Simplified information sheet

prepared under the law on the accessibility
of products and services.

Investment advice

This simplified information sheet is intended for you as an interested person.
You are a client of the bank or may become one.

The **ABBL** has prepared this leaflet together with its members. The ABBL is the **A**ssociation des **B**anques et **B**anquiers, **L**uxembourg, (Luxembourg Bankers' Association).

The information sheet explains:

- What investment advice is
- How investment advice works

The information provided here is not legally binding. It does not create any obligation for you. It also does not oblige the bank to offer this service to you.

Some words are explained in the text. **Underlined words** are explained in a **glossary** at the end of this sheet.

By providing this information sheet, the bank complies with the requirements of Article 15 of **the Luxembourg law of 8 March 2023 on the accessibility of products and services** offered by companies.

This means that companies must provide clients with easy access to the products and services they offer. Clients should be able to understand and use the products and services, without assistance.
The aim is to enable **everyone to participate in social life.**

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Content

1. What is investment advice?

When the bank provides you with investment advice**,** it gives you one or more personalised recommendations regarding different **financial instruments**, for example **shares, bonds,** or **investment funds** (see point 2).

These **recommendations** may include:

- Buy: the bank advises you to buy a financial instrument
- Sell: the bank advises you to sell it
- Hold: the bank advises you to keep it for now
- Do not buy: the bank advises you not to buy it
- Exchange: the bank advises you to exchange it for another financial instrument (e.g., exchange one stock for another)
- Exercise a right**:** the bank advises you to exercise a right related to a financial instrument (e.g., a purchase right)
- Do not exercise a right: the bank advises you not to exercise a right

You decide whether or not to follow the bank's recommendation.

The **final decision always belongs to you.**

2. What is a financial instrument?

"Financial instrument" is a legal term, used, for example in the Luxembourg Law of 5 April 1993 on the financial sector.

Financial instruments are financial products that can be bought or sold either on the **financial markets** or **over-the-counter**.

Financial instruments include, in particular:

- Securities, such as shares (representing ownership in a company) or bonds (loans made to a company or a state).
- **Derivatives**, such as **options**, whose value depends on another asset (for example, a stock or a currency).
- **Units in collective investment undertakings**, such as investment funds. These funds pool the money of several investors to invest it in the financial markets.

3. How does investment advice work?

Investment advice generally includes the following steps:

a) The bank needs certain information from you

Before it can advise you, the bank needs to check whether the recommendations suit your knowledge and experience of financial markets, financial situation, investment objectives and risk tolerance.

To do this, the bank must collect certain information about you. Without this information, the bank is not allowed to provide advice. This is required by law.

This information allows the bank to establish your **investor profile** and, if applicable, define an **investment strategy** adapted to your profile.

To establish this **profile**, you must complete a questionnaire covering, in particular:

- **Your financial situation**: What are your income, expenses, and assets?
- **Your capacity to bear losses**: What financial losses can you accept?
- **Your investment preferences and objectives**: What do you want to achieve with your investments? For example, grow your money in the long term, save for retirement.
- **Your investment horizon**: How long do you plan to invest?
- **Your risk tolerance**: Are you willing to accept losses or significant fluctuations in the value of your investments?
- **Your experience and knowledge of financial markets**: Have you invested before? Do you know the main financial products?
- **Your sustainability preferences**: Do you want your investments to meet specific environmental or social criteria? For example, companies that act to reduce greenhouse gases or fight child labor.

To use the investment advice service, you must have with the bank:

- A **securities account**. This ia a special account where the bank holds your financial instruments
- An **account linked to the securities account**, used to record cash movements related to your transactions. This is often your current account.

b) The bank provides a recommendation

Once the contract is signed and your bank accounts are opened (securities account and account linked to the securities account), you deposit money with the bank.
You can also transfer to this account any financial instruments that you already own.

Based on your investor profile, the bank recommends transactions in financial instruments that are suitable for your financial situation. These recommendations take into account your financial situation, knowledge and experience of financial markets, your investment objectives and your risk tolerance.

You decide whether or not to follow the bank's recommendation.
The **final decision always belongs to you.**

Note: The bank's recommendation is **only valid at the time it is given**. It will not be reviewed later, unless this is specifically agreed between you and the bank.

