

Code of Conduct of the Swiss Funds & Asset Management Association SFAMA (SFAMA Code of Conduct)

7 October 2014

I Legal basis and objectives

The present Code of Conduct has been issued by the SFAMA Board of Directors as minimum standards recognized by the supervisory authority pursuant to Art. 3 para. 2 let. c no. 2, Art. 14 para. 2, Art. 20 para. 2, and Art. 124 para. 2 CISA in conjunction with Art. 27 and Art. 128 para. 3 let. a CISO, the objectives being: **1**

• to maintain and promote the quality and standing of Swiss asset management in Switzerland and abroad; **2**

• to ensure the transparency, functionality, and high standard of the market for collective investment schemes. **3**

II Validity and binding force

The present Code of Conduct applies to: **4**

• fund management companies and investment companies with variable capital (SICAVs) pursuant to Art. 28 et seqq. and Art. 36 et seqq. CISA; **5**

• limited partnerships for collective investment pursuant to Art. 98 et seqq. CISA; **6**

• investment companies with fixed capital (SICAFs) pursuant to Art. 110 et seqq. CISA; **7**

• asset managers of collective investment schemes with their registered office or branch in Switzerland pursuant to Art. 18 et seqq. CISA (referred to below as “CISA Asset Managers”); **8**

• representatives of foreign collective investment schemes pursuant to Art. 123 et seqq. CISA; **9**

referred to below as “CISA Institutions”. **10**

Those institutions that may engage in the individual management of certain portfolios must also abide by FINMA Circular 2009/1 “Guidelines on asset management”. Compliance with FINMA Circular 2009/1 and any other provisions applicable to institutions that engage in the individual management of certain portfolios must be audited by the audit firm. **11**

SFAMA may issue supplementary guidelines covering CISA Institutions, collective investment schemes, and in particular specific themes (e.g. calculating NAVs, TERs). It may also **12**

grant collective investment schemes, subfunds and/or unit classes aimed exclusively at qualified investors full or partial exemption from individual guidelines.

Representatives of foreign collective investment schemes in Switzerland represent the foreign collective investment scheme with regard to investors (non-qualified and/or qualified) and the supervisory authority. Their powers of representation may not be restricted (Art. 124 para. 1 CISA). Furthermore, with regard to distribution to investors (non-qualified and/or qualified), representatives must comply with the requirements in respect of loyalty, due diligence, and disclosure set out in Art. 20 para. 1 CISA mutatis mutandis in accordance with their specific activities. In so doing, representatives of foreign collective investment schemes for non-qualified investors must observe the rules set out under Section III B, C, and D mutatis mutandis. Representatives of foreign collective investment schemes exclusively for qualified investors must observe the rules set out under Section III B and D mutatis mutandis.

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Any stricter legal, regulatory, self-regulatory and/or contractual provisions applicable to CISA Institutions apply notwithstanding, in particular FINMA's supervisory rules governing market conduct in securities dealing, as set down in FINMA Circular 08/38 "Market Conduct Rules".

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This Code of Conduct is a code of professional ethics. It is based exclusively on the relevant legal requirements and FINMA Circular 09/1 "Guidelines on Asset Management". Individual private-law agreements between the parties concerned are not affected.

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Compliance with the present Code of Conduct must be ensured in the case of delegation or re-delegation of investment decisions or other specific tasks by CISA Institutions. Accordingly, the conduct rules specified under Section III below apply not only to CISA Institutions, but also to their agents¹ (e.g. banks, securities dealers).

16

III Code of Conduct for CISA Institutions

For all of their business operations², CISA Institutions must implement all measures necessary to comply with the duties set out in Art. 20 para. 1 CISA.

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They fulfill these duties in line with their specific business activity, size, and structure, as well as in line with the specific characteristics of the open-end and/or closed-end collective investment schemes they manage, represent or distribute.

