g. Warrants

Definition

Warrants are securities without interest and dividends that grant the holder the right to purchase (call warrants) or sell (put warrants) a specific underlying asset (e.g. shares) at a specific time or during a specific period at a price fixed in advance (exercise price).

Income

By purchasing the warrant, the holder of the call warrants has fixed the purchase price of his underlying asset. The income can result from the market price of the underlying asset becoming higher than the exercise price to be paid by him, whereby the purchase price of the warrant is deducted. The holder then has the option to purchase the underlying asset at the exercise price and immediately resell it at the market price. The price increase of the underlying asset is usually reflected in a relatively larger increase of the price of the warrant (leverage effect), so that most investors generate their profit by selling the warrant. The same applies accordingly to put warrants, which usually increase in price if the price of the underlying asset declines. The income from warrant investments cannot be determined in advance. The maximum loss is limited to the amount of the invested capital

Price risk

The risk of warrant investments is that the underlying asset does not perform in the manner until the expiry of the warrant that you have taken as a basis in your purchase decision. In extreme cases, this may cause the total loss of the invested capital. Furthermore, the price of your warrant depends on other factors. The most important ones are:

- **Volatility of the underlying asset** (measured value for the fluctuation margin of the underlying asset expected at the time of purchase and at the same time the most important parameter for the affordability of the warrant). High value generally means a higher price for the warrant.
- **Term of the warrant** (the longer the term of a warrant, the higher the price).

A declining volatility or a declining residual term may effect that - although your expectations with regard to the price development of the underlying asset have been met - the price of the warrant remains the same or declines. We generally do not recommend to purchase a warrant shortly before the end of its term.

A purchase at a time of high volatility makes your investment more expensive and is therefore highly speculative.

Liquidity risk

Warrants are usually issued in smaller quantities only. This leads to an increased liquidity risk, which may cause particularly high price fluctuations with individual warrants.

Trading in warrants

Warrants are traded over the counter to a large extent. There is usually a difference between purchase price and selling price. Such difference is at your expense. When trading at the stock exchange, particular attention must be paid to the often very little liquidity.

Warrants terms and conditions

Warrants are not standardised. It is thus of particular importance to obtain information on the exact details, particularly on:

- **Type of exercise**: Can the option right be exercised permanently (American option) or only at the exercise date (European option)?
- **Subscription ratio**: How many warrants are required to maintain the value of the underlying asset?
- **Exercise**: Supply of the underlying asset or cash compensation?
- **Maturity**: When does the right expire? Please note that the investment company or the Bank will not exercise your option rights without your express order.
- **Last trading day**: This often occurs some time before the maturity date so that it cannot be readily assumed that the warrant can actually be sold until the maturity date.

h. Forward transactions in securities on the stock exchange (option and forward contracts)

The high profit opportunities of option and forward transactions are faced by particularly high risks of loss. As your investment company, we consider it our task to also inform you about the related risks before you conclude any option or forward contracts.

Purchase of options

This means the purchase (opening = purchase for opening, long position) of calls (call options) or puts (put options) by means of which you acquire the claim for delivery or acceptance of the underlying asset and/or, should this be excluded, like with index options, the claim for payment of a monetary amount that is calculated based on the positive difference between the price taken as a basis for the acquisition of the option right and the market price upon exercise. With options of the American type, this right can be exercised during the entire agreed term; with options of the European type, it can be exercised at the end of the agreed term. You pay the option price for the grant of the option right (option writer premium); if the price changes contrary to your expectations about the purchase of the option, the value of your option right may decline and may even become completely worthless by the end of the agreed term. Your risk of loss is therefore the price you paid for the option right.

Sale of option contracts and purchase and/or sale of unconditional futures contracts

Sale of calls

This means the sale (opening = sale for opening, short position) of a call (call option), where you undertake to deliver the underlying asset at a fixed price at any time during (American-type call options) or at the end of the agreed term (European-type call options). You receive the option price for the assumption of this obligation. If the prices increase, you must accept the risk of delivering the underlying asset at the agreed price even if the market price is significantly higher than that price. Your risk of loss, which cannot be determined in advance and is generally unlimited, is that difference. If you do not own the underlying assets (**uncovered short position**), you will need to purchase them at the cash market at the time of delivery (stock-up transaction), and, in this case, your **risk of loss cannot be determined in advance**. If you do own the underlying assets, you are protected from stock-up losses and also able to deliver promptly. Since such assets must be kept blocked until the expiration date of your option transaction, however, you will not be able to dispose of them during that time, which means you cannot sell them to protect yourself against falling prices.

Sale of puts

This means the sale (opening = sale for opening, short position) of a put (put position), where you undertake to accept the underlying asset at a fixed price at any time during (American-type put options) or at the end of the agreed term (European-type put options). You receive the option price for the assumption of this obligation. If the prices fall, you must accept the risk of accepting the underlying asset at the agreed price even if the market price is significantly lower than that price. That difference also constitutes your **general risk of loss that cannot be determined in advance, which results from the exercise price minus the option writer premium**. An immediate sale of the assets will be possible only at a loss. However, if you do not consider the immediate sale of the assets and wish to keep them, you will need to take the expenses of the required financial means into account.

Purchase and/or sale of unconditional futures contracts

This means the purchase and/or sale at a specified time, where you accept the obligation to accept and/or deliver the underlying asset at a fixed price at the end of the agreed term. If the prices rise, you must accept the risk of delivering the underlying asset at the agreed price even if the market price is significantly higher than that price. If the prices fall, you must accept the risk of accepting the underlying asset at the agreed price even if the market price is significantly lower than that price. Such difference is your risk of loss. In the case of an obligation to purchase, you must have all the necessary cash available at maturity. If you do not own the underlying assets (**uncovered short position**), you will need to purchase them at the cash market at the time of delivery (stock-up transaction), and, in this case, your **risk of loss cannot be determined in advance**. If you do own the underlying assets, you are protected from stock-up losses and also able to deliver promptly.

Transactions with settlement of differences

If the delivery or acceptance of the underlying asset is not possible in a forward transaction (e.g. with index options or index futures), you are obliged, if your market expectations have not been met, to pay a cash settlement based on the difference between the underlying price at the time of conclusion of the option or forward contract and the market price upon exercise or maturity. This constitutes your **risk of loss that cannot be determined in advance and is generally unlimited**; in this case, you must always take the liquidity to cover this transaction into account.

