Annex

Information Sheet on Investment Instruments

ABN·AMRO MeesPierson

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Information Sheet

Shares

ABN·AMRO MeesPierson

January 2026

A share is an investment in which you participate in the equity of a company. You are then co-owner of the company for the percentage of shares that you own. When you have a share, you are usually entitled to vote at the general shareholders' meeting and you are entitled to receive dividends (if this is decided at the general shareholders' meeting). The value of your share and any possible dividend payments depend on the results and dividend policy of the company. In short, shares offer an uncertain return. On the one hand, you can make a profit if the company (and/or the economy) does well, while on the other hand, you run the risk of losing your investment if the company (and/or the economy) goes through a less favourable period. In order to limit the risks inherent in investing in shares, it is always advisable to adequately diversify. This can be done by investing in shares of companies from different regions, sectors and currencies.

A company issues shares in order to raise money. This is possible in any currency. With these assets, a company can make investments or ensure that it complies with its (legal) obligations. A company may be listed or unlisted.

General information

Primary market
When a company issues new shares, you can buy them on the primary market.

Secondary market
When you purchase an existing share from another shareholder, you buy it on the secondary market (taking into account the current share price).

Share price
The share price is the most current price at which a share is traded on the relevant stock exchange and is a guide price for future purchases and sales. Shares may be listed on different stock exchanges, and can therefore also be bought and sold on different stock exchanges, whether or not in different currencies. Moreover, a share price can fluctuate significantly within the same day.

Dividend
If the company has made a profit, it can pay part of this to the shareholders as compensation for the risk capital provided. A dividend is an amount that is paid per share to the shareholders, which can be in the form of cash or shares.

Maturity
No fixed maturity, you may keep a share for as long as you wish.

Risks

Liquidity risk

This risk reflects the difficulty of selling a share. The higher the traded volume in a share, the lower this risk is. Shares that you cannot easily buy or sell because of low supply and/or demand are called illiquid shares.

Price risk

If a company does well, the value of your share can increase. If a company does not do well, your share may be worth less. In the most extreme case, when the company goes bankrupt, your share is no longer worth anything.

Exchange rate risk

If you list your share in a currency other than the euro, you run a risk on that other currency against the euro. If the currency in which the share is listed decreases in value, you may receive less in your base currency than your original deposit. With shares from eurozone countries, you may also run an exchange rate risk, which is often hidden in the share price. This depends on the number of activities which the company has in countries outside the eurozone.

Market risk

The prices of shares may respond to positive or negative reports on the market. Such reports may concern the company itself, the general market conditions, or geopolitical news. Whether the price of a share rises or falls, and how strongly (also known as volatility), varies per company.

Return risk

You never know upfront if and how many dividends you will receive. This amount per share is decided at the general shareholders' meeting. In addition, as explained above, price developments may also have an impact on the return on shares.

Costs and taxes

Tax on stock exchange transactions

When you buy or sell a share on the secondary market, the stock exchange tax (TOB) applies.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee

The fee charged for the custody of securities held in a securities account.

Withholding tax on dividends

In Belgium, dividends on shares are subject to withholding tax. For dividends of foreign origin, a withholding tax is generally first levied in the country of origin before the dividend is taxed in Belgium. In certain cases, part of this withholding tax may be reclaimed from countries with which Belgium has concluded a double taxation treaty providing for such a refund.

Capital gains tax

As from January 1, 2026, capital gains realised on the sale of shares are subject to a capital gains tax of 10%.

The description of the above costs and taxes is based on the situation of an investor who is a natural person and a Belgian tax resident. For other tax situations, it is recommended to consult your tax adviser.

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Information Sheet

Real Estate

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January 2026

There are various ways to invest in real estate:

- You can **directly invest** in real estate by purchasing land or a building, for example. To spread your risk, you can invest in different types of real estate such as offices, homes, apartments, etc. or in different countries.
- You can make **indirect investments** in real estate by purchasing ETFs (trackers), real estate certificates (similar to bonds), real estate shares or funds that invest in real estate, for example. In the remainder of this fact sheet, we will solely discuss the indirect way of investing in real estate in more detail.