18

Art. 20 CISA Principles

¹ Licensees (authorised parties) and their agents shall fulfil the following requirements in particular:

- a. Duty of loyalty: they act independently and exclusively in the interests of the investors;
- b. Due diligence: they implement the organisational measures that are necessary for proper management;
- c. Duty to provide information: They ensure the provision of transparent financial statements and provide appropriate information about the collective investment schemes which they manage and distribute and the assets which they hold in safekeeping; they disclose all charges and fees incurred directly or indirectly by the investors and their appropriation; they notify investors of compensation for the distribution of collective investment schemes in the form of commissions, brokerage fees and other soft commissions in a full, truthful and comprehensible manner.

² FINMA may specify minimum standards in the form of the codes of conduct of industry bodies.

³ Licensees shall take all necessary precautions to ensure that all duties in relation to all their business activities are performed properly.

19

¹ Regulatory basis for delegation: Art. 31 CISA (fund management companies), Art. 36 para. 3 and Art. 51 para. 5 CISA (externally managed and self-managed SICAVs), Art. 119 para. 1 and 2 CISO (limited partnerships for collective investment), Art. 18b CISA and Art. 26 CISO (CISA Asset Managers) and FINMA-Circ. 2008/37 "Delegation by fund management companies / SICAVs".

² In the case of branch offices, this is limited to their activity in Switzerland.

A Duties of loyalty

CISA Institutions must observe the duties in respect of loyalty set down in Art. 20 para. 1 let. a CISA and Art. 31 CISO. 20

Art. 31 CISO Duty of loyalty

¹ The licensees and their agents may only purchase investments from collective investment schemes for their own account at the market price and may only sell such investments from their own portfolios at the market price. 21

² In relation to services delegated to third parties they shall waive the compensation owed to them in accordance with the fund regulations, company agreement, investment regulations or discretionary management agreement where such compensation is not used for payment of the services rendered by such third parties.

³ Where investments of a collective investment scheme are transferred to another scheme of the same licensee or a scheme belonging to a related licensee, no costs may be levied.

⁴ The licensees may not levy any issue or redemption fees if they purchase target funds which:

- a. they manage themselves either directly or indirectly; or
- b. are managed by a company to which they are related by virtue of:
 1. common management,
 2. control, or
 3. a significant direct or indirect interest.

⁵ When a management fee is levied on investments in target funds pursuant to paragraph 4, Article 73 paragraph 4 applies accordingly.

⁶ FINMA regulates the details. It may declare that paragraph 4 and 5 also applies to other products.

1. CISA Asset Managers prohibited from holding assets in their own name

While acting in such function, CISA Asset Managers are not permitted to hold in their own name assets that have been entrusted to them. At all times, they must manage all assets deposited with a bank solely on the basis of a written power of attorney restricted to management and liquidation transactions. 22

2. Investments and financial incentives

CISA Institutions must comply with the principles on investments set down in Art. 21 CISA. 23

Art. 21 CISA Investments

¹ The licensees and their agents pursue an investment policy that at all times corresponds with the investment characteristics of the collective investment scheme as set out in the relevant documents. 24

² In respect of the purchase and sale of assets and rights on their own behalf as well as that of third parties, they are only entitled to receive the fees specified in the relevant documents. Commissions and other financial benefits must be credited to the collective investment scheme.

³ Assets acquired for their own account may only be purchased at market price, while any sale of own-account assets must also be at market price.

The duty set down in Art. 21 para. 1 CISA does not preclude CISA Institutions from redefining the investment policy of a collective investment scheme at any time (within the framework of the existing fund contract or investment regulations). 25

CISA Institutions manage the collective investment schemes they establish in accordance with the principle of equal treatment. They must refrain from favoring certain collective investment schemes and/or groups of investors at the expense of others. The principle set out above does not prevent the different treatment of collective investment schemes depending on investor groups, subfunds and/or unit classes. 26

3. Preserving and promoting the integrity of the market

CISA Institutions must refrain from any action that might impair transparent and fair price formation on the investment markets. 27

CISA Institutions must not engage in any investment transactions and activities that might result in a manipulation of prices. 28

CISA Institutions must implement the organizational measures necessary to prevent the preferential treatment of certain investors and/or groups of investors at the expense of others, and must set the relevant internal policies down in writing. **29**