Provision of collaterals (margins)

For uncovered sales of options (opening = sale for opening, uncovered short position) and/or purchase or sale at a specified date (future transactions), the provision of collaterals in the form of so-called margins is required. You are obliged to provide such collaterals both upon opening and where required (price developments contrary to your expectations) during the entire term of the option and/or forward contract. Should you not be able to provide additional collaterals required, we are obliged, unfortunately, to close open positions immediately and use any already provided collaterals to cover the transaction in accordance with item 5(1) of the “Special conditions for stock market and over-the-counter option and forward transactions”.

Closing positions

When trading in American-type options and forward contracts, you can liquidate your position even before the maturity date (closing).

However, do not rely on this option always being available. It always very strongly depends on the market conditions and, under difficult market conditions, the conclusion of transactions might only be possible at an unfavourable market price, which may lead to further losses.

Other risks

Options include both risks and obligations - forward contracts excluding obligations - with a short term and defined maturity and/or delivery dates. This and the speed of these types of transactions result in the following additional risks in particular:

- Options that are not exercised in due time will expire and become worthless.
- If any required additional collaterals are not provided in due time, we will close your position and exploit the collaterals provided up to that point, without prejudice to your obligation to settle any outstanding balances.
- With option writer positions (short position), we will take the measures required for you without informing you in advance in case of allocation. Securities allocated based on the exercise of puts will be sold by us if the cover is not sufficient.
- Should you enter into forward transactions in foreign currency, an unfavourable development at the currency market can increase your risk of loss.

i. Money market instruments

Definition

The money market instruments include securitised money market instruments and borrowings such as certificates of deposit (CD), medium term bonds, global note facilities, commercial papers and all notes with a capital term of approx. five years and fixed interest rates of up to approx. one year. Moreover, money market transactions include genuine repo agreements and transactions.

Income and risk components

The income and risk components of the money market instruments largely correspond to such of the “bonds/ debentures / notes”. Distinctive features apply to the liquidity risk.

Liquidity risk

There is typically no regulated secondary market for money market instruments. Permanent saleability can thus not be guaranteed. The liquidity risk becomes of secondary importance if the issuer guarantees the repayment of the invested capital at any time and has the necessary solvency.

Money market instruments - in simple terms

Certificates of deposit: Money market securities with terms of usually 30 to 360 days that are issued by banks.

Medium term bonds: Money market securities with a term of up to 5 years that are issued by banks.

Commercial papers: Money market instruments, short-term promissory notes with terms between 5 and 270 days that are issued by large companies.

Global note facility: Variation of a commercial paper facility that permits the issue of the commercial papers at the same time in the USA and in European markets.

Notes: Short-term capital market securities, terms of usually 1 to 5 years.

j. Structured products

“Structured investment vehicles” are investment vehicles the earnings and/or capital repayments of which are often not fixed, but depend on specific future events or developments. Furthermore, such investment vehicles may be structured e.g. so that the product can be terminated early by the issuer upon the achievement of objectives determined in advance or that automatic termination is generally possible.

Individual product types are described below. To describe these product types, usual collective names are used, which are, however, not uniformly used at the market. Due to the various connecting, combination and payment options of these investment vehicles, different structures have developed whose selected designations do not always uniformly follow the relevant structures. It is therefore always required to check the specific product conditions. Your customer adviser will inform you about the various structures of these investment vehicles.

Risks

When the terms provide for payments of interest and/or dividends, such payments may depend on future events or developments (indexes, baskets, individual shares, certain prices, commodities, precious metals, etc.) and may therefore be reduced or even eliminated in the future.

Capital repayments may depend on future events or developments (indexes, baskets, individual shares, certain prices, commodities, precious metals, etc.) and may therefore be reduced or even eliminated.

With regard to interest and/or dividend payments as well as capital repayments, interest rate, currency, corporate, industry, country and credit risks (potentially missing claims for separation and segregation) and/or fiscal risks must be taken into account in particular.

Irrespective of any existing interest rate, profit or capital guarantees, the risks according to items 1) to 3) may lead to high price fluctuations (price losses) during the term and/or make sales during the term complicated and/or impossible.

Interest spread security products (constant maturity swap)

These products structured as debentures are initially provided with a fixed coupon. After this fixed-interest phase, the products are converted to variable interest. The coupon, which is mostly presented on an annual basis, depends on the current interest rate situation (e.g. yield curve). These products can additionally be provided with a target interest variation, i.e. if a target interest determined in advance is achieved, the product is terminated early.

Income

The investor usually achieves a higher coupon in the fixed interest rate phase than the one paid for classic bonds at the market. In the variable interest rate phase, he has the chance to achieve higher coupons than with fixed interest rate bonds.

Risk

Due to developments in the market, prices may fluctuate during the term. Such fluctuations may be significant depending on the interest rate development.

Guarantee certificates

With guarantee certificates, the nominal initial value or a specific percentage thereof is repaid at maturity, irrespective of the underlying asset's development (“minimum repayment”).

Income

The income to be generated from the performance of the underlying asset may be limited by a maximum repayment amount set out in the certificate's conditions or other limitations of the participation in the underlying asset's performance. The investor is not entitled to dividends and similar distributions of the underlying asset.

Risk

The value of the certificate may fall below the agreed minimum repayment during the term. However, at the end of the term, the value will usually amount to the minimum repayment. The minimum repayment depends on the issuer's credit rating.

Twin-win certificates

Twin-win certificates are paid out a redemption amount by the issuer at the end of the term, which depends on the performance of the underlying instrument. The certificates are provided with a barrier. Should the barrier not be reached or undercut (usually) during the term of the twin-win certificates, the investor participates in the absolute performance of the underlying instrument starting from the basic price fixed by the issuer. This means that losses of the underlying instrument can also be converted into gains of the certificate. If the barrier is reached or undercut during the term of the twin-win certificates, the redemption is made at least in accordance with the development of the underlying instrument. If so determined by the issuer, a disproportionate participation in the price development of the underlying instrument may be stipulated above the basic price. However, the maximum redemption amount may be limited.

Income

If the barrier is not reached, the investor may also benefit from negative performances of the underlying instrument, as he participates in the absolute performance. Losses of the underlying instrument can thus be converted into gains. Due to various influencing factors (e.g. fluctuation range of the underlying instrument, residual term, distance of the underlying instrument to the barrier), the certificate can respond stronger or weaker to fluctuating values of the underlying instrument.

