

# FRONT COVER

**Brochure - EN - 13.11.2007**

BACK  
OF  
FRONT  
COVER

gaufrage

Geneva Headquarters	Lausanne Branch	Lugano Branch	Zürich Branch
Bd Georges-Favon 7 CH-1211 Genève 11 Phone +41 (0)58 316 60 00	Avenue d'Ouchy 10 - CP 135 CH-1001 Lausanne Phone +41 (0)58 316 62 00	Via S. Balestra 2 CH-6900 Lugano Phone +41 (0)58 316 63 00	Schützengasse 21, Postfach CH-8021 Zürich Phone +41 (0)58 316 61 00



## **Swiss Private Banking**

Nature. A place of silent treasures, of constant renewal, where growth begins. Steadily, with purpose.

At KBS we understand your desire to see your wealth safeguarded so that it will grow and strengthen. Our own roots reach back to parent group KBC's earliest days when the bank helped landowners and farmers replant the seeds of their prosperity.

KBS Swiss Private Banking Wealth Managers today work hand in hand with you, and with each other, in the belief that the best service results in steady growth from a solid base. It is a philosophy we have followed since the bank was founded in 1970.

Today we offer you a broader, richer landscape because we are members of KBL European Private Bankers, which is wholly owned by the Belgium-based KBC, one of the largest banking and insurance groups in Europe.

Growth. A question of time and timing, the use of right tools and the desire to work together.





*Awakening*







A scenic photograph of a coastal landscape. In the foreground, a narrow, sandy path winds through tall, golden-brown dune grass. The grass is dense and sways slightly. In the middle ground, the path leads towards a dark blue ocean with white-capped waves. The horizon is visible in the distance. The sky is a clear, bright blue with a few small, wispy clouds. The overall mood is peaceful and inviting.

*Destination,*

## *Company Overview*

---

KBS was founded in 1970 in Geneva as a member of KBL European Private Bankers to provide tailored private banking services. These are adapted to meet your needs, at all stages in the building of your wealth. Our fees are competitive and transparent.

Today KBS has more than 150 employees at its four offices: Geneva (head office), Lausanne, Lugano, Zurich.

Our private banking teams understand your needs and help you manage these as they develop over time.

### Languages

We speak your language in more ways than one. We work daily with our clients in the following languages (in alphabetical order) : Bulgarian, Czech, Dutch, English, French, German, Hungarian, Italian, Polish, Russian, Slovak, Spanish, Turkish and Ukrainian.



Swiss Private Banking

*Our work at **KBS** is methodical, moving towards growth. In the same way, nature follows a logic and a structure to create beauty.*



A large, golden-brown rock formation, likely a sea stack or cliff, stands prominently on a pebbly beach. The rock is illuminated by the warm, low light of a sunset, giving it a glowing appearance. The sky above is a clear, deep blue, transitioning to a lighter orange near the horizon. The rock's reflection is clearly visible in the shallow water in the foreground. The overall scene conveys a sense of strength and resilience.

*Solidity*

### **KBC Group**

Swiss-based KBS is part of the Belgian-based KBC Group, with capitalization of more than Euro 36 billion (4th quarter 2006). KBC is listed on Belgium's stock exchange index, the Bel20, part of NYSE Euronext.

The Group has 50,000 employees and Euro 209 billion assets under management (4th quarter 2006). Its activities are focused on western Europe and increasingly on central and eastern Europe.

Information regarding the range of banks and insurance companies owned by KBC may be found on [www.kbc.com](http://www.kbc.com)

To complete its retail activities, KBC also owns a strong private banking network in western Europe, KBL European Private Bankers.

### **KBL European Private Bankers**

The core business is wealth management, with over EURO 55 billion in assets under management. The group of eight European private banks has its parent company in Luxembourg.

The other member banks are in alphabetical order :

Belgium	-Puilaetco Dewaay Private Bankers
France	-KBL France
Germany	-Merck Finck & Co, Privatbankiers
Great Britain	-Brown Shipley & Co Ltd
Luxembourg	-Kredietbank Luxembourg SA Luxembougeoise
Monaco	-KB Luxembourg (Monaco) SA
The Netherlands	-Theodoor Gilissen Bankiers NV



*The **KBS** network helps us connect you  
with the best in the investment business.  
The natural world, too, is a series of inter-connected lines.  
Each one is stronger for being a part of the whole.*





*Connection*









*Potential*

# Investment Strategies

Finding solutions to always insure the best possible return for a client's portfolio is a number one priority at KBS. In-depth and rigorous analyses of our clientele's expectations have led us to an excellent understanding of their needs.

