UB United Bankers

INFORMATION ON THE UNITED BANKERS GROUP COMPANIES AND THE SERVICES THEY PROVIDE

UB

Contents

1 PRE-CONTRACTUAL INFORMATION PURSUANT TO THE ACT ON INVESTMENT SERVICES 4
2 INFORMATION CONCERNING THE SERVICE PROVIDERS IN THE UNITED BANKERS GROUP 4
2.1 UB Asset Management Ltd 4
2.2 UB Fund Management Company Ltd 4
2.3 UB Finance Ltd 4
2.4 UB Meklarit Oy 4
2.5 UB Corporate Finance Ltd 4
2.6 Fourton Fund Management Company 5
2.7 Fondita Fund Management Company Ltd 5
2.8 Tied agents 5
3 NOTIFICATIONS UNDER THE INSURANCE DISTRIBUTION ACT 5
4 SUPERVISORY AUTHORITY 5
4.1 Financial Supervisory Authority 5
4.2 Other authorities 5
5 KEY CHARACTERISTICS OF THE SERVICES PROVIDED BY THE UNITED BANKERS GROUP 6
5.1 General 6
5.2 Client classification 6
5.3 Transmission and execution of orders 6
5.4 Investment advice 6
5.5 Asset management services 7
5.6 Custody services 7
5.7 Funds 7
5.8 Issuance services 8
5.9 Means of communication 8
5.10 Recording of telephone calls, conversations and electronic communications 8
5.11 Client reporting 8
5.12 Costs and fees pertaining to investment services 8
6 NOTIFICATION CONCERNING DISTANCE SALES PURSUANT TO THE CONSUMER PROTECTION ACT 8
6.1 Notification 8
6.2 Right of withdrawal 9
7 INFORMATION ON INDUCEMENTS 9
8 CONFLICTS OF INTEREST 10
9 TAXATION 10
10 CLIENT SERVICE AND LEGAL REMEDIES 10
10.1 Client service, feedback and complaints 10
10.2 Finnish Financial Ombudsman Bureau and Investment Complaints Board (FINE) 11
10.3 Consumer Disputes Board 11
11 KEY CHARACTERISTICS OF FINANCIAL INSTRUMENTS 12
11.1 Shares 12
11.2 Bonds 12

11.3 Corporate bonds 12
11.4 Structured investment loans 13
11.5 Funds 13
11.6 Mutual Funds (UCITS) 13
11.7 Special Investment Funds and Alternative Investment Funds (AIF) 13
11.8 Exchange Traded Funds 14
11.9 Index Units 14
11.10 Derivatives Contracts 14
11.11 Warrants 14
12 KEY RISKS PERTAINING TO INVESTING 14
12.1 On risks in general 14
12.2 Liquidity risk 15
12.3 Leverage risk 15
12.4 Credit and issuer risk 15
12.5 Market risk 15
12.6 Performance risk 15
12.7 Foreign exchange risk 15
12.8 Interest rate risk 15
12.9 Risk of premature redemption 15
12.10 Counterparty risk 15
12.11 Company risk 15
12.12 Settlement risk 16

UB

1 PRE-CONTRACTUAL INFORMATION PURSUANT TO THE ACT ON INVESTMENT SERVICES

This document contains information required under the Act on Investment Services and the authority regulations issued thereunder concerning the companies within the United Bankers Plc group (the "**UB Group**") and the investment services provided by the UB Group, the most common financial instruments and the most typical risks associated with same, as well as inducements and operational principles pertaining to the management of conflicts of interests.

This document further sets forth the general pre-contractual information required under the Consumer Protection Act with regard to the distance selling of financial services that must be provided to consumers prior to entering into the agreement.

Furthermore, this document contains the information required pursuant to the Insurance Contracts Act and the Insurance Distribution Act as well as the authority regulations enacted on the basis of same concerning the insurance-based investment products to be provided via the UB Group.

2 INFORMATION CONCERNING THE SERVICE PROVIDERS IN THE UNITED BANKERS GROUP

2.1 UB Asset Management Ltd

UB Asset Management Ltd (Business ID 1071069-8) (hereinafter, "**UB**") is a Finnish investment services company holding an investment services company licence granted by the Finnish Financial Supervisory Authority to dealing on own account, to organise emissions, provide asset management, provide investment advice as well as to execute and intermediate orders.

Furthermore, UB is licenced to provide the custody and management of financial instruments, granting of credit and financing related to investment services, foreign exchange services as well as to produce investment studies, financial analyses and general recommendations for financial instruments.

UB is also an insurance intermediary and registered in the insurance intermediary register maintained by the Financial Supervisory Authority. UB is a fully-owned subsidiary of United Bankers Plc.

UB has offices in the cities listed below as well as a branch in Stockholm. UB also provides services via its tied agents registered in the tied agents register maintained by the Financial Supervisory Authority.

Contact details
Aleksanterinkatu 21 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 9 25 380 300
E-mail: firstname.surname@unitedbankers.fi
Further information: unitedbankers.fi

The other offices of UB Asset Management Ltd along with the contact details for same are available from the website of the UB Group: unitedbankers.fi/fi/yhteystiedot/

2.2 UB Fund Management Company Ltd

UB Fund Management Company Ltd (Business ID 2118101-5) is a fund management company as referred to under the Act on Investment Services, holding a licence granted by the Financial Supervisory Authority to carry out mutual fund activities as well as a licence granted under the Act on Alternative Investment Fund Managers.

UB Fund Management Company Ltd is a fully-owned subsidiary of United Bankers Plc.

Contact details
Aleksanterinkatu 21 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 9 25 380 300
E-mail: firstname.surname@unitedbankers.fi
Further information: unitedbankers.fi

2.3 UB Finance Ltd

UB Finance Ltd (Business ID: 2700119-3) holds a licence granted by the Financial Supervisory Authority to act as a representative of bondholders and to provide payment services. UB Finance Ltd is a fully-owned subsidiary of UB.

Contact details
Aleksanterinkatu 21 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 10 524 4520
E-mail: firstname.surname@unitedbankers.fi
Further information: ubrahoitus.fi

2.4 UB Meklarit Oy

UB Meklarit Oy (Business ID: 2653338-2) is engaged in insurance brokerage activities and is registered in the insurance broker register maintained by the Financial Supervisory Authority. UB Meklarit Oy is a fully-owned subsidiary of UB.

