Discretionary portfolio management

1 Description of the Proposed Service

This section explains portfolio management and the associated services. We provide you with information about the main features and how portfolio management works.

1.1 What is portfolio management?

Portfolio management involves investing your assets in financial instruments (see 1.2).
In practice, portfolio management means that we, as a bank, invest your assets in a range of financial instruments. We are also responsible for managing your investments. All your investments together make up your portfolio.

You decide with us how we should invest your assets. This is called your investment strategy. We then make individual investment decisions for you in line with this investment strategy. We do not consult you on each decision. We act independently. However, we always follow the strategy previously agreed with you (see 1.3).

1.2 What are financial instruments?

The term "financial instruments" is a legal term used in banking laws such as the Luxembourg law of 5 April 1993 on the financial sector. Financial instruments include, among others:

- Securities, for example shares and bonds;
- Option contracts;
- Derivatives;
- Units in collective investment schemes.

1.3 What is the portfolio management process?

We can only provide portfolio management if certain conditions are met (see 1.3.1). Only then are we authorised to act independently on your behalf (see 1.3.2). During the provision of the service, we will keep you regularly informed of your portfolio's development and our actions (see 1.3.3).

1.3.1 Conditions required for portfolio management

We need certain information from you to ensure that the management of your portfolio by our bank is aligned with your interests, needs, and financial capacity. We request personal data and your preferences for how your assets should be invested. This is required by law: we are not allowed to enter into a portfolio management contract with you without this information. The information you provide helps us understand your interests and needs.

We require the following information from you:

- Financial situation (What are your income, expenses, and assets?);
- Loss-bearing capacity (What financial losses could you bear?);
- Investment objectives (What are your goals for investing? e.g., long-term wealth accumulation);
- Investment horizon (For how long do you want to invest?);
- Risk appetite (What financial risks are you willing to take? e.g., value fluctuations, losses);
- Sustainability/environmental protection preferences (Should sustainability criteria be considered in investing? e.g., investments contributing to environmental objectives);
- Experience and knowledge in investing in financial instruments / related services.

Based on the information you provide, we determine together how your assets should be managed.

To that end, we define your investment strategy with you.

You will also need a securities account and a cash account for portfolio management. A securities account is a special bank account where we hold and manage your financial instruments. It also includes a settlement account used to record all cash movements. A current account often serves this purpose.

1.3.2 Execution of portfolio management

Before signing a portfolio management contract, we inform you of the expected costs.
Once the contract is signed and your securities and settlement accounts are opened, you transfer funds to us. Any securities you already own may be sold or transferred based on your instructions into a different securities account (if applicable). We then begin managing your portfolio. From that point

onward, we act independently and make investment decisions to buy or sell financial instruments based on your agreed investment strategy.

1.3.3 Information on the execution of portfolio management

You will regularly receive reports from us with specific information on how your portfolio is being managed. These reports cover a defined period—the reference period (usually every 3 or 12 months). Some parts of the report relate to a specific date (statement or closing date), which is usually the last working day of the reference period.

Reports may include:

- Composition and valuation of your portfolio (which instruments were held and what was their value on the reference date?);
- Performance of your portfolio during the reference period (how did the value evolve?);
- Fees and costs (what were the portfolio management costs during the period?);
- Balance of your settlement account at the start and end of the period;
- Payments received, e.g., dividends and interest;
- Individual transactions (purchases and sales of instruments);
- Suitability report, explaining how our actions align with your investment objectives and preferences, in accordance with your investment strategy.

We usually inform you at the end of each quarter about your portfolio's composition and performance. We also inform you if your portfolio's losses exceed certain thresholds. A threshold is triggered when the initial value of your portfolio drops by a certain percentage during the reference period. The law sets a first threshold at 10%, with subsequent levels in 10% increments.

If we agreed with you on sustainability criteria as part of your investment strategy, you will also receive an annual report showing how your sustainability preferences have been considered in managing your portfolio.

2 What are the costs associated with portfolio management?

Portfolio management involves various costs you should be aware of. First, you generally pay a management fee. This may be a fixed fee or a percentage of your portfolio's value. You may also incur transaction fees when we buy or sell financial instruments for your account.

Before entering into a portfolio management contract, we provide you with information on the costs. This is an estimate of all possible fees and charges related to portfolio management.
You will also receive an annual summary of all actual costs incurred during the past year in connection with the management of your portfolio.

3 What are the termination conditions? Is there a specific contract duration?

You may terminate the portfolio management contract at any time without notice.
As a bank, we generally apply a notice period of at least one month.

4 Is there a right of withdrawal?

As a consumer, you may withdraw from the contract within 14 days of its conclusion. This only applies if the contract was concluded remotely (via internet or telephone). In such cases, you will receive legal information from us. The withdrawal period starts after the contract is concluded and you have received all mandatory legal information.

Only if a right of withdrawal exists will you receive specific withdrawal instructions before the contract is concluded.

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