Our dedicated teams of Financial Analysts and Wealth Managers have created an investment methodology based on a highly reactive market approach. These strategies can be tailored to suit your personal needs.

## Profiled Strategies

*The tailored response to your investment expectations*

Goal: achieve the best possible performance, while seeking to limit the risks of depreciation.

## Opportunism and Dynamism

Active management without reference to a conventional benchmark, which allows a great deal of latitude in managing assets in order to seize the opportunities offered by market volatility.

## Flexibility and Reactivity

Flexible asset allocation constantly tailored to markets' reality.

## Creativity and Anticipation

An open architecture in relation to innovative products upstream of the markets.

Example: Management objectives in the Profiled Strategy

Three profiles tailored to the specific requirements of each investor, linked by the same investment philosophy, offered in six different investment regions: Belgium, Spain, France, Italy, Switzerland and International.

	% CASH		% BONDS		% SHARES		% ALTERNATIVES	
	Min	Max	Min	Max	Min	Max	Min	Max
STRATEGY 10-30	0	90	0	90	10	30	0	30
STRATEGY 20-50	0	80	0	80	20	50	0	30
STRATEGY 25-75	0	75	0	75	25	75	0	30



Swiss Private Banking

**KBS** takes a Steady approach to growth, just as  
nature's treasures grow quietly, with purpose.



A low-angle, vertical shot of a bamboo stalk. The stalk is the central focus, extending from the bottom of the frame towards the top. It has a smooth, light green surface with distinct, darker green horizontal rings or nodes. The background is a dense forest of green trees and foliage, with sunlight filtering through the leaves, creating a bright, slightly overexposed sky area at the top. The overall mood is one of growth and nature.

*Growth*

# *Investment Strategies*

---

## **Absolute Return Strategy**

*Enhance and develop your assets the new, responsive way.*

Goal : achieve an absolute return in order to partially tap into market uptrend, while preserving the capital as far as possible during downtrends.

## **Peace of mind and Return**

Low correlation with traditional stock and bond markets and moderate volatility, enabling an improvement in performance stability.

## **Selectiveness and Opportunism**

Selection of alternative products giving access to the best funds, which are often closed to the public, for a reduced minimum investment.

## **Creativity and Anticipation**

An open architecture in relation to innovative products upstream of the markets.



Swiss Private Banking



*At* **KBS** *we carefully nurture your wealth.*  
*Nature, too, begins in a small way, with buds holding all*  
*that will blossom.*





*Insight*

## *Personal Advisory Desk*

---

The Advisory Mandate gives you direct access to our highly skilled Wealth Managers who provide an in-depth analysis of your portfolio.

What are your investment objectives?  
How much risk are you willing to take?  
What type of investment do you prefer?

Based on your answers, our financial analysts develop, with you, a clear and efficient strategy.

Our Wealth Managers monitor financial markets and your holdings and offer you timely investment recommendations and consultancy. They may also suggest changes to your portfolio structure and offer investment ideas, always focusing on your objectives. But it's up to you to decide if you will follow their advice or not.

In terms of our financial network, your portfolio also benefits from our Personal Advisory Desk's access to KBL European Private Bankers and KBC Group's vast resources. This includes private banking research and services from our Third Party Funds team which works exclusively on evaluating and selecting the best funds on the market.



Swiss Private Banking

*We believe at **KBS** that your portfolio is strengthened by diversity, just as nature is strong because it is richly coloured, profoundly varied.*





*Exclusivity*







# *Expansion*





# *Estate Planning*

---

## **Financial Planning**

KBS Swiss Private Banking helps you to efficiently organize your assets and taxes during your lifetime and facilitates the distribution of your wealth to your descendants.

The all-round ability of our financial planning specialists will help you to identify the risks and opportunities of your personal financial and legal situation.

They will define the appropriate measures in order to provide you with a personalized and holistic solution.

## **Asset and Estate Planning**

To fully evaluate your situation, our Estate Planners study closely, with you, your estate at different stages of your life and they work with you to define your future needs. They are your partners in developing a clear understanding of the processes and the interplay between the key factors that influence your estate's future.

Based on your particular situation, you are provided with an appropriate patrimonial structure, approved by Swiss and/or foreign laws. Our services also cover questions of inheritance tax and matrimonial property law.

## **Tax assistance**

Working with tax experts, our Estate Planners assist you on a range of tax issues, such as Swiss taxes, the consequences of changing residency, questions of international tax law and dual taxation agreements.