Contact details
Aleksanterinkatu 21 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 9 25 380 300
E-mail:firstname.surname@unitedbankers.fi
Further information: unitedbankers.fi

2.5 UB Corporate Finance Ltd

UB Corporate Finance Ltd (Business ID: 3373293-7) provides entities with advisory services pertaining to corporate and capital arrangements as well as mergers & acquisitions.

UB

UB Corporate Finance Ltd is a fully-owned subsidiary of United Bankers Plc.

Contact details
Aleksanterinkatu 21 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 9 25 380 300
E-mail:firstname.surname@unitedbankers.fi
Further information: unitedbankers.fi

2.6 Fourton Fund Management Company

Fourton Fund Management Company (Business ID: 3141731-9) is a fund management company as referred to under the Act on Investment Services, and it holds a licence granted by the Financial Supervisory Authority to carry out mutual fund activities.

Fourton Fund Management Company is a fully-owned subsidiary of United Bankers Plc.

Contact details
Aleksanterinkatu 21 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 9 25 380 300
E-mail:firstname.surname@unitedbankers.fi
Further information: fourton.fi

2.7 Fondita Fund Management Company Ltd

Fondita Fund Management Company Ltd (Business ID: 0899688-5) is a fund management company as referred to under the Act on Investment Services, and it holds a licence granted by the Financial Supervisory Authority to carry out mutual fund activities.

Fondita Fund Management Company Ltd is a fully-owned subsidiary of United Bankers Plc.

Contact details
Aleksanterinkatu 48 A, 00100 Helsinki, Finland
Telephone (switchboard): +358 9 66 89 890
E-mail:firstname.surname@fondita.fi
Further information: fondita.fi

2.8 Tied agents

UB provides services and products also via the tied agents acting under its liability and on its behalf. Tied agents may:

(i) receive and transmit client instructions and orders pertaining to the investment and ancillary services or financial instruments provided by UB;
(ii) transmit financial instruments provided by UB to clients;
(iii) render advice to clients concerning the financial instruments provided by UB; and
(iv) market the investment and ancillary services provided by UB to clients.

UB's tied agents have been registered in the public tied agent register maintained by the Financial Supervisory Authority. The tied agent register is available from the website of the Financial Supervisory Authority: finanssivalvonta.fi/rekisterit/

3 NOTIFICATIONS UNDER THE INSURANCE DISTRIBUTION ACT

UB acts as an insurance intermediary on behalf of and under the liability of the insurers it represents. UB represents the following insurers: Wealins S. A., LocalTapiola Mutual Life Insurance Company, SEB Life International Assurance Company dac, Swiss Life (Luxembourg) S.A., Utmost Luxembourg S.A., Utmost PanEurope dac, Fennia Life Insurance Company Ltd.

UB does not directly or indirectly own any portion of the votes or capital of any insurer. Insurers or parent companies of the insurers do not own directly or indirectly any portion of UB's votes or capital. UB provides its customers with personal recommendations concerning the insurance offered by it as well as personal recommendations based upon an unbiased analysis of the insurances.

UB and its tied agent co-operation partners have been registered in the tied agent register maintained by the Financial Supervisory Authority. UB's tied agent activities are supervised by the Financial Supervisory Authority. The register of tied agents is available at the website of the Financial Supervisory Authority: finanssivalvonta.fi/rekisterit/.

4 SUPERVISORY AUTHORITY

4.1 Financial Supervisory Authority

The authority supervising the activities of UB Asset Management Ltd, UB Fund Management Company Ltd, UB Finance Ltd, UB Meklarit Oy and of the tied agents is the Financial Supervisory Authority.

Contact details
Snellmaninkatu 6, P.O. Box 159, 00101, Helsinki, Finland
Telephone (switchboard): +358 10 831 51
E-mail: finanssivalvonta@finanssivalvonta.fi
Further information: finanssivalvonta.fi/

4.2 Other authorities

Consumer Ombudsman

The Consumer Ombudsman supervises procedures related to consumers' financial security pursuant to the Consumer Protection Act and also, for instance, the Payment Services Act. The Consumer Ombudsman is responsible for supervising the marketing of financial and insurance services and the reasonableness of contract terms. Financial services include, for instance, investment activities of private households in their various

forms. Insurance services include, but are not limited to, the sale of insurance.

Contact details
Finnish Competition and Consumer Authority (FCCA)
Mailing address: KKV, P.O. Box 5, 00531 Helsinki, Finland
Telephone: +35829 505 3000 (switchboard)
Further information: kkv.fi

Data Protection Ombudsman

The Data Protection Ombudsman supervises, steers and inspects the lawfulness of personal data processing. The Data Protection Ombudsman may be consulted in relation to any problems pertaining to the use of personal data, right of inspection, rectification of errors, as well as disclosure and protection of personal data.

Contact details
Data Protection Ombudsman's Office
Visiting address: Lintulahdenkuja 4, 00530 Helsinki, Finland
Mailing address: P.O. Box 800, 00531 Helsinki, Finland
Telephone: +35829 566 6700 or +35829 566 6768
Further information: tietosuoja.fi

5 KEY CHARACTERISTICS OF THE SERVICES PROVIDED BY THE UNITED BANKERS GROUP

5.1 General

The below sets forth the investment services provided by UB. The material required under the regulation, the price list in force from time to time as well as information regarding the individual products and services is available on UB's website: unitedbankers.fi/, under the "*Client Information*" tab as well as on the product and service-specific pages.

The charges and fees pertaining to the services and products are determined in accordance with the price list of the UB Group in force from time to time or otherwise in accordance with the prices communicated to the client or the fees and charges agreed upon with the client. The client shall have the right to receive all of the information to be provided under the Act on Investment Services free of charge in electronic form or on paper.

5.2 Client classification

The Act on Investment Services stipulates that an investment services company must inform the client of their classification as a non-professional client, professional client or an eligible counterparty. The client classification impacts the scope of the investor protection as well as the applicable procedural rules. As a point of departure, UB classifies all of its clients as non-professional clients.

