

Dear Customer,

Having been abolished for 2010, US Federal Estate Tax has now been reinstated at the beginning of 2011. Under certain circumstances, non-US citizens resident outside the United States may also be subject to reporting obligations and liable for US Federal Estate Tax.

This tax liability arises because US Federal Estate Tax is not only levied on the assets of deceased US citizens and persons resident in the USA (US testators), but also on the estates of non-US testators, if they hold certain US assets at the time of their death. These include shares and bonds issued by US corporations, real estate in the USA and certain US investment funds.

Under US Federal Estate Tax provisions, not only US citizens are liable for this tax, but so are non-US citizens if they hold US securities of a value of more than USD 60,000. US law regards US securities as assets located in the USA, with the consequence that US securities in foreign estates are also liable for tax.

Depending on the double taxation treaty between the testator's country of residence and the USA, higher tax thresholds or exemptions for certain kinds of assets may also be claimed.

This legal situation has led SB Saanen Bank AG to decide not to invest any more in US direct investments for the asset management mandates entrusted to it.

For further details relating to US Federal Estate Tax and the associated reporting obligations, we would ask you to consult a qualified tax advisor.

Yours sincerely,

**SB Saanen Bank AG**

(without signature)