Swiss Private Banking



**KBS** cares for your present, thinking about your  
future, the way nature always looks to tomorrow, and looks  
after tomorrow's world.





*Legacy*









*Abundance*

## Alternative Investments

The term alternative investments covers a range of different products and strategies. Perhaps the best known of these is the hedge fund, but there are many others.

## Asset Allocation (Asset Classes)

An investment technique that diversifies a portfolio among different types of assets such as stocks, bonds, cash equivalents, precious metals, real estate and commodities.

## Benchmark

A benchmark is something that the performance of something else can be compared to. For example, many mutual funds use the S&P 500 as a benchmark, either to beat (outperform) or to track depending on whether they are an active or passive fund.

## Blue Chip

A publicly traded company with a reputation for consistent growth, earnings and returns on investment. The term comes from the blue-colored chips, which are typically the most valuable in the game of poker.

## Bond

A bond is a debt instrument issued by a borrower in the form of a certificate that states the terms and conditions of the borrowing. It's an interest bearing certificate of debt by which the issuer is obligated to repay principal and periodic interests. Bonds may be issued by corporations, the federal government, and by state and local governments.

## Bull, Bullish - Bear, Bearish

Investors have different strategic objectives but, at any one time, an individual will in the terminology of the financial markets be either a bull, a bear or undecided. The battle between these positions determines price movements.

## Common Stock

A type of equity or capital representing shares of ownership in a corporation. May or may not receive distributions of corporate income in the form of dividends. Receives the lowest priority for repayment in the event of a corporate liquidation. As opposed to preferred stock, which has a slightly higher claim to corporate funds.

## Convertible bond

A convertible is an adaptation of a straight bond issue which gives an investor the ability to convert the bond into a specified number of shares of the same issuer at a predetermined price. An otherwise normal corporate bond that has a fixed maturity date, that pays coupon interest and repays principal at maturity. The exchange of the bond for a fixed number of shares of common stock at the option of the bondholder, allows the convertible bond to share in the growth potential of the underlying common stock. It is senior to stock within the corporate equity structure, although probably junior to other corporate debt. Convertible bonds are often callable.

## Correlation

Correlation is a statistical measure of the extent to which the movements of two prices are related. A positively correlated (a correlation near +1) pair of prices moves in a similar way e.g. as one rises so does the other. A negatively correlated (a correlation near -1) pair of prices moves in a dissimilar way e.g. as one rises the other falls. A correlation near zero indicates little or no relationship between the changes in the two sets of data.

Correlation is important because it helps identify assets which, when combined with other assets, can deliver diversification benefits. Perfectly positively or perfectly negatively correlated prices are rare. Yet, in any case, where there is less than perfect correlation, some diversification benefits will be realised.

## Derivatives

A derivative is a synthetic construction designed to give the same profile of returns as some underlying investment or transaction, without requiring the principal cash outlay. It is called derivative because it derives its value from the performance of the underlying instrument (stocks, bonds, currencies, commodities, etc).

Examples of the financial instruments used in derivatives transactions, which reference these underlying assets include options, futures and swaps.







*Listening*

## Equity Security

Any security representing an ownership interest in the issuing entity. This includes common, preferred, or other capital stock. It also includes mutual funds and contractual rights to acquire or dispose of ownership interests at fixed or determinable prices such as warrants, rights, call options, and put options. Does not include convertible debt.

## Futures

Contracts for the sale/purchase of a specified quantity of a financial instrument, currency, or commodity at an agreed upon price on a given future date. First developed for agricultural commodities, actively traded futures are available for foreign currencies, stocks, stock indexes, U.S. Treasury debt, Eurodollar deposits, and other financial instruments. Futures are often used in hedging. Unlike an option, a futures contract obligates both parties to consummate the transaction.

## Hedge

A transaction that reduces the risk of an investment and the risk of loss.

## Hedge Funds

Hedge Funds pool the capital of a small number of high net worth individuals or institutions under the direction of a single manager or small team. They are usually based in offshore tax havens to escape regulators and reporting requirements. One of the reasons to domicile offshore is to be free to use trading strategies such as short selling that traditional, domestically regulated retail funds are not allowed to do. A key technique is to use short as well as long positions. This can provide protection against a falling market, hence the description hedge fund. Hedge funds are closed end funds.

## High Yield Securities

Fixed income securities issued by corporations rated below investment grade (BB+ or lower), typically with high yields. High yield bonds (formally known as 'junk bonds') are issued by corporations without a credit rating usually considered appropriate for debt issuance.