Risk

Twin-win certificates are risky instruments of asset investment. If the price of the asset underlying the relevant twin-win certificate shows an unfavourable development, a significant part of or the entire invested capital may be lost.

Express certificates

An express certificate participates in the development of the underlying instrument with the option of early repayment. If the underlying instrument meets the threshold condition stipulated by the issuer at one of the chaining dates, the certificate ends early and is automatically repaid by the issuer at the redemption amount valid at the relevant chaining date. If the underlying instrument does not meet the stipulated threshold condition at the last chaining date either, the redemption shall be made at the closing price of the instrument underlying the certificates identified at the end of the term/last chaining date. If, in this case, the issuer has determined a barrier at the start of issue of the certificate and the price of the underlying instrument has neither reached nor breached the barrier during the period under review, the redemption is made at least at a minimum rate defined by the issuer.

Income

Express certificates provide the option of early realisation of the positive performance of the underlying instrument. Even if the stipulated threshold condition is not met, a minimum repayment may be made, unless the barrier is reached or breached. Due to various influencing factors (e.g. fluctuation range of the underlying instrument, residual term, distance of the underlying instrument to the barrier), the certificate can respond stronger or weaker to fluctuating values of the underlying instrument.

Risk

Express certificates are risky instruments of asset investment. If the price of the asset underlying the relevant express certificate shows an unfavourable development, a significant part of or the entire invested capital may be lost.

Discount certificates

With discount certificates, the investor receives the underlying asset (e.g. underlying share or index) with a discount on the current price (safety margin), but only participates in a positive performance of the underlying asset up to a specific ceiling of the underlying asset (cap or reference price). At the end of the term, the issuer has the option to either repay the certificate at maximum value (cap) or deliver shares and/or - if an index is used as an underlying asset - pay a cash compensation corresponding to the index value.

Income

The difference between the discounted purchase price of the underlying asset and the price ceiling determined by the cap constitutes the possible income.

Risk

If the prices for the underlying asset strongly decline, shares are delivered at the end of the term. (The counter value of the delivered shares will be lower than the purchase price at that time.) As the allocation of shares is possible, please note the risk information on shares.

Bonus certificates

Bonus certificates are debentures where, if certain preconditions are met, a bonus or, where applicable, the better performance of an underlying asset (individual shares or indexes) is paid at the end of the term, in addition to the nominal value. Bonus certificates have a fixed term. The certificate terms regularly document the payment of a monetary amount or the delivery of the underlying asset at the end of the term. Type and amount of the repayment at the end of the term depend on the performance of the underlying asset. For a bonus certificate, a starting level, a barrier beneath the starting level and a bonus level exceeding the starting level are determined. If the underlying asset corresponds to the barrier or falls short of it, the bonus forfeits and the repayment is made in the amount of the underlying asset. Otherwise, the minimum repayment results from the bonus level. The bonus is paid out at the end of the certificate's term in addition to the initially paid-in capital for the nominal value of the certificate.

Income

With a bonus certificate, the investor acquires the claim vis-à-vis the issuer for the payment of a monetary amount that depends on the performance of the underlying asset. The profit depends on the development of the underlying asset.

Risk

The risk depends on the underlying asset. If the issuer becomes insolvent, there is no claim for separation or segregation with regard to the underlying asset.

Cash or share bonds

They consist of three components whose risk is borne by the bond purchaser: A bond (bond component) is purchased, the interest rate of which includes an option writer premium. This structure thus leads to a higher interest rate than a similar bond with the same term. The bond may be redeemed either in cash or in shares, depending on the price trend of the underlying shares (share component).

The bond purchaser is therefore the writer of a put option (option component) that sells to a third party the right to transfer shares to him; in so doing, the bond purchaser agrees to accept the consequences of the share price changes in a way that is contrary to his interests. This means that the bond purchaser bears the risk of the price development and receives the premium for doing so, which essentially depends on the volatility of the underlying share. If the bond is not held to maturity, that risk is compounded by the interest rate risk. A change in interest rates thus affects the price of the bond and thus the net profit of the bond with regard to its term.
Please note the respective risk information in the sections credit risk, interest rate risk, price risk of the share.

Index certificates

Index certificates are debentures (mostly listed) and provide investors with the opportunity to participate in a specific index without the need to own the assets included in the index themselves. The underlying index is usually reflected 1:1; any changes in the relevant index are taken into account.

Income

With an index certificate, the investor acquires the claim vis-à-vis the issuer for the payment of a monetary amount that depends on the state of the underlying index. The profit depends on the development of the underlying index.

Risk

The risk depends on the underlying assets of the index.
If the issuer becomes insolvent, there is no claim for separation or segregation with regard to the underlying assets.

Basket certificates

Basket certificates are debentures and provide investors with the opportunity to participate in the performance of a specific basket of securities without the need to own the securities included in the basket themselves. The issuer is obliged to compile the underlying basket. Within the basket of securities, the included securities may be weighted equally or differently. The composition may be adjusted at fixed dates (e.g. annually).

Knock-out certificates (turbo certificates)

The name knock-out certificates describes such certificates which document the right to purchase and/or sell a specific underlying asset at a specific price if the underlying asset does not reach the stipulated price threshold (knock-out threshold) during the term. Once the threshold is reached, the investment ends early and most of it will generally be lost. Depending on the price trend of the underlying asset, a distinction is made between knock-out long certificates, which bank on a bull market, and knock-out short certificates, which are especially designed for bear markets. Besides normal knock-out certificates, “leveraged” knock-out certificates are issued, usually under the name of “turbo certificates” (or leverage certificates). The leverage (turbo) causes that the value of the turbo certificate, as a percentage, responds stronger to the price movement of the relevant underlying instrument and may rise, but also fall more sharply. Therefore, higher gains can be earned through smaller investments, but the risk of loss is increased as well.

Income

Income may be gained form the positive difference between cost price and/or market price and exercise price. (Option to purchase the underlying asset at the lower exercise price and/or sell it at the higher exercise price).

Risk

If the knock-out threshold is reached before maturity, either the certificate expires and becomes worthless or an estimated residual value is paid out (the product is “knocked out”). In the case of certain issuers, it suffices to knock out the certificate if the price reaches the knock-out level during the trading day (intraday). The closer the current market price is quoted to the basic price, the higher is the leverage effect. At the same time, there is a higher risk that the knock-out level is undercut and either the certificate becomes worthless or the identified residual amount is paid out.