Further information on the client classification conducted by UB is available from UB's offices or from the website: unitedbankers.fi/, under the "*Client Information*" tab.

5.3 Transmission and execution of orders

UB provides its clients with securities brokerage services, i.e. the reception, transmission and execution of orders in both domestic securities and other financial instruments. An order shall mean a binding instruction issued by the Client to UB to buy or sell investment objects or carry out other actions pertaining to investment objects.

Acquiring securities is always associated with financial risk. The targeted return may not be attained, and the invested capital may even be lost. Prior to making an investment decision, the client should familiarise themselves with the investment markets and the different investment alternatives. Clients shall be liable for the financial outcome of their investment decisions.

The UB Group has in place operational principles and processes pertaining to the execution and intermediation of orders to ensure the attainment of the best possible outcome for the Client, considering matters pertinent to the execution of the Order, such as price, costs, speed, probability of execution and delivery, magnitude and nature. Insofar as UB acts as the party executing its clients' orders, UB shall publish annually on its website for each class of financial instruments the five most important trading venues in terms of trading volumes for the previous year and a summary of the quality of order execution.

A summary of the order execution principles of the UB Group is available from UB's offices or on its website: unitedbankers.fi/, under the "*Client Information*" tab.

5.4 Investment advice

In providing securities brokerage services, UB may also provide its clients with investment advice, i.e. personalised recommendations concerning financial instruments, such as, for instance, a recommendation to acquire or refrain from acquiring a certain financial instrument. However, the provision to the client of a generic presentation of the investment services, financial instruments or fund units provided by UB, or when the client is provided with a summary of information published in investment studies, shall not constitute the provision of a personalised recommendation.

The nature of the investment advice offered by UB to its clients is non-independent. Non-independent investment advice, as referred to under the Act on Investment Services, means investment advice other than independent investment advice. The investment advice provided by UB is not based upon an extensive analysis of different financial instruments available in the market, but, rather, is primarily limited to UB's own products, or products with which UB is closely affiliated.

Prior to the provision of investment advice, all the requisite information is gathered in relation to the client and a suitability assessment is conducted so that UB is able to ascertain that the personalised recommendation issued to the client is aligned with the client's investment objectives and personal circumstances, *inter alia*, as concerns the investment period. Information is gathered concerning the client's willingness to take risks, financial standing, investment experience and knowledge as well as their loss tolerance and sustainability preferences to allow UB to recommend financial instruments and services suitable for the client. In case the client fails to provide UB with adequate information or in case UB considers a security or service to not be suitable for the client, UB shall inform the client of same and warn the client of the risk entailed by the transaction. UB will not provide the client with an assessment of the suitability of the financial instruments recommended to the client on a regular basis, unless otherwise agreed with the client.

5.5 Asset management services

UB provides asset management services to private individuals, entities and institutional investors. Discretionary asset management means the management of financial instruments on the basis of a written asset management agreement concluded with the client in such a manner that the decision-making power regarding investing is vested entirely or partially with the recipient of the order, i.e., the asset manager.

The asset management agreement contains definitions, *inter alia*, on the investment strategy, the assets and financial instruments encompassed by the agreement as well as the measures pertaining to same along with the restrictions they are under as well as affirms the risk and return level accepted by the client.

Under discretionary asset management, the client does not make individual investment decisions themselves, but, rather, UB invests the assets in the manner agreed in the agreement. However, the client is obligated to actively monitor the reports provided by the asset manager, indicating the investments made and the value of the invested assets. Discretionary asset management has predominantly been carried out in such a manner that investments are made in accordance with an asset management model devised by and maintained by UB's experts. The asset managers make modifications to the portfolios of the asset management strategies included in the model that are justified in the market conditions prevailing from time to time, to the best of their knowledge.

Consultative asset management entails that UB issues its clients recommendations on making investments, but the client is the one making the final investment decisions. At first, UB and the client conclude an agreement for asset management and in that same connection agree on the risk level acceptable to the client as well as the client's return expectations. The client shall have at their disposal the expert advice of UB's investment professionals that will allow the client to make investment decisions through reliance on information beyond their own investment knowledge. The asset management service does not guarantee the attainment of return targets and despite the asset management service, the client may lose the capital they invested.

The terms and conditions of UB's asset management services are available from UB's offices or the website of the UB Group: unitedbankers.fi/, under the "*Client Information*" tab.

5.6 Custody services

UB provides its clients with custody services, encompassing the custody of the client's financial instruments and cash assets. A book-entry account is required for the custody of book-entry shares, bonds and other securities. The client's cash assets shall be retained on behalf of the client in client asset accounts held in UB's name in a Finnish deposit bank or a credit institution licenced in another country. The custody of client's financial instruments shall be subject to the terms and conditions of custody included in UB's general terms and conditions for investment services. Client assets shall always be retained in a reliable manner, separate from the assets of UB and of the companies belonging to the UB Group.

Systems used for the management of book-entry accounts and fund units, as well as accounting, are utilised to ensure that the client's assets may at any given time be separated from the company's own assets and from the assets of other clients. Furthermore, client assets and changes in same can be reliably and continuously monitored both as a whole and separately for each client.

If for any reason UB were unable to return to a non-professional investor assets that in conjunction with the provision of investment services were in UB's possession or management, the cash assets shall be partially compensated for from the Investors' Compensation Fund. The fund compensates for the losses incurred by an investor in cases where a member of the fund has failed to pay clear and undisputed receivables of the investor, encompassed by the protection, in accordance with the agreement. If, on the other hand, the assets held in custody by UB are in UB's client assets account or in the process of being recorded in the client assets account, the assets shall be encompassed by the deposit guarantee.

Further information and a more detailed description of the custody of the client's assets and of investor protection is available from UB's offices or from the website of the UB Group: unitedbankers.fi/, under the "*Client Information*" tab.

5.7 Funds

The key characteristics of the mutual funds and special investment funds managed by UB Fund Management Company Ltd have been set forth in the official materials of each fund, available on the fund-specific websites. Links to the funds are available from the website of the UB Group unitedbankers.fi/fi/palvelut-ja-tuotteet/rahastot/.