General information

Maturity

Usually amounts 20 to 25 years (depreciation period of a building) for real estate certificates. Upon sale, the certificate ends immediately and a capital gains tax is possible. There is no fixed maturity for ETFs, shares or funds.

Coupons (real estate certificates)

Just like a bond, you receive a coupon each year (rental income and share redemption of the capital). The rental income fluctuates along with the index.

Risks

Credit risk

When a company or institution can no longer pay back the real estate certificate, share or ETF. This credit risk depends on the company or institution's creditworthiness.

Liquidity risk

An ETF in real estate or a real estate share is highly liquid, which makes the liquidity risk low. A real estate certificate, on the other hand, is not traded often, which makes the liquidity risk higher.

Market risk

You don't invest directly in real estate, but in real estate certificates or ETFs. The underlying asset cannot be predicted as it is subject to exchange rate fluctuations. The risk of a loss in value, however, is real and varies according to the investment. The greater the diversification within the investment, the lower the risk. The price volatility risk is also significant and depends on the evolution of the property market in general, the quality of the assets in the investment vehicle, the quality of the management, the extent to which the property is rented out, the evolution of interest rates, etc.

Return risk

The return on real estate certificates or ETFs is uncertain as they depend on both the net income and the capital gain or loss on the sale of the underlying real estate. The risk that property prices will stagnate or decline always exists.

Interest rate risk

The risk of market interest rates also plays a role. Rising market interest rates result in a decrease in the value of the certificate or ETF and vice versa.

Costs and taxes

Tax on stock exchange transactions

When you buy or sell a real estate certificate, a real estate share or an ETF on the secondary market, the stock exchange tax (TOB) applies.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee

The fee charged for the custody of securities held in a securities account.

Withholding tax on interest (real estate certificates)

In Belgium, withholding tax is due on interest received. In the case of real estate certificates, the net rental income is considered to form part of the interest. The portion corresponding to the repayment of capital remains non-taxable. For ETFs distributing dividends, withholding tax is also payable.

Capital gains tax

If an ETF invests more than 10% in debt claims, the capital gain realised is taxed at a rate of 30% in proportion to that percentage (Reynders tax).

As from January 1, 2026, the remaining realised capital gain is subject to a capital gains tax of 10%.

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Investment Funds

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January 2026

In general, an investment fund can be described as assets pooled by the participants that are collectively invested in securities by a investment fund manager. The aim of the investment fund is to make a profit from these investments. This profit is then shared with the other investors. If you buy part of this investment fund, this makes you a co-owner of the investment fund.

The investment funds may focus on certain asset classes such as shares, bonds, real estate or a mix thereof, but also on certain sectors or regions. All risks of shares, bonds and real estate can – depending on the composition of the investment funds portfolio – also apply to investment funds. Please be sure to also read carefully through the fact sheets for these products. In principle, however, the risks of investing are relatively smaller due to the spread of the investments within the investment fund.

Investment funds may be issued in any currency. Before you decide to invest in an investment fund, you will receive the Key Investor Information Document (KIID) from us. This contains all information about the investment fund concerned. You must be sure to have read this before the actual transaction can take place.

Types of investment funds

Closed-end investment funds (Bevak)

Closed-end investment funds are investment funds in which the number of units issued is fixed. As a rule, entry and exit is not possible during the maturity term, or only subject to conditions, which means that units in these kinds of investment funds are not (easily) marketable. Therefore, the liquidity risk is higher here. The price of a closed-end investment fund depends (strongly) on supply and demand, and may therefore deviate from the actual value.

Open-end investment funds (Bevek)

Open-end investment funds are investment funds in which participation and withdrawal by the unitholders is unrestricted and therefore simple. The number of outstanding units (participations) is not limited, so that the investment fund can easily issue new participations in that investment fund or cancel existing participations. This makes it easy for you to buy and sell your investments at the actual value of the investment fund. The actual value is also called the intrinsic value.

Distribution versus accumulation funds

With distribution funds, you will receive a dividend on an agreed date in accordance with the funds dividend policy. Accumulation funds, on the other hand, do not pay dividends. The income collected by the fund will be reinvested in the fund and you will only receive the capital gain upon the sale of the units.