Such organizational measures are particularly necessary, and are to be governed by an internal policy on allocations: **30**

- in the case of allocations in respect of securities trades and similar transactions, if the asset manager has issued collective orders prior to allocation to the individual investment schemes; **31**
- in the charging of costs and expenses incurred in addition to the fee. **32**

4. Execution of securities trades and other transactions

In executing securities trades and other transactions, CISA Institutions must comply with Art. 22 CISA. **33**

Art. 22 CISO Securities transactions ¹ Counterparties for securities trades and other transactions must be carefully selected. They must offer a guarantee of best execution in terms of price, time and quantity. ² The choice of counterparties must be reviewed at regular intervals. ³ Agreements which curtail the freedom of decision of the licensees or their agents are not permitted.	34
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In selecting the counterparties via which they settle the transactions, CISA Institutions must base their decisions on objective criteria, acting in the interests of the investors. **35**

CISA Institutions settle transactions on the securities, foreign exchange and other markets at terms in line with the market, while also ensuring best execution. The specific details are to be governed by an internal policy. **36**

CISA Institutions must ensure that commission-sharing agreements, as well as soft commissions and the services remunerated in this fashion, accrue directly or indirectly to the collective investment scheme (e.g. financial analysis, market and price information systems). They must therefore **37**

• define a clear policy on the use of commission-sharing agreements or soft commissions on exchange transactions conducted for the collective investment scheme's account, and set this policy down in writing; **38**

• draw up appropriate written regulations with the CISA Asset Managers entrusted with the management of the collective investment scheme's assets and monitor compliance with these regulations; **39**

• transparently disclose to investors the existence of commission-sharing agreements or soft commissions, and provide regular reports to the controlling unit of the CISA Institution. **40**

5. Avoidance / disclosure of conflicts of interest

Art. 32b CISO Conflicts of interest

The licensees must take effective organisational and administrative measures to identify, prevent, settle and monitor conflicts of interest in order to prevent the latter from harming the interests of the investors. Where conflicts of interest cannot be avoided, they shall be disclosed to the investors.

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CISA Institutions must implement effective organizational and administrative measures, in accordance with their size and structure, to identify, prevent, eliminate and monitor conflicts of interest, e.g. by regulating the flow of information between the CISA Institutions and their agents, as well as between the CISA Institutions and investors, and between different investors. Measures must be taken to prevent specific collective investment schemes and/or individual investment schemes being placed at a disadvantage as a result of such conflicts of interest. If such disadvantages cannot be avoided despite reasonable measures being taken, they must be disclosed to the investors in an appropriate manner. The specific details are to be governed by an internal policy.

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CISA Institutions must apply a salary and remuneration policy that is appropriate in accordance with the principle of proportionality, their size, and their risk profile, and that motivates their employees to promote the long-term success of the collective investment schemes (in keeping with the minimum standards set out in FINMA Circular 2010/1 "Remuneration schemes"). They must, in particular, refrain from providing any financial incentive for conduct that might damage the investors' interests (e.g. bonus payments based on the volume of exchange transactions carried out).

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In respect of personal account dealing by their employees with knowledge of planned or executed transactions, CISA Institutions must issue suitable policies to prevent

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• conflicts of interest arising between the investors;

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• employees from being able to use their professional knowledge or capacity improperly to achieve a pecuniary gain, for example through:

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- front running, parallel running or after running,
- the improper use of insider information,
- the manipulation of allocations in the case of new issues or IPOs;

• the standing of CISA Institutions from being impaired by employees trading on their own personal accounts.

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CISA Institutions must issue written regulations on the receipt and granting of discounts and other benefits (such as invitations, etc.) by employees, so that any influence of the said on their decisions can be ruled out. They must prohibit churning, i.e. shifts in clients' portfolios without any economic reason in the clients' interests.

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6. Exercise of membership and creditors' rights

In the exercise of membership and creditors' rights, CISA Institutions must comply with Art. 23 CISA in conjunction with Art. 34 para. 3 CISO.