Spread certificates

Spread certificates offer investors the possibility of sharing disproportionately in the performance of the underlying asset in expectation of a share price or index varying within a certain price range (spread) defined by a starting point and a stopping point.

Income

Income may be gained from the disproportionate participation in the price development of the underlying asset.

Risk

However, if the closing price identified at the valuation date is below the starting point, the certificate only replicates the price development of the underlying asset. If the price slumps below the stopping point, the investor receives a fixed maximum repayment amount at the end of the term, without being able to participate in any price increase.

k. Hedge funds, CTA

Hedge funds

(Hedge funds, funds of hedge funds, hedge funds index certificates and other products with hedging strategies as basic investment)

General information

Hedge funds are funds that are not subject to any and/or are subject to only little restrictions regarding the investment principles. By utilising all investment vehicles, they strive for the multiplication of their capital by alternative and partly non-transparent investment strategies.

Examples for investment strategies:

- **Long/Short:** Undervalued securities are purchased and, at the same time, overvalued securities are sold short.
- **Event-Driven:** The attempt is made to exploit specific corporate results such as mergers, acquisitions, reorganisations or insolvencies.
- **Global macro:** The attempt is made to identify and exploit inefficiencies at the markets through the macroeconomic analysis of the most important developments in economy and politics.

Funds of hedge funds are funds investing in individual hedge funds. Hedge fund index certificates are debt securities whose performance and earnings trend depend on the average development of several hedge funds that are summarised into an index as calculation basis. The investor benefits from the greater risk spreading resulting from funds of hedge funds and hedge funds index certificates.

Income and risk components

Hedge funds offer the chance for very high returns, but also carry a correspondingly high risk of capital loss. The performance of hedge fund products is particularly influenced by the following factors, which result in opportunities and risks:

- Hedge funds tend to develop independently from the development of the international stock and bond markets. Depending on the hedge fund strategy, the general market development may be intensified or a significantly contrasting development may occur.
- The development of hedge funds is mainly influenced by the sub-market defined by it.
- Due to its composition, the assets of a hedge fund can have an increased range of fluctuations, i.e. the unit prices may be subject to significant upward and downward fluctuations, even within short periods of time. In extreme cases, total loss may occur with non-guaranteed hedge fund products.
- The focus on one or only few strategies increases the risk additionally - such risk may be reduced through the spread of funds of hedge funds or hedge fund index certificates.
- The fund of hedge funds manager selects the individual funds and/or their composition depending on the pursued risk/earnings profile of the fund or an index committee carries out this selection according to a fixed country and sector allocation.
- Underlying hedge funds cannot always be transparent to the fund of funds management/index committee.

Liquidity risk

Due to complex hedge fund strategies and the elaborate management of the hedge funds, it takes more time to determine the price of a hedge fund product compared to traditional funds. Hedge fund products are therefore also less liquid than traditional funds. For the most part, the prices are determined monthly and not daily, and units are thus often redeemed only once a month. To be able to return the units at that time, the investor must have declared the return quite some time prior to the redemption date. The unit value can change significantly between the time redemption is declared and the performance of the redemption without the investor having the option to respond, as his redemption declaration cannot be revoked. Redemption details depend on the relevant product. The limited liquidity of the individual funds and the instruments used by them can thus lead to limited tradability of the hedge fund product.

CTA

Most CTAs use fully automated trading systems for trading with forward transactions, i.e. computer programs that make all decisions independently. The goal is to forecast certain trends and future market developments based on studies form the immediate past up to a certain degree.

Income

Income is composed of the profitable fully automated investment resulting from the exploitation of identified trends.

Risk

The risk is that the forecast trends do not materialise or that the automated trading system does not identify any trends.

l. Forward exchange transactions

Definition

A forward exchange transaction comprises the firm commitment to buy or sell a specific foreign currency amount at a later point in time or during a time period at a price defined upon conclusion. The delivery and/or receipt of the counter currency occurs with the same value date.

Income

The income (profit/loss) for the speculative user of forward exchange transactions results from the difference between the foreign exchange parities during or at maturity of the forward transaction, under the conditions of this forward transaction. Use for hedging purposes means the definition of an exchange rate, so that the cost or income of the hedged transaction is neither increased nor reduced by exchange rate changes in the interim.

Currency risk

With hedging transactions, the foreign exchange risk of forward exchange transactions is that the purchaser/seller could buy/sell the foreign currency more favourably during or at maturity of the forward exchange transaction than upon conclusion of the transaction, or with open transactions, the risk is that he must buy/sell less favourably. The risk of loss may significantly exceed the original contract value.

Credit risk

The credit risk of foreign exchange transactions is the risk of the partner's insolvency, i.e. a possible, temporary or ultimate inability to fulfil the foreign exchange transaction and therefore the necessity to obtain possibly expensive subsequent cover on the market.

Transfer risk

The transfer options of individual currencies may be limited specifically by the relevant home country of the currency. This would endanger the proper settlement of the foreign exchange transaction.

m. Currency swaps

Definition

A currency swap is the exchange of two currencies over a specified time period. The interest rate difference of the two involved currencies is taken into account by premiums and discounts in the re-exchange rate. The delivery and/or receipt of the counter currency occurs with the same value date.

Income

The income (profit/loss) for the user of currency swaps results from the positive/ negative development of the interest rate difference and may be generated during the term of the currency swap if an offset transaction is concluded.

Credit risk

The credit risk of foreign exchange swaps is the risk of the partner's insolvency, i.e. a possible, temporary or ultimate inability to fulfil the foreign exchange swap and therefore the necessity to obtain possibly expensive subsequent cover on the market.

Transfer risk

The transfer options of individual currencies may be limited specifically by the relevant home country of the currency. This would endanger the proper settlement of the currency swap.

n. Interest Rate Swaps (IRS)

Definition

An interest rate swap regulates the exchange of differently defined interest liabilities on a fixed nominal amount between two contracting parties. This generally involves the exchange of fixed against variable interest payments. Therefore, there is only an exchange of interest payments, but no flow of capital.

Income

The purchaser of the IRS (pays fixed interest rates) benefits from an increase in interest rates. The seller of the IRS (receives fixed interest rates) benefits from a fall in interest rates. The income from an IRS cannot be determined in advance.

Interest rate risk

The interest rate risk results from the uncertainty of the future changes to the market interest rate level. The purchaser/seller of an IRS is exposed to a risk of loss if the market interest rate level declines/increases.