5.8 Issuance services

UB may, within the scope of its operating licence, act as the arranger of the emissions or sale of the financial instruments of corporate clients without issuing any subscription or purchase commitment, for instance, in the issuance of shares or other financial instruments, such as structured investment products. The service content and the fees shall always be determined separately in the agreement concerning each order.

5.9 Means of communication

Depending on the service being provided, clients may communicate with the companies in the UB Group in writing, by letter or email or via the OmaUB online service, or by telephone or through meeting a UB representative in person. The general terms and conditions of investment services contain a more detailed definition of the method used in issuing orders and notices or in the sending and receiving of information. The UB Group provides customer service in Finnish, Swedish and English.

The use of e-mail and online services as a means of communication are associated with specific risks pertaining, *inter alia*, to information security, of which the client should be aware. The UB Group shall have the right to rely on the authenticity and correctness of messages received by e-mail and online services.

5.10 Recording of telephone calls, conversations and electronic communications

UB is under a statutory obligation to record all telephone conversations and electronic communications pertaining to the provision of investment services conducted with the client that result or may result into the receipt, intermediation or execution of client orders. Furthermore, UB shall be obligated to retain a record of any conversations conducted with the client in personal meetings.

The recordings and electronic messages may be used to verify orders, for risk management purposes and for evidentiary purposes in the case of any disputes. UB shall have the right to use the telephone and other recordings as evidence in resolving any disagreements arising from the order. The Financial Supervisory Authority shall have the right to receive copies of such recordings upon request. All recordings and electronic messages shall be retained for a minimum of five years, unless the authorities request for the prolongation of the retention to seven years, on legitimate grounds.

5.11 Client reporting

UB shall report to its clients on the actions carried out in regard to the services, as agreed upon in the client agreement and in the terms and conditions concerning products and services and at the agreed times. In addition to the agreed reporting, the client shall be entitled, upon request, to receive information about their own investments. UB shall be entitled to charge the relevant fees and charges as stipulated in the service price list in force from time to time for such reporting.

5.12 Costs and fees pertaining to investment services

The fees chargeable for the investment service have been set forth in the client agreement pertaining to the relevant service. The client shall have the possibility of receiving information concerning the costs and charges over the telephone prior to the execution of the order. In case fees or charges for a certain measure have not been defined in the client agreement or in the price list, the client shall be obligated to pay UB a reasonable fee for the measure, along with the costs incurred from same.

6 NOTIFICATION CONCERNING DISTANCE SALES PURSUANT TO THE CONSUMER PROTECTION ACT

6.1 Notification

This Clause 6 contains the general pre-contractual information concerning the distance sales of financial services, required under Chapter 6a, Sections 6 through 9 of the Consumer Protection Act to be provided to the consumer (hereinafter, the ”client”) prior to entering into a distance agreement. This notice shall constitute a part of the distance sales agreement insofar as relates to the right of withdrawal. Distance sales refer to circumstances, where a service agreement is concluded, other than occasionally, from start to finish using a distance communications system, so that the client at no point meets UB’s representative in person.

The pre-contractual information, terms of contract and customer service shall be available in the Finnish, Swedish and English languages. In the case of any discrepancies between the different language versions of the contract documents or other written documents, the Finnish-language terms and conditions and documents shall prevail.

The pre-contractual distance sales information required under the Consumer Protection Act shall be available as follows:

(i) information concerning the service provider and the supervisory authority have been set forth under Clause 2 ”*Information concerning the service providers in the United Bankers Group*” of

this document,

(ii) information concerning the financial instrument and/or service is available from the website of the UB Group at unitedbankers.fi/ as well as in the product-specific materials and/or terms of contract of each product; and

(iii) information on client service and legal remedies has been set forth in this document under Clause 10 "*Client service and legal remedies*".

6.2 Right of withdrawal

The client shall have the right to withdraw from a financial agreement concluded in distance sales, such as a book-entry account and securities custody agreement.

However, the right of withdrawal shall not apply to investment products, whose price fluctuates according to changes in the financial markets. Therefore, a consumer client shall not have the right of withdrawal in relation to the intermediation and execution of orders or products or services, whose price or value is contingent upon such changes in the financial markets that are beyond UB's control. These include, *inter alia*, agreements pertaining to financial instruments, investment services and investment products. The right of withdrawal shall not apply to orders pertaining to the assets of the client, executed pursuant to an asset management agreement, or when dealings occurring through the use of a distance communications medium pertain to an already existing agreement or where the agreement is carried out upon the client's express request prior to the expiration of the withdrawal period. The right of withdrawal shall also not apply in relation to any amendments to the agreement.

The right of withdrawal shall remain in force for a period of fourteen (14) days of the date the distance agreement was entered into, or of when the client received or could have received the pre-contractual information and the terms of contract. Should the client wish to exercise their right of withdrawal, they must inform UB of their withdrawal in writing. The notification shall be made in writing to the client's account manager or to UB's client service. The notification must specify the agreement being withdrawn from. UB shall be entitled to charge to the client the fee specified in the agreement being cancelled or under the price list for the time period during which the agreement concerning the financial service was in force or financial instruments were kept in custody. A custody fee shall be charged also for maintaining an empty book-entry account. UB's General Terms and Conditions of Investment Services are available from UB's offices or from its website: unitedbankers.fi/, under the "*Client Information*" tab.

7 INFORMATION ON INDUCEMENTS

Inducements refer to brokerage fees, commissions or other monetary or non-monetary benefits, as referred to under the Act on Investment Services, that a third party or a person acting on behalf of a third party pays or offers to pay in connection with an investment service or an ancillary service related thereto.

Pursuant to the Act on Investment Services, inducements are permitted in the intermediation of financial instruments and the provision of non-independent investment advice, provided the payment and receipt thereof can be justified with the improvement of the quality of the service provided to the client. Inducements must not interfere with compliance with the obligation pursuant to which UB must act with integrity, fairness and professionalism, in accordance with the interests of its clients. UB shall be obligated to ensure that the value of the inducement received by it is proportionate to the quality improvement received by the client.

