

Third-party payments in investment business

This information sheet informs you as the client about the third-party payments that St.Galler Kantonalbank AG (SGKB) may receive in connection with the performance of financial services.

1. Handling of third-party payments

SGKB offers its clients a wide range of financial instruments and services. In this context, clients note that the bank may receive sales remuneration or other monetary benefits from third-party or group companies of the bank for the distribution of financial instruments such as collective investments or structured products («third-party payments», for collective investment schemes in the form of portfolio management commissions and for structured products as upfront fees). As a matter of principle, these third-party payments are for a specific purpose and represent remuneration for the sales activity and associated services such as product research, free financial analyses, free offer of basic information sheets, training of SGKB employees or the ongoing monitoring of products. The subject and amount of these third-party payments differ depending on the product and product provider.

Third-party payments may arise regardless of whether or not a client has given the bank an asset management mandate or requests investment advisory services (portfolio- or transaction-specific) or merely asks SGKB to buy a particular investment product («execution-only»).

This information sheet establishes the required transparency with regard to the extent of the client's waiver of surrender or forwarding of any third-party payments collected by the bank.

2. Amount of third-party payments

The following table shows the bandwidths of third-party payments that SGKB receives for its expenses. Number 6 «Calculation examples for third-party payments» illustrates samples of the calculation methods.

This overview can also be found in the applicable price table at www.sgkb.ch/preistabelle-anlegen-en.

Collective investment schemes		
Fund type	Bandwidth of third-party payment per year ¹	Average third-party payment in 2024
Money market funds	0.02 % - 0.22 %	0.12 %
Bond funds	0.02 % - 0.85 %	0.43 %
Convertible bond funds	0.21 % - 0.85 %	0.65 %
Equity funds	0.05 % - 1.62 %	0.75 %
Strategy funds	0.16 % - 0.79 %	0.52 %
Real estate funds	0.14 % - 0.92 %	0.28 %
Index funds	0.04 % - 0.66 %	0.28 %
Hedge funds	0.71 % - 1.41 %	1.18 %
Structured products		
Type of structured product		Amount of third-party payments (one-time) ²
Products in subscription		1.25 %
	Volume ³	
Tailor-made-products	from CHF 50'000 to 499'000	1.30 %
	From CHF 500'000 to 999'000	0.90 %
	from CHF 1'000'000	0.50 %

1 The published bandwidths correspond to the actual bandwidth of the products held at SGKB in the previous year (2024) and are updated annually. The overview only includes collective investment schemes in which third-party payments were incurred. Third-party payments are not mandatory for collective investment schemes.

2 The calculation of the third-party fee is based on the subscription amount, see also the calculation examples in number 6.2.

3 The volume refers to the total issue amount of the respective structured product. Minimum volume CHF 50'000.

The client understands and accepts that the bank may amend the respective terms and conditions at any time, e.g. in the case of amendments to the distribution agreements between the bank and the providers of the products, which will be communicated in a suitable manner.

On request, the bank will give the client detailed information about the amount of third-party payments concerning them, insofar as these third-party payments can be clearly allocated to the respective client relationship with reasonable effort. For this special work, the bank may charge a fee to cover its costs.

3. Forwarding of third-party payments

On a product-specific basis, SGK B determines whether to keep the third-party payments received or whether to refund them to the client. SGK B specifies this in the price table «www.sgkb.ch/preistabelle-anlegen-en» or in the respective contractual documentation.

4. Protection of client interests – declaration of waiver of surrender

The client understands and agrees that third-party payments result in potential conflicts of interests, as they can represent an incentive to select investment products for which the bank receives third-party payments (e.g. when buying investment funds or structured products instead of equities or bonds) or for which it receives higher third-party payments (e.g. by giving preference to products from certain providers or categories of products for which higher third-party payments are incurred).