## Investment Return

In finance, return is the profit – in the form of income and capital appreciation – on an investment.

## Issuer

A party or entity that sells a security representing a claim on its assets (an equity security) or its contractual obligation to pay the holder at a future date (a debt security).

## Liquidity

Liquidity is a measure of how easy it is to buy and sell a financial instrument for cash without causing any significant change in its price. A very actively traded market, where its easy to sell whatever you are holding for cash without discounting its price heavily is said to be a liquid market. A market where it is difficult to sell whatever you are holding for cash, unless its price is discounted, is said to be an illiquid market.

## Mutual Fund

Known also as an open end fund, or a unit trust in the UK, mutual funds are pooled investment vehicles. They mostly invest in stocks and bonds of companies and public authorities. They offer small investors the chance to spread their investment widely. An investor who wishes to invest in a mutual fund simply buys new shares in the fund, which then expands in size. Sellers can only sell their shares back to the fund, which shrinks accordingly. Mutual funds are typically run by specialist investment companies.

## Options

Options are contracts wherein one party (the 'purchaser' or 'buyer') agrees to pay a fee (called a 'premium') to another party (called the 'grantor' or 'writer') for the right, but not the obligation, to buy something from or sell something to the writer, at a specified and pre-agreed price (called the 'striking price' or 'strike') on or before a date certain (called the 'expiration' of the option). There are two types of simple options: calls and puts. A call option gives its owner the right to buy something at the striking price on or before the option's expiration, and a put option gives its owner the right to sell something at the striking price on or before the option's expiration.

## Portfolio

A collection of financial assets belonging to a single owner. For example, the municipal bond portfolio. Risk in portfolios is reduced by diversification.







*Harmony*

## **Portfolio Management Active Management**

A portfolio is actively managed when the portfolio manager holds stocks of his choice with a view to outperforming a given index. The alternative is a tracker or index fund where stocks are chosen purely with a view to matching the performance of a chosen benchmark index. This is called passive management

## **Discretionary Portfolio Management**

An account where an investment manager manages a client's portfolio without referring to the client or asking the client permission to make specific investment decisions. Overall investment aims are agreed between the client and the manager. The investment manager then makes specific decisions within the context of those aims.

## **Portfolio Manager**

A professional who manages the securities portfolio of an individual or institutional investor. In return for a fee, the manager has the fiduciary responsibility to manage the assets prudently and choose which asset types are most appropriate over time. The person (or persons) responsible for the overall investment decisions of a mutual fund.

## **Risk (risk tolerance)**

Risk is a measure of the variability of return. Thus, an investment where the return is guaranteed is less risky than an investment with uncertain returns.

## **Structured Products**

A structured product is generally a pre-packaged investment strategy which is based on derivatives (ie. options and to a lesser extent, swaps) but which features protection of principal if held to maturity. For example, if you want to invest 100 dollars, the issuer simply invests in a risk free bond which has sufficient interest to grow to 100 after the 5 year period. This bond might cost 80 dollars today and after 5 years it will grow to 100 dollars. With the leftover funds the issuer purchases the options and swaps needed to perform whatever the investment strategy is. Theoretically investors can just do this themselves, but the costs and transaction volume requirements of many options and swaps are beyond many individual investors. Combinations of derivatives and financial instruments create structures that have significant risk/return and/or cost savings profiles

that may not be otherwise achievable in the marketplace. Structured products are designed to provide investors with highly targeted investments tied to their specific risk profiles, return requirements and market expectations.

## **Swap**

Exchanging securities for other securities of similar credit quality but of different terms in order to improve yields

## **Synthetic**

A synthetic is a financial instrument artificially created by using a collection of other assets whose combined features are comparable to the instrument it replicates.

## **Trust**

A trust is a legal arrangement where property/assets are held by a person or persons (trustees) for the benefit of another individual or individuals (beneficiaries). The trustee is the legal owner of the property but the beneficiary has an equitable interest in it.

## **Unit Trust**

A unit trust is a trust formed to manage a portfolio of securities in which small investors can buy units. It differs from an investment trust in that investors who buy units are not shareholders.