Credit risk

The credit risk encountered with IRS is derived from the possibility of counterparty default, causing the loss of positive cash values or making more expensive covering transactions in the market necessary.

Special conditions for IRS

IRS are not standardised. The settlement details must be contractually agreed in advance. They are customised products. It is thus of particular importance to obtain information on the exact conditions, particularly on:

- Nominal amount
- Term
- Interest rate definitions

Special form: Constant maturity swap (CMS)

Definition

A constant maturity swap regulates the exchange of differently defined interest liabilities on a fixed nominal amount between two contracting parties. This generally involves the exchange of a variable money market interest rate (e.g. 3 month EURIBOR) for a capital market interest rate (e.g. 10-year EUR-IRS). However, this capital market interest rate does not remain fixed during the entire term, but is adjusted in regular intervals.

Income

The purchaser of the CMS (payer of the capital market interest rate) gains his income in the case of a flattening yield curve, i.e. if e.g. the capital market interest rates fall and the money market interest rates rise. The income from a CMS cannot be determined in advance.

Interest rate risk

The interest rate risk results from the uncertainty of the future changes to the interest rate level of the capital market and the money market. The purchaser/seller of a CMS is exposed to a risk of loss if the yield curve steepens/flattens.

Special form: CMS spread linked swap

Definition

With a CMS spread linked swap, differently defined interest rate liabilities are exchanged again. Such swaps generally involve the exchange of a money market interest rate (e.g. the 3 month EURIBOR; or alternatively a fixed interest rate for the entire term of the swap), on the one hand, and the difference between two CMS (e.g. the 10-year EUR CMS minus the 2 year CMS), often increased by a certain multiple (e.g. x 2), on the other hand. The CMS spread is often provided with a fixed coupon for a specific initial term.

Income

The purchaser of the CMS spread linked swap (payer of the CMS difference) gains his income in the case of a flattening of both capital market interest rate curves involved (e.g. 10-year EUR IRS and 2-year EUR IRS). The income from a CMS spread linked swap cannot be determined in advance.

Interest rate risk

The interest rate risk results from the uncertainty about the future changes to the interest rate level of the shorter-term capital market compared with the longer-term capital market with regard to the interest rate level of the money market (and/or the amount of the fixed interest rate).

o. Forward Rates Agreements (FRA)

Definition

The forward rate agreement serves to agree on interest rates of future interest periods in advance. As trading takes place at the interbank market and not at the stock exchange, there is no standardisation. Unlike the closely related interest rate futures, FRAs are customised investment products in terms of principal amount, currency and interest period.

Income

The purchaser/seller of the FRA has fixed the interest rate by the purchase/sale. If the reference interest rate exceeds the agreed interest rate (FRA price) at the agreed maturity date, the purchaser receives a settlement payment. If the reference interest rate is below the agreed interest rate (FRA price) at the agreed maturity date, the seller receives a settlement payment.

Interest rate risk

The interest rate risk results from the uncertainty of the future changes to the market interest rate level. Generally, this risk is all the higher, the more pronounced the increase/decrease in interest rates is.

Credit risk

The credit risk encountered with FRAs is derived from the possibility of counterparty default, losing positive cash values and/or making more expensive covering transactions in the market at a less favourable price necessary.

Special conditions for FRAs

FRAs are not standardised. They are customised products. It is thus of particular importance to obtain information on the exact conditions, particularly on:

- Nominal amount
- Term
- Interest rate definitions

p. Interest rate futures

Definition

Interest rate futures are exchange-traded forward contracts on short-term investments, money market or capital market instruments, which are standardised in terms of maturity and contract size. The return of an investment (interest rate and/or price) can thus be fixed in advance with an interest rate future. Interest rate futures also entail mandatory obligations that must be fulfilled irrespective of the further development and the occurrence of the risks discussed below.

Income

The income (profit/loss) for the speculative user of interest rate futures transactions results from the difference between the interest rates and/or prices at maturity of the forward transaction, under the conditions of this forward transaction. If used for hedging purposes, the financial risk of existing or future positions is reduced.

Interest rate risk

The value of an interest rate future mainly depends on the development of the underlying instrument's return. Therefore, the risk position of a purchaser is comparable with the risk position of an owner of the underlying instruments. The risk results from the uncertainty of the future changes to the market interest rate level.

The interest rate risk encountered by the purchaser/seller of a futures contract is the obligation to put up further margin or to complete the deal upon maturity, if interest rates rise/fall. Generally, this risk is all the higher, the more pronounced the increase/decrease in interest rates is. The resulting loss potential may be many times higher than the original capital invested (sum paid in).

Liquidity risk

The liquidity risk of futures is that the closing (sale/repurchase) of the futures may cause noticeable and unfavourable price fluctuations in certain markets with an above-average order situation.

q. Over-the-counter (OTC) option transaction

Standard option - plain vanilla option

The purchaser of the option acquires the temporary right to purchase (call) or sell (put) the underlying asset (e.g. securities, foreign exchange, etc.) at a fixed exercise price and/or (e.g. with interest options) the claim for a settlement payment calculated from the positive difference between exercise and market price at the time of exercise. By writing (opening) options, you undertake to fulfil the rights of the option purchaser.

Options may stipulate different exercise conditions:

American type: during the entire term.

European type: at the end of the term.

Exotic options

Exotic options are financial derivatives derived from standard options (plain vanilla options).

Special form: barrier option

In addition to the exercise price, there is a threshold value (barrier), which activates (knock-in option) or deactivates (knock-out option) the option when reached.

Special form: digital (payout) option

Option with a fixed payout amount (payout), which is received by the purchaser of the option against the payment of a premium if the price (interest rate) of the underlying asset is below or above (depending on the option) the threshold value (barrier).

Income

The holder of options receives the income when the price of the underlying asset rises above the exercise price of the call and/or falls below the exercise price of the put and he can exercise or sell his option (plain vanilla option, activated knock-in option, non-deactivated knock-out option). With a non-activated knock-in option and/or a deactivated know-out option, the option right lapses and the option becomes worthless. The holder of digital (payout) options receives the income when the threshold value is reached during the term and/or upon maturity, so that the payout occurs.

General risks

The value (price) of options depends on the exercise price, the development and volatility of the underlying security, the term, the interest rates and the market situation. The capital investment (option premium) can therefore decline so far that it may become completely worthless. If the price of the underlying asset does not develop according to the expectations of the seller of an option, the resulting loss potential can, in theory, be unlimited (plain vanilla option, barrier option) and/or reach the amount of the agreed payout (digital option). Please note, in particular, that options not exercised in due time will expire on the expiration date and will therefore be erased from the accounts as worthless. Please note: The Bank will not exercise your option rights without your express order.