In conjunction with the provision of investment or ancillary services, UB may pay or receive distribution fees, i.e. inducements both from its co-operation partners and from companies belonging to the same group. Grounds for receiving inducements include, *inter alia*, a wider product selection and continuous additional services. The charges and fees are applied, *inter alia*, towards covering the costs incurred from the operations and their purpose is to improve for the client of the relevant service the quality of the service or to enable the provision and maintenance of a certain service or product.

Prior to offering the service, the client shall be separately provided with information of the amount of inducements pertaining to the service in question or information of the calculation method for same, in which case the exact amount of the received or paid fee or benefit shall be reported to the client retrospectively, as part of annual reporting.

Should UB receive inducements in connection with discretionary asset management, such monetary benefits shall be reimbursed to the client in full retrospectively and reported as part of the annual reporting. For other investment services, the client shall prior to the provision of the service be separately informed of the amount of the inducements related to the service or of the calculation method for same, in which case the exact amount of the received or paid fee or benefit shall be reported to the client retrospectively.

UB may furthermore receive or offer its co-operation partners minor non-monetary benefits, such as materials related to products and services, as well as seminar and training sessions, along with reasonable hospitality pertaining to same, or to other business meetings. The purpose of said minor non-monetary benefits is, *inter alia*, the improvement of expertise and product knowledge.

8 CONFLICTS OF INTEREST

A conflict of interests refers to a situation pertaining to the provision of investment services or mutual fund activities, where the interests of different parties are mutually opposing or conflicting. The client's interests may be in conflict with the interests of UB or its group companies, or with the interests of the management and personnel of the said companies. A conflict-of-interest situation may also arise between UB's clients.

UB seeks to identify and prevent potential conflicts of interest through appropriate actions. UB has in place information system solutions and administrative procedures for managing and preventing conflicts of interest, along with principles governing the identification and management of conflicts of interest. UB seeks to ensure for personnel carrying out various business functions as well as for the different business units, a sufficiently independent status, so as to allow the consideration of clients' interests in all operations.

At UB, conflicts of interest are managed, for instance, as follows:

- Personnel is subject to the application of trading rules and the trading is supervised
- UB Asset Management Ltd, being the company responsible for the management of client portfolios, does not engage in securities trading on its own behalf;
- Orders of securities intermediation clients are executed promptly, separately from the provision of asset management services
- Imposing appropriate restrictions on rights of use of information systems as well as through the physical segregation of business units (so-called Chinese walls)
- Through training personnel in relation to the identification and management of conflicts of interest
- Through treating clients equally and abiding by the guidelines on the execution of orders
- Through abiding by the guidelines concerning inducements
- Through abiding by principles governing the prevention of bribery and corruption, as well as gifts and hospitality
- Through prohibiting personnel from engaging in competing business operations without prior consent
- Through ensuring the adoption of adequate monitoring measures and arrangements to prevent and manage conflicts of interest in connection with the arrangement of subscription and issuance actions and between the different clients receiving such services.

In case a conflict of interests cannot, however, be avoided, the nature and cause of the conflict of interests shall be communicated to the client prior to carrying out the transaction, as well as the actions undertaken to mitigate the risks pertaining to the interests of the client. The client shall independently consider, whether they wish to proceed with the transaction despite the disclosed conflict of interests, or whether they wish to cancel the transaction. UB maintains a record of all potential and materialised conflicts of interest within the UB Group.

The content and currentness of the principles concerning the identification and management of conflicts of interest is reviewed on a regular basis.

9 TAXATION

The client must note that the ownership, yield payments, trading and maturing of investments is associated with tax implications. The client must ensure sure that they obtain sufficient taxation-related information already prior to making their investment decision. Those considering investing should consult a tax expert. Taxation is based upon the client's individual circumstances and taxation may change during the investment period.

Companies belonging to the UB group do not offer tax advice. UB shall not be liable for any changes in taxation laws, case law or taxation praxis.

Taxable capital income includes, *inter alia*, certain interest, income from distribution funds, secondary market compensation from bonds transactions, dividends of listed companies and capital gains from selling and transferring securities. Capital losses from securities are deductible from capital gains under certain circumstances. Expenditure incurred from the management of investment assets, such as book-entry securities, is as a main rule deductible.

Asset transfer tax is typically paid in connection with the transfer of securities against consideration. However, asset transfer tax is not payable, for instance, for selling publicly traded securities, if the transaction is effected via a bank or another securities intermediary. Furthermore, asset transfer tax is not payable, for instance, for trading in foreign shares.

Further information concerning taxation is available, *inter alia*, from the investor's own tax office as well as from the website of the tax administration at: vero.fi

10 CLIENT SERVICE AND LEGAL REMEDIES

10.1 Client service, feedback and complaints

In any questions pertaining to investment services and insurances as well as the agreements pertaining to same, the client must always primarily contact their own account manager or client contact person at UB or the client service.

The client must promptly inform UB of any errors relating to the service and of their claims, if any, pertaining thereto.

The objective in the processing of client feedback is for the feedback to be processed in a consistent and appropriate manner in accordance with the regulation in force. The client has the right to have their feedback processed appropriately, fairly and without undue delay. Feedback received from clients also provides UB with important information on the quality of its services and on client satisfaction and further helps UB develop its services and operating practices.

The client may give feedback orally or in writing, as they choose, by telephone, via the OmaUB online service, by e-mail, by letter or at a client meeting. Feedback given orally is, where possible, answered immediately. Feedback given in writing is always answered in writing.

All individualised expressions of dissatisfaction addressed to UB are handled as client complaints. As a general rule, client complaints are only accepted in writing, by e-mail, via the OmaUB online service or by letter. Any individualised claim for compensation or other claim must be submitted to UB in writing.

Client feedback and complaints are forwarded to the relevant business unit for further processing, and the client may be asked to provide any additional information.

The aim is for client feedback and complaints to be processed and responded to as quickly as possible and, where possible, at the latest within one week of receipt of the complaint. If it is not possible to process and resolve the feedback or complaint within one week of its receipt, the receipt of the feedback or complaint is confirmed to the client within one week, together with an indication of the deadline by which UB aims to provide a response. The client may obtain information on the handling of the matter by contacting their own account manager or contact person.

If UB provides a final response to a client complaint with which the client is not satisfied, UB will inform the client of the possibility to pursue the matter further before an alternative dispute resolution body.