Example:
In April 2024, the bank recommended that you sell shares of a listed company. Months pass. Financial markets change. The value of your shares has decreased. In October 2025, you decide to follow the bank's recommendation and want to sell your shares. At that time, the bank **does not check** whether this decision is still suitable for you. It simply executes the sale. The bank only verifies this if you request it or if your contract specifies that the bank must check on your behalf.

The bank provides you with information about the financial instruments or transactions it recommends, either **orally** or through **written materials**. For example, this could include information sheets on shares or bonds, or key information documents on investment funds (called **KID – Key Information Document).**

C) The bank provides you with written information

Each recommendation is accompanied by a **suitability statement**.
The suitability statement is a document, explaining why the bank's advice is appropriate for your profile, meaning your preferences, investment objectives, knowledge, experience and risk tolerance.

If the bank gives you recommendations frequently, and not just once, it also sends you **regular reports**. These reports confirm whether the advice is still suitable for your profile (your objectives, financial situation, knowledge, experience, and risk tolerance). These reports are called **periodic suitability reports**.

4. What are the costs associated with investment advice?

Before signing the contract, the bank provides you with an **estimate of the costs.** This allows you to know in advance how much this service may cost you.

Before each transaction, the bank provides you with **detailed information** about the costs and fees related to the purchase, custody, and sale of a financial instrument.

These fees may include:

- **Investment advice fees.**
- **Transaction fees,** applied when the bank buys or sells financial instruments on your behalf.
- **Custody fees,** for holding your securities.

The details of these fees are indicated in your contract, in the bank's price brochures**,** and in any specific documentation listing all costs and fees.

Each year, you also receive a **summary of all fees you have paid**.

You will also be informed if the bank **receives remuneration from a third party** in connection with this service (for example, a payment from the management company of an investment fund).

5. Do you have a withdrawal right?

If you signed the contract **remotely**, for example via the internet or by phone, you can **withdraw the contract within 14 days**. That is called the **withdrawal right**.

The 14-day period starts from the moment:

- The contract is signed, and
- You have received all the necessary legal information.

The 14 days include weekdays **as well as Saturdays, Sundays, and public holidays**.

Before signing the contract, the bank must clearly explain your right of withdrawal and how to exercise it.

6. What is the duration of the contract? Can you terminate the contract?

The contract is generally concluded for an indefinite period (i.e., without an end date). You can terminate the contract at any time by respecting the **notice period** specified in your contract.

The bank may also terminate this contract in accordance with the conditions set out in the agreement.

Glossary

- **Bond:** The person who buys a corporate bond is lending money to the company. The company must pay interest on the borrowed money. Bonds have a fixed term. At the end of this term, the company must repay the principal amount of the bonds.
- **Derivative:** A derivative is a financial product whose value depends on another financial product**.** a stock, a bond, a currency, an interest rate, or even a commodity (like oil or gold).
- **Notice Period:** It is the period between the notice of termination (for example, the end of a contract) and the date on which the termination takes effect (when the contract ends).
- **Financial Instruments:** These are financial products that can be bought or sold either on financial markets or over-the-counter markets. Financial instruments include, for example, stocks, bonds, derivatives, investment funds, etc.
- **Financial Market:** A financial market is a place where buyers and sellers trade financial instruments (such as stocks, bonds, or derivatives). These trades can take place between investors, companies, or banks, either on organized markets (like stock exchanges) or over-the-counter markets. These markets help companies, governments, and individuals raise money for their projects and also allow investors to place their money and resell it easily.
- **Investment Fund:** A general term for pooling money from several investors to invest in a diversified portfolio of financial instruments.
- **Over-the-Counter Market (OTC):** This is a market where two parties (for example, a bank and an investor) negotiate directly with each other without using an organized market like a stock exchange. The two parties agree on the contract terms (price, quantity, maturity, etc.) themselves.
- **Option:** A financial product that gives the buyer the right, but not the obligation, to buy or sell an asset (like a stock) at a price fixed in advance, until a specific date.
- **Stock (Share):** A stock is a share of ownership in a company. When you buy a stock, you become a shareholder, which means you are a co-owner of the company.

- **UCITS (Undertakings for Collective Investment in Transferable Securities):** A specific type of investment fund that pools money from multiple investors to invest in a portfolio of securities such as stocks or bonds

A glossary is also available on the OSAPS website (www.osaps.lu)
You will find other banking terms explained there.