Specific risks of over-the-counter option transactions

Over-the-counter options are usually not standardised. They are mainly customised instruments. It is thus of particular importance to obtain information on the exact details (type of exercise, exercise and maturity). The credit risk when purchasing OTC options lies in the risk of losing the premium already paid if the business partner defaults and thereby being indirectly forced to obtain expensive subsequent cover on the market. For over-the-counter options as customised products, a regulated (secondary) market typically does not exist. Permanent availability can thus not be guaranteed.

r. Currency options

Definition

The purchaser of a currency option acquires the right, but not the obligation, to either buy or sell a certain amount of currencies at a specified price and time and/or period of time. The seller (writer) of the option grants the relevant right. The purchaser pays a premium to the seller for this option. There are the following types of options:

With the purchase of an option on a call basis, the purchaser acquires a right to purchase a defined amount of a specific currency at a delivery price defined in advance (base price or exercise price) as at/prior to a specific date (delivery date).

With the sale of an option on a call basis, at the request of the option purchaser, the seller commits to deliver/sell a defined amount of a specific currency at the base price on/prior to a specific date.

With the sale of an option on a put basis, the purchaser acquires the right to sell a defined amount of a specific currency at the base price as at/prior to a specific date.

With the sale of an option on a put basis, the seller undertakes, at the request of the option purchaser, to purchase a defined amount of a specific currency at the base price as at/prior to a specific date.

Income

The income of a call option can result from the market price of the currency becoming higher than the exercise price to be paid by the purchaser, whereby the purchase price (=premium) is deducted. The purchaser then has the option to purchase the foreign currency at the exercise price and immediately resell it at the market price. The seller of the call option receives a premium for the sale of the option. The same applies accordingly to put options with contrasting currency developments.

Risks when purchasing an option

Risk of total loss of the premium
The risk of purchasing currency options is the total loss of the premium, which must be paid irrespective of whether the option will be exercised in the future.

Credit risk
The credit risk when purchasing currency options lies in the risk of losing the premium already paid if the business partner defaults and thereby being indirectly forced to obtain expensive subsequent cover on the market.

Currency risk
The risk of currency options is that the currency parity does not develop in the manner that you have based your buying decision on by the time of the option expiring. In extreme cases, this may cause the total loss of the premium.

Risks when selling an option

Currency risk
The risk of selling currency options is that the market price of the foreign currency does not develop in the manner that the seller has based his decision on by the time of the option expiry. The resulting loss potential is not limited for written options.

The premium of the currency option depends on the following factors:

- Volatility of the underlying currency rate (measure for the fluctuation margin in the exchange rate)
- Selected exercise price
- Term of the option
- Current exchange rate
- Interest of the two currencies
- Liquidity

Transfer risk
The transfer options of individual currencies may be limited specifically by the relevant home country of the currency. This would endanger the proper settlement of the transaction.

Liquidity risk
For currency options as customised products, a regulated secondary market typically does not exist. Permanent saleability can thus not be guaranteed.

Special conditions for currency options

Currency options are not standardised. It is thus of particular importance to obtain information on the exact details, particularly on:

Type of exercise: Can the option right be exercised permanently (American option) or only at the exercise date (European option)?
Maturity: When does the right expire? Please note that the Bank will not exercise your option rights without your express order.

s. Interest rate options

Definition

Interest rate options constitute an agreement on an upper and lower interest limit or an option for interest rate swaps. They either serve

a) Hedging purposes or
b) To achieve gains on a speculative basis.

It is distinguished between calls and puts. Common special forms are: Caps, floors or swaptions, etc. The purchaser of a cap hedges a fixed maximum interest rate ceiling fixed by the exercise price for future borrowings. In a speculative case, the value of the cap increases with rising interest rates. The sale of a cap can only be used as a speculative instrument; the seller receives the premium and undertakes to make settlement payments. With floors, the purchaser secures a minimum interest on a future investment. In a speculative case, the value of the floor increases with falling interest rates.

ad a) for hedging purposes

Depending on the agreed reference term, the current three-month or six-month market interest rate is compared with the agreed strike price every three or six months. Should the market price be higher than the exercise price, a settlement payment is made to the cap holder.

ad b) To achieve gains on a speculative basis

The value of the cap increases with rising interest rates, whereby the forward interest rates (currently traded future interest rates) are relevant, rather than the current interest rates.

The same applies accordingly to the purchase/sale of a floor. Here, the purchaser secures a lower interest limit, while the seller holds a speculative position. A swaption is an option on an interest rate swap (IRS = agreement on the swap of interest payments). A basic distinction is made between payers (=fixed payer) and receivers swaption (receiver of the fixed side with IRS). Both option forms may be purchased and sold. Furthermore, a distinction is made between two different types of performance with different risk profiles:

Swaption with swap settlement

The purchaser becomes a party to the swap at the time of exercise of the swaption.

With the purchase of a payer's swaption, the purchaser acquires the right to pay the fixed interest rate agreed in the exercise price, on the basis of a specific nominal amount, and receive variable interest rate payments in exchange for this, on the delivery date.

With the sale of a payer's swaption, the seller undertakes to receive the fixed interest rate agreed in the exercise price, on the basis of a specific nominal amount, and make variable interest rate payments in exchange for this, on the delivery date.

With the purchase of a receiver's swaption, the purchaser acquires the right to receive the fixed interest rate agreed in the exercise price, on the basis of a specific nominal amount, and make variable interest rate payments in exchange for this, on the delivery date.

With the sale of a receiver's swaption, the seller undertakes to pay the fixed interest rate agreed in the exercise price, on the basis of a specific nominal amount, and receive variable interest rate payments in exchange for this, on the delivery date.

Swaption with cash settlement

At the time of exercise of the swaption, the purchaser receives the difference between the cash value of the swaps and swaption interest rate and/or current market interest rate.

Income

The holder of interest rate options receives his income from the market interest rate level exceeding the strike price of the cap and/or falling below the strike price of the floor at the exercise date. With swaptions, income is gained if the market interest rate level is above the agreed exercise price with payers swaptions and/or is below the agreed exercise price with receivers swaptions at the exercise date. The received option premium remains with the seller, irrespective of whether the option is exercised or not.