Client feedback and complaints, as well as the actions taken in their processing, are archived to enable follow-up. Feedback and complaints received from clients are also reported to UB's management on a regular basis.

Finnish law shall apply to the agreement between UB and the client and to any disputes possibly arising therefrom. If a disagreement arises between UB and a non-professional client that cannot be resolved through mutual negotiation, the non-professional client has the possibility, if they so wish, to obtain free-of-charge advice and to have the matter investigated also without resorting to court proceedings.

Disputes arising from investment services and products can also be processed at the district court of the municipality located in Finland, under whose jurisdiction the consumer has their habitual place of residence, or otherwise at the Helsinki District Court.

10.2 Finnish Financial Ombudsman Bureau and Investment Complaints Board (FINE)

FINE's Financial Ombudsman's Bureau may assist in resolving disagreements and provide advice, but it cannot issue legally binding rulings. The Finnish Insurance Complaints Board, Finnish Banking Complaints Board and the Investment Complaints Board operate in conjunction with the Finnish Financial Ombudsman's Bureau.

FINE's Investment Complaints Board issues resolution recommendations concerning disputes referred to the board by non-professional clients and service providers.

The Board processes matters between service providers and non-professional clients pertaining to the investment and mutual fund services referred to under the Act on Investment Services and Act on Mutual Funds. Additionally, the Board processes matters between service providers and non-professional investors as pertains to the investment insurance under the Insurance Contracts Act.

The resolution recommendations pertain to the application of the law, authority regulations, good securities market practice, good insurance practice as well as the terms and conditions and course of action of the service provider. They may also pertain to the amount of compensation. The Investment Complaints Board does not process claims that pertain to companies other than a company providing investment services, fund management companies or insurers providing investment insurance. FINE does not process any disputes that are pending or that have been processed at the Consumer Disputes Board or in a court of law.

Contact details
Finnish Financial Ombudsman Bureau (FINE)
Porkkalankatu 1, 00180 Helsinki, Finland
Telephone (switchboard): +358 9 6850 120
E-mail: info@fine.fi
Further information available at: fine.fi

10.3 Consumer Disputes Board

The Consumer Disputes Board may issue resolution recommendations concerning a disagreement between a consumer and a business pertaining to the procurement of consumer consumables, such as financial services. It does not, however, process matters pertaining to securities, i.e., for instance, funds, shares, unit certificates or bonds. The Consumer Disputes Board issues resolution

recommendations solely in relation to written complaints.

Contact details
Consumer Disputes Board

Hämeentie 3, P.O. Box 306, 00531 HELSINKI, Finland
Telephone (switchboard): +35829 566 5200
E-mail: kril@oikeus.fi

Instructions on how to file a complaint are available from the website of the Consumer Disputes Board at kuluttajariita.fi.

11 KEY CHARACTERISTICS OF FINANCIAL INSTRUMENTS

The key characteristics of and trading in certain investment objects are described below. The description is by no means exhaustive. In addition to the descriptions of financial instruments, the client must also familiarise themselves with the risk descriptions below.

11.1 Shares

The shares subject to trading may be either in book-entry or paper form. In Finland, public trading takes place at Nasdaq Helsinki Ltd (Helsinki Stock Exchange). The prices of listed shares are published based on the executed trades. Also subscription and option rights, conferring a right to subscribe for the issuer's shares, are equated with shares.

Clients shall also have the right to purchase foreign shares, in which case trading and asset management takes place in accordance with the legislation and market practices of the foreign market place. These may significantly differ from the Finnish practice, and the retention of and trading in such shares may also be more expensive than is the case for domestic shares.

Shares may also be acquired through subscribing for same in share issues. Direct investments in shares require careful familiarisation with the equity markets and the companies. The shareholder is at risk of losing the capital invested by them, in case the company becomes bankrupt. In the after-market, the rates, i.e. values of the shares, fluctuate based on demand and supply.

The share price fluctuation (risk and return) is impacted both by the general market development and information concerning factors impacting the success of the issuing company, the line of business and size of the issuer, legislative changes and, *inter alia*, the number of issued shares, as well as the allocation of ownership. The risk is generally impacted also by the scope of the trading in the share. Share prices fluctuate depending upon demand and supply. Demand is impacted by expectations of the company's future profits. Economic trends have a considerable impact upon future profits. The return of an equity investment consists of the dividends and of the value appreciation of the share. A limited liability company only pays out dividends, if it possesses the financial prerequisites for dividend distribution. Further to the risk associated with the decline of the value of the share, the shareholder also bears the risk of not being distributed any dividends.

Investing in shares may be associated with the following risks: market risk, return risk, currency risk, company risk, counterparty risk and liquidity risk. Some of the most typical risks of equity investments are risks pertaining to the price fluctuation of shares, market risk and the risk pertaining to the scope of the trading (liquidity risk). The value of shares denominated in a foreign currency may also be associated with a foreign exchange risk.

Unlisted shares are shares that have not been admitted to public trading in a regulated market or a multilateral trading facility. There is no official price quotation for such shares. Unlisted shares may be particularly susceptible to liquidity risk.

11.2 Bonds

Bonds are debt instruments issued by the state, municipalities, corporations and other entities, through which assets are borrowed from the public. Each bond has its own terms and characteristics. The timetable for the repayment of the interest and principal is determined in accordance with the terms and conditions of the bond. Interest-bearing bonds include, e.g. debentures. Equity-linked loans include bonds with warrants and convertible notes, which, in a way, are a medium between shares and bonds.

Investments in bonds are typically made by subscribing for a loan in an issue, i.e. an emission, but loans also have secondary markets in which investors may trade during the loan period. State and corporate bonds are normally amortised at one time and have a maturity of several years. Investing in bonds may be associated, *inter alia*, with the following risks: issuer, currency, inflation, interest rate, market, liquidity risk and risk of premature redemption.

UB intermediates bonds and structured investment loans. The terms and conditions governing bonds and structured products have been set forth in the loan terms, marketing material and other documents pertaining to each product.