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Art. 23 CISA Exercising membership and creditors' rights

¹ The membership and creditors' rights associated with the investments must be exercised independently and exclusively in the interests of the investors.

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² Article 685d paragraph 2 of the Code of Obligations¹ does not apply to investment funds.

³ If a fund management company manages several investment funds, the level of the participation with respect to the percentage limit set out in Article 685d paragraph 1 of the Code of Obligations is calculated individually for each investment fund.

⁴ Paragraph 3 also applies to each subfund of an open-ended collective investment scheme as defined in Article 92 et seq.

They must issue internal policies governing not only the exercise of membership and creditors' rights but also cases in which such rights may be waived, and must ensure transparency that will enable investors to obtain a clear record of such exercise of membership and creditors' rights. **51**

In the case of scheduled routine transactions, they are free to waive the exercise of membership and creditors' rights, or to delegate their exercise to the custodian bank or third parties. **52**

In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights that the CISA Institution holds as a shareholder or creditor of the custodian bank or another related legal entity, the CISA Institution must exercise the voting rights itself, or issue explicit instructions. In such cases, it may base its actions on information it receives from the custodian bank, the asset manager, the company concerned or from third parties, or that it ascertains from the media. **53**

7. Participation in class actions

CISA Institutions may, in the interests of investors, participate in class actions relating to the investments in the collective investment schemes they manage. In such cases, they are free to participate themselves, appoint a proxy, or assign the claims. **54**

If a CISA Institution participates in class actions, it must issue an internal policy governing the process. **55**

B Duties in respect of due diligence

CISA Institutions must comply with the authorization requirements set out in Art. 14 para. 1 CISA at all times. **56**

Art. 14 let. 1 CISA Authorisation requirements

¹ Authorisation is granted if:

- a. the persons responsible for management and the business operations have a good reputation, guarantee proper management, and possess the requisite specialist qualifications;
- b. the significant equity holders have a good reputation and do not exert their influence to the detriment of prudent and sound business practice;
- c. compliance with the duties stemming from this Act is assured by internal regulations and an appropriate organisational structure;
- d. sufficient financial guarantees are available;
- e. the additional authorisation conditions listed in the relevant provisions of the Act are met.

CISA Institutions must observe the duties in respect of due diligence set down in Art. 20 para. 1 let. b CISA and Art. 33 CISO. **58**

Art. 33 CISO Due diligence

¹ The licensees shall ensure the effective separation of the activities of decision-making (asset management), implementation (trading and settlement) and administration.

² FINMA may in justified individual instances permit exemptions or order the separation of additional functions.

8. Organizational measures, in particular risk management, internal controlling system, and compliance

CISA Institutions must have internal regulations and an appropriate organization to ensure compliance with their statutory and other duties, as set out in an internal policy. Within the confines of the statutory and regulatory requirements pertaining to organization and personnel, they are, in principle, free to choose the organization in keeping with the structure and size of their business. **60**

When delegating tasks, CISA Institutions must select only those agents that are adequately qualified to execute the tasks in question properly. **61**

CISA Institutions must implement the measures necessary to ensure the correct instruction of their agents, as well as the proper supervision and monitoring of the execution of the task. They must set down the delegated activities in written contracts and must include appropriate and specific provisions on contact persons, responsibility, areas of competence, and liability issues. CISA Institutions must also ensure that the necessary rights in respect of access to books and records, issuing directives and inspections are contractually defined. **62**

Art. 12 CISO Organisational structure **63**
¹ The executive board must comprise at least two persons. These persons must have their place of residence at a location which is suitable for the proper managing of the business operations.
² The authorised signatories of the licensee must sign jointly.
³ The licensee must define its organisational structure in a set of organisational regulations.⁴
⁴ It must employ personnel who are properly and suitably qualified for its activity.
⁵ FINMA may require that an internal audit be performed if required by the scope and nature of the activity.
⁶ In justified instances, it may grant derogations from these requirements.