Interest rate risk

The interest rate risk results from possible future changes to the market interest rate level. The purchaser/seller of an interest rate option is exposed to an interest rate risk in the form of a price loss if the market interest rate level rises/falls. Generally, this risk is all the higher, the more pronounced the increase/decrease in interest rates is. The resulting loss potential is not limited for the seller.

The premium of the interest rate option depends on the following factors:

- Interest volatility (fluctuation margin of the interest)
- The selected exercise price
- Term of the option
- Market interest rate level
- Current financing costs
- Liquidity

These factors may effect that - although your expectations with regard to the interest rate development of the option have been met - the price of the option remains the same or declines.

Credit risk

The credit risk encountered when purchasing interest rate options is derived from the possibility of counterparty default, causing the loss of positive cash values or making more expensive covering transactions in the market necessary.

Risk of total loss upon purchase

The risk of purchasing interest rate options is the total loss of the premium, which must be paid irrespective of whether the option will be exercised in the future.

Special conditions for interest rate options

Interest rate options are not standardised. They are exclusively customised products. It is thus of particular importance to obtain information on the exact details, particularly on:

Type of exercise: Can the option right be exercised permanently (American option) or only at the exercise date (European option)?

Exercise: Supply of the underlying asset or cash compensation?

Maturity: When does the right expire? Please note that the investment company or the Bank will not exercise your option rights without your express order.

t. Cross Currency Swap (CCS)

Definition

A cross currency swap governs both the exchange of differently defined interest liabilities and also of different currencies at a fixed nominal amount between two contractual partners. This generally involves the exchange of fixed interest payments in two different currencies. Both interest payments may of course also take place within variable interest obligations. The payment flows occur in different currencies on the basis of the same capital amount, which is fixed at the applicable spot exchange rate on the contract date. Besides the exchange or interest rates payable or interest rates receivable, there is an exchange of capital both at the beginning (Initial Exchange) and at the end (Final Exchange). In accordance with the requirements of the individual business partners, the Initial Exchange may be omitted.

Income

The income from a CCS cannot be determined in advance. If the exchange rate and the interest rate difference develop positively, income may be generated when the CCS is cancelled early. If the CCS is concluded to improve the interest rate difference, income can be generated from the lower interest rates of a different currency. This income may, however, be offset by any currency losses. Should the currency ratio develop positively, the income may even be improved.

Interest rate risk

The interest rate risk results from the uncertainty of the future changes to the market interest rate level. The purchaser/seller of a CCS is exposed to a risk of loss if the market interest rate level declines/increases.

Currency risk

The currency risk results from the uncertainty about the future changes of the relevant exchange rates of the currencies involved. It is particularly important that with a CCS with Final Exchange, the foreign exchange risk not only exists if a contracting party defaults, but also during the entire term.

Credit risk

The credit risk with buying/selling CCS lies in the risk of being forced to obtain subsequent cover on the market if the business partner defaults.

Special conditions for CSS

CSS are not standardised. They are customised products. It is thus of particular importance to obtain information on the exact conditions, particularly on:

- Nominal amount
- Term
- Interest rate definition
- Currency definition
- Price definition
- Initial Exchange yes or no

u. Commodity swaps and commodity options with cash settlement ("commodity future transactions")

Commodity futures transactions are special contracts that involve rights or obligations to buy or sell certain commodities at a predetermined price and time or during a specified period. Commodity futures transactions exist, amongst others, in the different instruments described below.

General information on the individual instruments

Commodity swaps

A commodity swap is an agreement on the exchange of a number of fixed commodity price payments (“fixed amount”) against variable commodity price payments (“market price”), where there is only a cash settlement (“settlement amount”).

The purchaser of a commodity swap acquires the claim for payment of the settlement amount if the market price exceeds the fixed amount. In turn, the purchaser of a commodity swap is obliged to pay the settlement amount if the market price falls below the fixed amount. The seller of a commodity swap acquires the claim for payment of the settlement amount if the market price falls below the fixed amount. In turn, the seller of a commodity swap is obliged to pay the settlement amount if the market price exceeds the fixed amount. Both payment flows (fixed/variable) occur in the same currency and on the basis of the same nominal amount. While the fixed side of the swap has the character of a benchmark, the variable side relates to the trading price of the relevant commodities or a commodity price index that is quoted at a stock exchange or otherwise published in the commodity futures market on the relevant fixing date.

Commodity options with cash settlement

The purchaser of a commodity put option acquires the right to receive the difference between the strike price and the market price in relation to a nominal amount on any exercise date, if the market price is below the fixed amount. The purchaser of a commodity call option acquires the right to receive the difference between the strike price and the market price in relation to a nominal amount on any exercise date, if the market price is above the fixed amount.

Risks - details on the various instruments

Risk of commodity swaps and commodity options with cash settlement

If expectations are not met, the difference between the underlying price when signing the agreement and the current market price when the transaction reaches maturity must be paid. This difference constitutes the loss. The maximum amount of the loss cannot be determined in advance. It may exceed any collaterals provided.

Risk when purchasing commodity options - loss of value

A price change to the underlying asset (e.g. a commodity) based on the option as subject matter of the contract may reduce the option's value. With a call option, the value is reduced if the price of the underlying subject matter of the contract falls; with a put option, the value is reduced if this price increases. However, the options may also decline in value if the price of the underlying asset does not change because the value of the option depends on further price-forming factors (e.g. term or frequency and intensity of the price fluctuations of the underlying asset).

Risk when selling commodity options - leverage effect

The risk of selling commodity options is that the value of the underlying asset does not develop in the manner that the seller has based his decision on by the time of the option expiry. The resulting loss potential is not limited for written options.

General risks of commodity future transactions

Price fluctuations

The amount of the payment obligation arising from commodity future transactions is based on the prices at a specific commodity futures market.

Commodity futures markets can be subject to strong price fluctuations. Many factors pertaining to the supply and demand of the goods can influence the prices. Such pricing factors are not easy to forecast or foresee. Unforeseen events such as natural disasters, diseases, epidemics as well as official orders may affect the price as significantly as unpredictable developments, such as weather conditions, variations in harvests or delivery, storage and transport risks.

Currency risk

Commodity prices are often quoted in foreign currency. If you enter into a commodity transaction, in which your obligation or the counter-performance to be claimed by you is in a foreign currency or unit of account or the value of the subject matter of the contract is determined according to this, you are exposed to the additional foreign exchange market risk.

