfolio when certain market events occur, but can decide on their implementation themselves.

Broad diversification: With portfolio-based investment advice, recommendations can be made for broad diversification of investment assets into different asset classes, i.e. different asset classes, sectors and markets, tailored to the needs of the client with a view to reducing risk. However, broad diversification requires a certain level of assets. The recommendations may therefore also relate in particular to investments in investment funds which are themselves broadly diversified.

Detailed reporting: The client is periodically informed in detail about their investments, their returns and the development of their assets. If the client's financial or personal situation changes, this may have an influence on the risk profile or on the investment needs and the investment strategy. If necessary, the client advisor can suggest adjustments.

Possible risks

No automatic adjustment to the market environment: The portfolio is not automatically adjusted to changing market conditions. Active asset management and regular portfolio monitoring require valuable client time.

No guaranteed profit: The achievement of any agreed investment target does not constitute a performance promise. Investment and divestment decisions are made by the client. These decisions may turn out to be inappropriate in retrospect. Neither investment success nor the avoidance of investment losses can be guaranteed.

Risk of loss: The value of the assets may fluctuate and fall below the cost price. In the worst case, the investments may become worthless. However, the probability of a total loss decreases the more diversified a portfolio becomes.

901 0230 VP70 2.21

[1] FinSA: Financial Services Act

Market risk: There is a risk that the value of the portfolio will decline. The values of the investments may be subject to strong fluctuations in value due to market movements as well as interest rate changes and may possibly decline.

Liquidity risk: The investor bears the risk that financial instruments become illiquid and cannot be sold or can only be sold at an unfavourable price.

Foreign currency risk: If the securities portfolio contains financial instruments in a currency other than the investor's home currency, there is a risk that the value of investments will fall from the investor's perspective because of exchange rate fluctuations. It may be that the price gain of an investment in foreign currency results in an overall loss for the investor because of changes in exchange rates. Exchange rates can fluctuate very strongly.