Art. 12a CISO Risk management, internal control system and compliance **64**
¹ The licensee must ensure it has proper and appropriate risk management, an internal control system (ICS) and compliance covering its entire business activities.
² Risk management must be organised so that all material risks can be adequately identified, assessed, controlled and monitored.
³ The licensee shall separate the functions of risk management, the internal control system and compliance in functional and hierarchical terms from the operating units, in particular from the investment decisions function (portfolio management).
⁴ FINMA may grant derogations from these requirements in justified instances.

CISA Institutions must define the organization of structures and processes, internal control systems, and allocations of competences in writing in a suitable form. **65**

Particular attention is to be paid to the following: **66**

• rules of conduct and competences for extraordinary circumstances (e.g. large issues and redemptions of units, suspension of trading on investment markets, situations in which the valuation of investments is impossible, valuation discrepancies); **67**

• regulations governing access to the software used for valuation, recording deals, and controlling; **68**

• adequate risk management in accordance with the applicable provisions and regular information to the body responsible at the CISA Institution; **69**

• appropriate business continuity management (BCM) to ensure that critical business processes can be maintained if a severe, large-scale event should occur, be it internal or external; **70**

• the valuation of the collective investment scheme's assets (e.g. permitted valuation prices, the recording of interventions, plausibility checks on valuation prices), which must be made independently (as regards the issuing of directives) of the persons responsible for the investment decisions; **71**

• constant monitoring of compliance with the investment restrictions laid down in the law and the regulations, as well as all other applicable provisions and regulatory requirements; **72**

• rules of conduct and competences for cases in which, in addition to engaging in the fund business, the CISA Institution is at the same time active in asset management, **73**

investment advice and/or the safekeeping and technical administration of collective investment schemes.

CISA Institutions must work only with a custodian bank which is sufficiently qualified to perform the relevant tasks properly. They must conclude a contract with the custodian bank which specifically defines interfaces and responsibilities. 74

The execution of securities trading orders by the custodian bank, and any other services to be provided by the custodian bank for the CISA Institution, must also be contractually defined. 75

C Duties of disclosure

CISA Institutions must observe the duties in respect of disclosure set down in Art. 20 para. 1 let. c CISA and Art. 34 paras. 1, 2, and 3 CISO. 76

Art. 34 CISO Duty of disclosure
¹ The licensees shall draw investors' attention to the risks associated with a specific type of investing in particular.
² They shall disclose all costs incurred on the issue and redemption of units and in the administration of the collective investment scheme. In addition, they shall disclose the manner in which the management fee is used and the levying of any performance fee.
.....
³ They shall ensure a degree of transparency in relation to the exercising of membership and creditors' rights such that investors are in a position to comprehend the manner in which such rights are exercised.
⁴ The fund management company and asset managers of collective investment schemes that purchase units of a collective investment scheme managed by them on behalf of clients shall inform the latter of the payments received.
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77

9. Communication with investors

CISA Institutions must explain the investment character and suitability of the collective investment schemes they manage in a client-friendly (i.e. reader-friendly) form and language, making particular reference to the risks connected with a certain asset class. 78

However, CISA Institutions may assume that every investor is familiar with the basic risks of investing in money market instruments, bonds, equities, and foreign currencies. 79

CISA Institutions must ensure a consistent information policy that takes appropriate account of risk potential and risk complexity, and enables the investor to gain an objective picture of the performance of the collective investment scheme and its units. Subject to the relevant statutory and self-regulatory provisions, CISA Institutions are free to choose the scope of the information they provide and the form in which it is delivered. 80

Fund management companies and SICAVs must ensure that requests for information concerning the basis of the calculation of the net asset value, and the exercising of membership and creditors' rights, as well as risk management and complaints, are dealt with quickly and professionally. 81

With regard to the specific details of the duty of disclosure, CISA Institutions must comply with the relevant statutory and self-regulatory provisions. 82

Art. 75 CISA Prospectus
¹ The fund management company and the SICAV shall publish a prospectus for each open-ended collective investment scheme.
² The prospectus shall include the fund regulations in cases where interested persons are not notified as to where such regulations may be separately obtained prior to an agreement being concluded or prior to subscription. The Federal Council determines which other information must be contained in the prospectus.
³ If requested, the prospectus must be provided free of charge to interested persons prior to an agreement being concluded or prior to subscription.