Closing / liquidity

Commodity futures markets are generally narrower than financial futures markets and can therefore be less liquid. You may be wholly or partially unable to liquidate a commodity futures position at the desired time due to insufficient market liquidity. Moreover, the spread between the bid and ask prices in a contract may be relatively wide. In addition, it may be difficult or even impossible to liquidate positions under certain market conditions. For example, most commodities futures exchanges are authorised to set price fluctuation limits that do no permit any bid or ask prices outside certain limits for a specified period of time. This may restrict or completely prevent the liquidation of individual positions.

Limit / stop order

Limit orders or stop loss orders are orders serving to limit the trading losses if certain market movements occur. Although such risk limitation options are permitted at most commodity futures exchanges, limit orders or stop loss orders are usually not agreed with OTC commodities.

Futures and cash market

It is of particular importance to understand the relation between the forward contract prices and the cash market prices. Although market forces can adjust the differences between the forward contract price and the cash market (spot) price of the affected commodity to the extent that the price difference can be virtually zero at the delivery date, a large number of market factors, including supply and demand, can cause that there are still differences between the forward contract price and the cash market (spot) price of the affected commodity.

Determination of the market price

Market prices are either quoted at commodities futures exchanges or are published according to normal market practice. Due to system failures, system malfunctions at the exchange or other causes, it sometimes happens that no market price can be determined for the agreed fixing date. If no regulations for an alternative determination of the market price are agreed, the calculation agent is usually authorised to determine a market price at its reasonable discretion.

v. Information on creditor participation in case of recovery or resolution of a bank („bail-in“)

In order to create uniform regulations and instruments for the recovery and resolution of banks that apply throughout Europe, a corresponding EU Directive (Bank Recovery and Resolution Directive, **“BRRD**”) was passed. In Austria, this Directive was implemented by the federal act on bank recovery and resolution (“**BaSAG”**).

The BaSAG governs, amongst others, the participation (“**bail-in**”) of creditors of a bank in case of regulatory resolution. This shall prevent the use of taxpayers' money in case of the imminent insolvency of a bank.

In case of the imminent insolvency of a bank, the responsible authority may apply various resolution instruments:

Sale of the undertaking

Assets and/or liabilities of a bank are transferred to a purchaser in whole or in part. For customers and creditors of the bank, the contractual partner and/or the debtor will change.

Bridging instrument

A public institution takes over the liabilities and/or assets of the bank affected by resolution. In this case as well, the contractual partner/ debtor will change for the customers/creditors.

Spin-off

This is the so-called “bad bank” concept. Assets and/or liabilities of the affected bank are transferred to special-purpose vehicles for reduction. Here as well, the contractual partner/debtor will change for the customers/creditors.

Creditor participation (“bail-in”)

If resolution was instructed by authorities, own and borrowed capital of a bank is written off in whole or in part or converted into equity.

This approach shall stabilise the affected bank. In this case, shareholders and creditors may experience considerable losses, as their claims may be reduced to nil by the responsible authority in extreme cases, without obtaining their consent.

The following order of loss coverage is currently provided

1. Common equity (shares and other equity instruments)
2. Additional core capital (e.g. additional tier 1 issues, unsecured subordinated bonds without a fixed term with conversion and/or write-down clause)
3. Supplementary capital (e.g. supplementary and subordinated bonds – „tier 2“)
4. Unsecured subordinated financial instruments/ receivables that are not included in the additional core or supplementary capital (“tier 2”)
5. Unsecured non-subordinated financial instruments and receivables (e.g. unsecured bank bonds and certificates)
6. Lastly, deposits of companies and natural persons that are not covered by deposit protection are used

Excluded from the bail-in are deposits that are subject to deposit protection in their entirety as well as covered bonds and special assets (e.g. investment funds).

The provisions of the BRRD were enshrined in the laws of the Member States **throughout Europe**. This means that a creditor participation may be implemented e.g. with bank bonds from other EU Member States; the details of the national regulations may vary.

RISK INFORMATION:

The statutorily provided bail-in measures described may cause the **total loss** of the invested capital for the creditors of a bank. A **sale** of e.g. bonds may be more complicated and cause a considerable loss in value in the case of recovery or resolution. Even if the original **issuance documentation** or the **advertising material** of a banking product does not expressly describe the loss participation, this product may be affected by a statutory bail-in measure.

You can find further information on the website of the Oesterreichische Nationalbank:
https://www.oenb.at/finanzmarkt/drei-saeulen-bankenunion/einheitlicher-abwicklungsmechanismus.html

w. Sustainability risks

In accordance with the Disclosure Regulation, a sustainability risk should be understood as an environmental, social or corporate management event or condition, the occurrence of which could actually or potentially have a significant negative impact on the value of the investment. Cf. Art. 2 Z 22 of the Sustainability Disclosure Regulation.

Due to ongoing changes to the climate, climate risks in particular are coming more and more into focus along with other sustainability risks. “Climate risks” includes all risks arising as a result of climate change or that are exacerbated as a result of climate change. Cf. FMA guidelines for dealing with sustainability risks (01/2020). With climate risks, there is a distinction between physical risks, which result directly from the consequences of climate changes, and transition risks, which arise as the result of a transition to a climate-neutral and resilient economy and society, which can lead to a depreciation of asset value. Examples of sustainability risks are increased occurrence of natural disasters, loss of biodiversity, decline in snow cover, extreme dryness, etc.

Sustainability risks may manifest in an investment in the known risk categories such as credit risk, total loss risk and price risk. Listed companies, for example, may experience sensitive damage to buildings or warehouses (due to flooding or storm damage) due to natural disasters, resulting in increased depreciation. Entire business models can be threatened by political factors, e.g. the fossil fuel industry by high CO2 taxes. The materialisation of these factors in the form of price losses bears significant risks for investors.

In addition to sustainability risks, sustainability factors may play a role in an investment or investment decision. In the Disclosure Regulation, sustainability factors are defined as environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. This includes, for example, climate protection, the protection of biodiversity, compliance with recognised employment standards, fair pay and measures for preventing corruption.

Disclaimer:

This customer information is intended solely as a source of non-binding information and neither constitutes an offer nor a request for proposals nor a recommendation for the purchase or sale of financial instruments. This customer information does neither replace the professional advice provided by your customer adviser that its customised to your individual circumstances and knowledge nor the professional advice provided by a legal counsel or tax adviser.

Errors and misprints excepted. Last update: October 2021