Unless the bank has undertaken to surrender the third-party payments, the client expressly waives a surrender claim pursuant to Art. 400 (1) CO as well as any other surrender claims with regard to third-party payments. The client is aware of the calculation figures for third-party payments as specified in the price table. This waiver will continue to apply without any changes even if the amount of the current third-party payments changes. The bank shall duly ensure that, especially in the case of an investment advisory relationship, no conflicts of interests arise or, if conflicts of interests cannot be avoided, that these will not put the client at a disadvantage. More information on conflicts of interest can be found in the fact sheet "Conflicts of interest and preventative measures" under «<http://www.sgkb.ch/interessenkonflikte-en>».

5. Further information

Clients can find further information in the custody account regulations and in the price table «www.sgkb.ch/preistabelle-anlegen-en»).

6. Calculation examples for third-party payments

6.1. Collective investment schemes

The following example shows the calculation of third-party payments for collective investment schemes according to number 2 «Amount of third-party payments». The third-party payments are calculated based on the invested assets as at the first bank business day of the month. The holding period affects the amount of third-party payments.

Valor	ISIN	Financial instrument	Investment amount ¹ Ø in CHF	Number of months	Third-party payment ² Ø in % p.a.	Third-party payment ³ in CHF
Money market funds						
601221	LU0033502740	UBS Money Market CHF	1'697	12	0.22	3.73
1363891	LU0141249770	Swisscanto Money Market Fund EUR	1'840	8	0.02	0.25
Total third-party payment money market funds						3.98
Bond funds						
33471460	CH0334714604	SGKB Fund Obligationen CHF	6'556	12	0.06	3.93
2095040	CH0020950405	Syz AM CHF Bonds	12'354	12	0.02	2.32
601376	LU0034353002	DWS Floating Rate Notes	3'808	4	0.04	5.37
Total third-party payment bond funds						11.62
Equity funds						
33471458	CH0334714588	SGKB Aktien Schweiz	25'105	12	0.28	70.29
51112691	CH0511126911	SGKB Aktien Fokus Ostschweiz	13'412	7	0.28	21.91
1274355	LU0133096981	T. Rowe Smaller Companies	13'194	7	0.12	9.24
Total third-party payment equity funds						101.44
Strategy funds						
112315910	CH1123159100	SGKB Strategie Einkommen Eco	7'483	12	0.23	17.21
2030618	CH0020306186	SGKB Strategie Ausgewogen	7'951	12	0.46	36.57
1559097	CH0015590976	Swisscanto Portfolio Fund World 45	7'022	9	0.40	21.07
Total third-party payment strategy funds						74.85
Alternative Investments						
47481757	CH0474817571	Swisscanto Real Estate Switzerland	9'347	2	0.31	4.83
2318783	LU0232504117	Schroder Alternative Commodity	2'137	12	0.70	14.96
214292	LU0055649056	DWS Gold Plus	3'652	12	0.21	7.67
Total third-party payments alternative investments						27.46
Total third-party payments						219.35

1 Average investment amount for the reporting period, calculated on the base of the first bank business day of the respective month.

2 Average sales remuneration in % rounded to two decimal places.

3 Sales remuneration for the reporting period, calculated on the base of the first bank business day of the respective month.

6.2 Structured products

The following examples show the calculation of third-party payments for structured products in accordance with number 2 «Amount of third-party payments». A standard calculation logic is used for «products in subscription» and «tailor-made products». The subscription amount consists of the purchase price and the one-time third-party payment. The calculation of the third-party payment is based on the subscription amount. The holding period does not affect the amount of the third-party payment. The third-party payment is calculated at the time of subscription. The examples are based on a subscription amount of CHF 100,000 in each case.

6.2.1 Products in subscription

Applicable percentage for products in subscription 1.25 %

Subscription amount	CHF 100'000 (incl. third-party payment)	
Calculation of third-party payment based on subscription amount		
Purchase price	CHF 98'800	98.80 %
Third-party payment	CHF 1'200	1.25 %

6.2.2 Tailor-made-products

Applicable percentage for tailor-made-products 1.30 %.

Subscription amount	CHF 100'000 (incl. third-party payment)	
Calculation of third-party payment based on subscription amount		
Purchase price	CHF 98'700	98.70 %
Third-party payment	CHF 1'300	1.30 %

Please feel free to contact your advisor if you have any questions concerning this information.

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