83

Art. 76 CISA Key Investors Information Document and simplified prospectus ¹ A document containing key information for investors must be published for securities funds and other funds for traditional investments, while a simplified prospectus must be published for real estate funds. ² The Key Investor Information Document contains factual information on the key features of the collective investment scheme concerned. It shall be presented in such a way that investors understand the nature and risks of the collective investment scheme and can make informed investment decisions on that basis. ³ The simplified prospectus contains a summary of the key information provided in the prospectus. It must be easy to understand. ⁴ The Federal Council determines the key characteristics and information. The FINMA may formalize the key information in accordance with international developments. ⁵ The Key Investor Information Document and simplified prospectus must be made available free of charge to any interested person prior to subscription of the product and prior to concluding an agreement for subscription of the product.	84
Art. 77 CISA Common provisions ¹ Reference must be made to the prospectus and the Key Investor Information Document or the simplified prospectus in all advertising material, citing where such documents may be obtained. ² The prospectus, the Key Investor Information Document or the simplified prospectus and any amendment to such documents must be submitted to the FINMA forthwith.	85
Art. 84 CISA Right to information ¹ The fund management company and the SICAV shall on request supply investors with information concerning the basis for the calculation of the net asset value per unit. ² If investors express an interest in more detailed information on specific business transactions effected by the fund management company or the SICAV, such as the exercising of membership and creditors' rights, or on risk management, they must be given such information at any time. ³ The investors may request at the courts of the registered office of the fund management company or the SICAV that the audit company or another expert investigate the matter which requires clarification and furnish the investors with a report.	86
Art. 107a CISO Basic requirements ¹ The key investor information document for securities funds and other funds for traditional investments contains the information required pursuant to Annex 3. ² The fund management company and the SICAV date the key investor information document and submit it and any amendment thereto to FINMA immediately.	87
In publishing performance data for the collective investment schemes they manage, CISA Institutions must comply with the SFAMA Guidelines on the Calculation and Publication of Performance Data of Collective Investment Schemes.	88
CISA Institutions must disclose all fees and incidental costs incurred on the issue and redemption of units of collective investment schemes, and in the management of the collective investment schemes. They must ensure appropriate transparency with regard to costs, and must comply with the SFAMA Guidelines on the Calculation and Disclosure of the TER of Collective Investment Schemes.	89
<u>10. Reporting and disclosure duties of CISA Asset Managers</u>	
Art. 25 CISO Agreement Asset managers of collective investment schemes must conclude a written agreement with their clients that governs the rights and obligations of the parties and other material matters.	90
CISA Asset Managers must observe the duties of disclosure specified in Art. 20 para. 1 let. c CISA and Art. 34 CISO in respect of their Principal and any third parties.	91
If the CISA Asset Manager is involved in calculating (and publishing) the performance data for the collective investment schemes they manage, it must comply with internationally recognized standards in respect of:	92
• the calculation method;	93
• an appropriate period (e.g. 1, 3, and 5 years as well as since launch);	94
• the selection of suitable benchmarks.	95
It must disclose any deviations from the standard automatically as part of its financial reporting.	96

CISA Asset Managers must inform their Principal in an appropriate manner about:	97
• potential conflicts of interest;	98
• investment processes, investment strategies, risk factors (e.g. any liquidity problems), use of derivatives, structured products etc.;	99
• significant changes in personnel or in the organization.	100
CISA Asset Managers must conclude a written agreement with the Principal on their specific rights and obligations and the other terms of the service to be performed.	101
Specifically, the written agreement must contain information on the following points:	102
• scope of the CISA Asset Manager's powers;	103
• investment objectives and restrictions, in accordance with the pertinent provisions set down in the documents of the collective investment scheme;	104
• reference currency, in accordance with the pertinent provisions set down in the documents of the collective investment scheme;	105
• permitted investments, investment techniques, and the use of derivatives and structured products;	106
• method and frequency of provision of financial statements to the Principal;	107
• type, structure and components of the remuneration of the CISA Asset Manager, taking into account Art. 21 para. 2 CISA;	108
• possibility of delegating tasks to third parties, subject to Art. 18b para. 3 CISA and Art. 26 CISO;	109
• duties to report (if necessary and not already governed elsewhere).	110