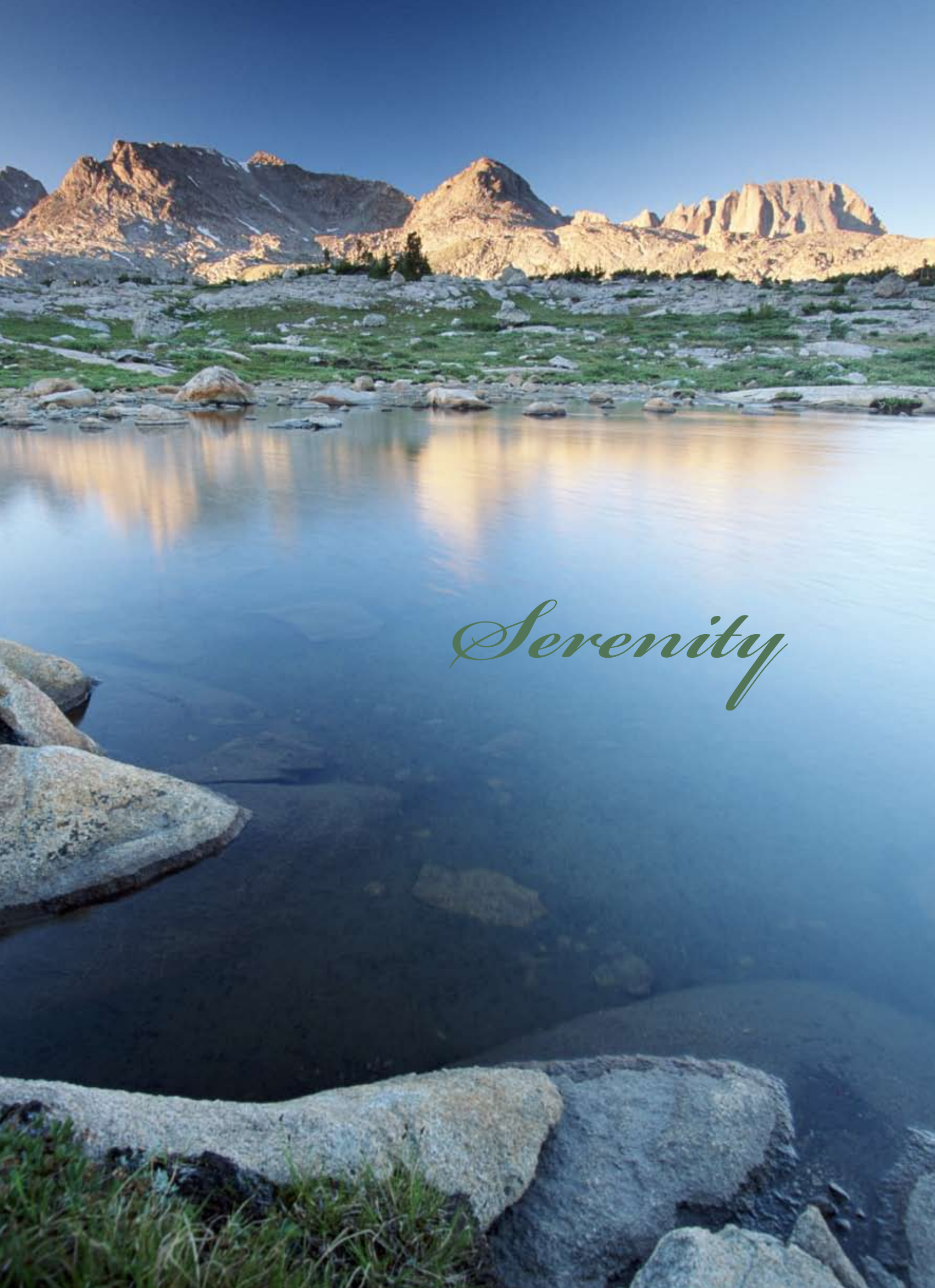
## **Volatility**

Statistical term to quantify the dispersion of variables such as rates or prices around the mean. A measure of the variability of the price of an underlying financial instrument, rate, commodity, or currency. Volatility only measures the quantity of the change not the direction. Volatility is not influenced by the direction of the change; it does not matter whether the price rises or falls.

## **Yield**

The annual return on an investment expressed as a percentage on an annual basis. For interest bearing securities, the yield is a function of the rate; the purchase price; the income that can be earned from the reinvestment of income received prior to maturity, call, or sale; and the time from purchase to maturity, call, or sale. Different formulas or methods are used to calculate yields.





*Serenity*



A close-up photograph of two small green seedlings with pointed leaves growing from a bed of moss. The seedlings are positioned diagonally, with one slightly taller than the other. The background is a soft, out-of-focus brown, suggesting a natural, earthy environment. The word "Revival" is written in a cursive font across the middle of the image.

*Revival*