11.3 Corporate bonds

The risk level of corporate bonds is impacted, for instance, by the solvency of the company and profitability of its business operations, along with the type of corporate loan. The risk pertaining to the company is illustrated by the company's credit rating, the determination of which is carried out by the international credit rating agencies *Standard & Poor's, Moody's* and *Fitch*.

However, not all companies have the above-mentioned credit rating. The most fundamental risk of corporate loan investments is the risk related to the repayment ability of the issuer. This refers to the risk of the issuer becoming insolvent and being unable to meet its obligations, which may cause the investor to lose the principal it has invested in the corporate loan, along with any return partially or in its entirety. In the secondary market, the rates, i.e. value of the bonds, fluctuate.

The risk associated with a certain bond is materially impacted by the status that the bond has in the liquidation or bankruptcy of the company. This entails the order of priority, i.e. the seniority of bonds. Holders of senior bonds have priority over equity and sub-ordinated debt investors. Sub-ordinated debt refers to a bond whose priority is inferior to the issuer's other commitments. Debentures (*subordinated debt*) refers to bonds with a priority subordinate to those of the issuer's other commitments.

11.4 Structured investment loans

The return of a structured bond is tied to the development of a certain underlying instrument and/or the passage of time. The underlying instrument may comprise, for instance, a share, currency or commodity index, an index or share basket. The structure of structured investment loans may be either a capital-protected loan or a loan without capital protection. Capital-protected means that on the maturity date, the issuer of the investment loan repays to the investor no less than the nominal capital of the investment. The capital protection is only valid on the date of maturity and does not encompass any issue premium or subscription fee paid by the investor. Structured investment loans, including those with capital protection, are associated with the risk of the issuer's repayment ability as well as a liquidity risk. Structured investment loans are intended to be retained until their maturity date. The terms and conditions governing structured investment loans have been described in the marketing material and other documents concerning each product.

A Key Information Document (KID) is provided for structured products, containing information of the key characteristics of the product, as well as of the risks and costs entailed thereby. The KID contains information, *inter alia*, on whether a product can cause losses and what is the level of complexity of the relevant product. Structured products are complex products, so the investor must familiarise themselves with the characteristics and risks of the investment object prior to making the investment decision.

11.5 Funds

In funds, client assets are collected together and invested in several different investment objects that comprise a fund. Funds are managed by investment industry professionals, who handle the investing of the assets into investment objects stipulated by the rules of the funds. Those who have invested in the fund own the assets of the fund.

A fund may constitute a so-called ordinary mutual fund, special investment fund or other alternative investment fund. Funds are associated with a variety of risks depending, *inter alia*, on the investment policy or investment objects, such as market, liquidity and currency risks, described in more detail under the Key Information Document, Fund Prospectus and other materials of each fund.

Investing in funds is always associated with the risk of losing the invested capital either in part or in whole.

Investing in funds is associated with different types of risks, depending on the fund being invested in. The Fund Prospectus sets forth the various risks pertaining to fund investments. The key risks associated with any individual fund have been described in the Key Investor Information Document of the relevant fund.

11.6 Mutual Funds (UCITS)

Mutual funds, i.e. so-called UCITS funds, are regulated by the Mutual Funds Act, stipulating, for instance, upon what mutual funds are allowed to invest in and the manner in which the assets must be diversified over different investment objects. Mutual funds may be divided into different types based on the financial instruments the fund invests in.

A fund may invest, for instance, in shares (equity fund), fixed-income instruments (fixed-income fund) or in a combination of same (combination fund). The fund may also invest in another fund (fund of funds).

11.7 Special Investment Funds and Alternative Investment Funds (AIF)

A special investment fund is a fund that is entitled to deviate from the investment restrictions imposed by the Mutual Funds Act. For instance, the number of investment objects in a special investment fund may be lower than in a regular mutual fund. The name of the fund must render it apparent that it is a special investment fund. Special investment funds constitute alternative investment funds and are encompassed by the regulation pertaining thereto.

Alternative investment funds are funds that may invest in nearly anything. Alternative investment funds may, for instance, comprise *hedge* funds, real estate funds, equity funds, commodities funds or infrastructure funds. The Act on Alternative Investment Fund Managers stipulates the manner in which the operations of an alternative investment fund must be arranged and what information it must provide to the authorities and investors. In Finland, alternative investment funds may be only be offered to non-professional investors if the fund manager has an

operating licence and a Key Information Document has been devised for the fund.

11.8 Exchange Traded Funds

Another category of funds is Exchange Traded Funds, ETFs. ETF's resemble ordinary mutual funds, but they can be purchased on stock exchanges, similarly to shares.

The risks associated with ETF investment are as a point of departure the same as in other international fund investment. ETFs usually follow an index, meaning that they do not select their investment objects themselves, but, rather, invest their assets in accordance with an index illustrating the consistency of the market. ETFs may also invest in derivatives, whose value is determined in accordance with a selected index.

11.9 Index Units

An index unit is a fund unit or other similar security traded on the stock exchange. An index unit fund invests its assets so that the securities in the fund and the weighting of same follow the target index as accurately as possible. The value of an index unit is based upon the value of the assets of the fund. Since the assets of the fund have been invested in accordance with the target index, the value of the unit follows the value of the target index.

The risk of an investment in index units is the same as the risk of a diversified investment into the securities included in the index.

Consequently, the risk is lower than when investing in an individual security included in the index.

11.10 Derivatives Contracts

Derivatives contracts refer to an agreement, whose value is contingent upon the value fluctuations of the underlying security, price fluctuations, interest rate fluctuations, maturity date of the agreement or another factor impacting the value of the derivative. The underlying security of a derivatives contract may comprise, for instance, a share, currency, interest, commodity, credit risk, index or a key figure illustrating the price development of such an underlying. Most common derivatives include options, forwards, futures, swap agreements and combinations thereof. In addition to changes in the value of the underlying of a derivatives contract, i.e., market risk, the value of derivatives contracts and the magnitude, timing and execution of the performance obligations of the agreement parties are impacted, *inter alia*, by market events, macro-economic and political factors, along with legislative changes. Derivatives contracts are associated with the risk of delayed performance and credit losses, caused by the insolvency of the parties.