D Duties of due diligence and loyalty in the distribution of collective investment schemes

With regard to distribution, CISA Institutions must comply with the provisions of Art. 24 CISA in conjunction with Art. 34 para. 2^{bis} and 4, as well as Art. 34a CISO. 111

Art. 24 CISA Further rules of conduct ¹ The licensees shall take the measures required to ensure the legitimate acquisition of clients and the objective provision of advice to the latter. ² If they engage the services of third parties in the distribution of units in collective investment schemes, they shall conclude distribution agreements with these third parties. ³ The licensees and third parties engaged to distribute units shall record in writing the client's requirements that they have ascertained and the reasons for each recommendation for investment in a specific collective investment scheme. This written record is handed over to the client.	112
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Art. 34 let. 2^{bis} and 4 CISO Duty of disclosure ^{2bis} The duty of disclosure with regard to compensation for distribution encompasses the nature and scale of all fees and other pecuniary benefits through which the activities of the distributor are to be compensated. ⁴ The fund management company and asset managers of collective investment schemes that purchase units of a collective investment scheme managed by them on behalf of clients shall inform the latter of the payments received.	113
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Art. 34a CISO Duty to keep records

¹ The duty to keep a record under Article 24 paragraph 3 of the Act applies to distribution activities as defined in Article 3 of the Act.

² The form and content of the record is governed by the rules of conduct for a system of self-regulation that are recognised by as a minimum standard FINMA under Article 7 paragraph 3 of the Financial Market Supervision Act of 22 June 2007.

114

The SBA's guidelines on the duty to keep documentary records must be complied with.

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CISA Institutions and all other financial intermediaries must distribute their collective investment schemes exclusively via distributors which can ensure the proper conduct of business.

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If they pay distributor fees, they must operate remuneration systems for their distributors that promote proper client advice and the fostering of long-term relationships.

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CISA Institutions and all other financial intermediaries must conclude distribution agreements exclusively on the basis of the SFAMA Guidelines on the Distribution of Collective Investment Schemes (including the "Provisions for Distributors" appendix), and the model distribution agreement, as amended from time to time. They must issue an internal policy governing the specific details.

118

IV Entry into force

The present Code of Conduct was approved by the Board of Directors of the Swiss Funds & Asset Management Association SFAMA on 7 October 2014. It enters into force on 1 January 2015, replacing the Code of Conduct for the Swiss Fund Industry issued on 30 March 2009 and the Code of Conduct for Asset Managers of Collective Investment Schemes issued on 31 March 2009. There will be a transitional period to 31 December 2015, during which fund management companies, SICAVs, limited partnerships for collective investment, SICAFs, CISA Asset Managers, and representatives of foreign collective investment schemes, as well as their agents, must carry out the necessary implementation work to amend existing contracts.

119

CONTENTS

Code of Conduct of the Swiss Funds & Asset Management Association SFAMA (SFAMA Code of Conduct)	1
I Legal basis and objectives.....	1
II Validity and binding force.....	1
III Code of Conduct for CISA Institutions.....	2
A Duties of loyalty	3
1. CISA Asset Managers prohibited from holding assets in their own name	3
2. Investments and financial incentives	3
3. Preserving and promoting the integrity of the market.....	3
4. Execution of securities trades and other transactions	4
5. Avoidance / disclosure of conflicts of interest	5
6. Exercise of membership and creditors' rights	5
7. Participation in class actions.....	6
B Duties in respect of due diligence.....	6
8. Organizational measures, in particular risk management, internal controlling system, and compliance	6
C Duties of disclosure	8
9. Communication with investors.....	8
10. Reporting and disclosure duties of CISA Asset Managers.....	9
D Duties of due diligence and loyalty in the distribution of collective investment schemes	10
IV Entry into force	11