11.11 Warrants

Warrants are securities whose performance is tied to the development of a certain underlying instrument. The underlying instrument may, for instance, be a share, index or other securities. Buy warrants entitle to purchasing the underlying instrument and sell warrants entitle to selling the underlying instrument at the price agreed upon in the terms and conditions of the warrant on the maturity date. Normally, no actual purchase or sale is carried out on the day of the maturity of a warrant, but, rather, the issuer of the warrant pays out the net value of the warrant in cash. Warrants are typically utilised because of the leverage feature they entail, when seeking a higher return on the anticipated appreciation or depreciation of the underlying instrument. Sell warrants may also be utilised to hedge against an anticipated decline in the value. Warrants have a defined coefficient that indicates how many warrants correspond, for instance, to an underlying share. As a result of the leverage feature, warrants enable a high return with low capitals. Similarly, fluctuations in value may be considerably stronger than the fluctuations in the underlying instrument. For this reason, the risk of losing the invested capital is high. Albeit warrants have a pre-determined maturity, they may be traded on the stock exchange in the same manner as shares. The issuer of the warrant is a party other than the issuer of the underlying security, such as a bank or an investment services company. Usually the issuer also acts as the market maker, i.e. offers a buy and sell price in the secondary market.

Warrants may have highly complex structures, which entails that the investor must carefully familiarise themselves with the characteristics of the investment object and its risks prior to making an investment decision. Warrants are associated with the risk of delayed performance and of credit losses, caused by the insolvency of the parties. A warrant may be worthless upon its maturity.

12 KEY RISKS PERTAINING TO INVESTING

12.1 On risks in general

Investing and investment products are always associated with financial risks. The targeted return may not be attained and the invested capital may even be lost. The value of the investment made may appreciate or depreciate and there are no guarantees of recouping the invested assets. The investor may lose all or a part of their invested capital. Return and risk go hand in hand. The more the value of an investment object fluctuates, the higher the risk that the investment object loses its value. In return for the value fluctuation, the investor has the chance to achieve a return that is higher than that from a riskless investment object. Prior to making their investment decision, the client should familiarise themselves with the investment market and the different investment alternatives. The client shall be personally responsible for the outcome of their investment decisions. Past price or value performance is no guarantee of future profits. Foreign currency-denominated investments are associated

with a risk of currency rate fluctuations.

Risks associated with different investment strategies are contingent upon the financial instruments utilised in the strategy and the risks pertaining to same. Typically, investors seeking high returns are compelled to also accept a higher risk associated with the investment strategy. The overall risk of the investment strategy and the probability of attaining the set investment objective are impacted by the selected weighting between different asset classes. By changing the proportions of different asset classes in the strategy, it is typically possible to also impact the overall risk of the strategy. Diversification, for instance the numeric, temporal or geographic diversification of the investments within an asset category decreases the overall risk pertaining to a certain asset category.

The following is an outline of certain risks associated with the investments, but the listing is not exhaustive.

12.2 Liquidity risk

The liquidity risk refers to the risk of it being difficult to sell the investment, if the investment must be sold prior to the maturity date. If an investment is illiquid, there is an increasing risk of being compelled to sell the investment at a price below the acquisition price or of not being able to sell it at all. The liquidity risk increases in connection with market disruptions, where the demand and supply of a security is unstable, or trading is not possible at all.

12.3 Leverage risk

The concept of leverage is used to describe means or strategies seeking to multiply potential returns, but that are also associated with a greater risk of losses. Examples of these comprise borrowing assets or utilising products such as derivatives. Even a minor change in the underlying of a financial instrument may have a considerable positive or negative impact upon the return and value of the financial instrument.

12.4 Credit and issuer risk

Credit risk refers to the risk of the issuer of a loan becoming insolvent and unable to fulfil its obligations and repay interest and principal as they fall due. In addition to direct bonds, the issuer risk is also associated with structured investment loans.

12.5 Market risk

Market risk refers to the exposure of the investment object to the value fluctuation of the target market. The value fluctuations of the investment may be higher or lower than those of the underlying target market. At times, one investment object may cause exposure to several market risks, for instance in circumstances in which the value development of the investment is dependent upon the development of several underlying instruments.

12.6 Performance risk

Performance risk refers to the risk of the underlying of a financial instrument developing in a non-desirable manner from the point of view of the terms and conditions. No guarantees can be given of the future development of an underlying. The value of the underlying may fluctuate during the investment period and the anticipated return may not be attained.

12.7 Foreign exchange risk

Foreign exchange risk refers to exposure to fluctuations in foreign exchange rates. Therefore, the return from the investment is not the same as a change in the foreign exchange rate of an investment quoted in a foreign currency. A change in the foreign exchange rate may increase or decrease the euro-denominated return of the investment.

12.8 Interest rate risk

Interest rate risk refers to the risk pertaining to fluctuations in the market value of interest investments. For instance, an increase in market interest rates decreases the value of fixed-income investments when return requirements increase, and a decline in market interest rates, on the other hand, increases the value of fixed-income investments.

Fluctuations in market interest rates may also impact the magnitude of the return payable for the investment or the amount of interest expenditure of the loans.

12.9 Risk of premature redemption

In special exceptional circumstances, an issuer may redeem a bond prior to the maturity date, subject to the prerequisites stipulated for in the bond-specific terms and conditions. In conjunction with a premature redemption, the investor may not attain any return on their investment and may be unable to recoup all of their invested capital.

12.10 Counterparty risk

Counterparty risk refers to the risk attributable to the counterparty of a business transaction breaching their obligations. In practice, an obligation may be breached, for instance, if the counterparty becomes insolvent or is declared bankrupt.

12.11 Company risk

Company risk refers to the risk pertaining to an individual company. For instance, the considerably poorer than anticipated performance of a company or an adverse occurrence it encounters may have a negative impact upon the company's solvency and market value.

UB

12.12 Settlement risk

Settlement risk means a risk where the counterparty of a securities transaction fails to comply with the agreed terms, even though the other party has met its contractual obligations. It is possible that an agreed transaction does not actualise, because the counterparty fails to pay the required purchase price, or because the counterparty fails to deliver the financial instrument. The settlement risk is greater in cross-continental securities and foreign exchange transactions, because the settlement of transactions may take place in different time zones. Also differences in trading methods may pose a risk.