Net asset value

You purchase units or shares of the investment fund. The number depends on your investment and the net asset value. If, for example, if you wish to invest €1,000 and the underlying shares carry a value of €100, you will receive 10 units from the investment fund.

Maturity

Most investment funds do not have a final maturity date, but have an expected/recommended maturity. You can choose whenever you want to sell your units.

Risks

Liquidity risk

Displays the difficulty of the marketability of a unit. With investment funds, this risk is limited, as the open-ended investment funds can repurchase the units/shares at their inventory value. In the case of closed-end investment funds, this option to repurchase by the institution does not exist. The investor must enter the secondary market where liquidity varies from investment fund to investment fund.

Price risk

This risk mainly depends on the investment products in which the investment fund itself invests. If, for example, the companies in which an equity investment fund invests become less valuable, your investment in that investment fund will also become less valuable.

Return risk

An investment fund often pays out a dividend. With accumulation investment funds, the dividend is automatically reinvested in the investment fund and thus forms part of the net asset value. The dividend of a distribution fund varies according to the income from the assets held.

Exchange rate risk

When an investment fund is denominated in a foreign currency, or invested in underlying assets listed in a foreign currency, there is an exchange rate risk. Currency exchange rates fluctuate every day. If the currency in which the share is listed decreases in value, you may receive less in your base currency than your original deposit.

Volatility risk

This risk depends on the type of products (shares or bonds) the investment fund invests in. That is why you should also be sure to read the separate sheets on the potential underlying assets of an investment fund.
It should be noted, however, that this risk is generally lower than with individual securities due to portfolio diversification.

Interest rate risk

The interest rate risk depends on the composition of the underlying portfolio. It is obviously larger with investment funds that invest in fixed-income assets, but it also exists in the case of investment funds investing in other assets such as shares.

Costs and taxes

Tax on stock exchange transactions

When you sell units of most investment funds, the stock exchange tax (TOB) applies, with the exception of distribution funds.

Entry fee

The one-off fee charged upon the purchase of units in an investment fund, usually expressed as a percentage of the invested capital.

Upon the sale of units, no exit fees are generally payable.

Periodic fees

The periodic fees charged for the management of an investment fund, including in particular the management fee and, where applicable, a performance fee, which are directly deducted from the net asset value.

Custody fee

The fee charged for the custody of securities held in a securities account.

Withholding tax on dividends

In Belgium, dividends on distribution shares of investment funds are subject to withholding tax. No withholding tax applies to capitalisation shares.

Capital gains tax

If an investment fund invests more than 10% in debt claims, the capital gain realised is taxed at a rate of 30% in proportion to that percentage (Reynders tax).

As from January 1, 2026, the remaining realised capital gain is subject to a capital gains tax of 10%.

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Information Sheet

Derivatives

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January 2026

Derivatives are tradable rights and obligations with respect to purchase or sale of other financial instruments. Examples include options and warrants. The value of a derivative depends on the price evolution of another financial instrument, such as a share or other underlying asset such as currency or index.

Delivery or purchase of the underlying asset is possible by physical delivery or cash settlement. The physical delivery is usually replaced by cash settlement, such as with index options where delivery of the underlying asset is not possible or desirable. This means that the difference between the strike price and the settlement rate, based on the last rates of the derivative, is settled between parties and does not involve delivery of the underlying asset. Investments in derivatives involve high risks due to the unpredictable evolution of the value of the underlying financial instrument and its leverage. These are therefore more suitable for experienced investors.

General information

Leverage effect

Most derivatives are characterised by a leverage or leverage effect. The possible return on these kinds of transactions may be higher in percentage terms than the possible return on the underlying asset, because a modest investment may be sufficient to provide the same profit opportunities. You therefore have a higher chance of movement in the underlying asset than when you invest directly in the underlying asset. However, the high profits that can be achieved by this 'leverage' are offset by large losses, which, under certain circumstances, may even exceed the amount invested.

Exposure

Exposure shows how your portfolio is exposed to changes in the market. The exposure value serves as a kind of risk gauge to assess whether your portfolio is in line with the corresponding risk profile. You can add or reduce risk through exposure.

Fixed maturity

Another essential feature of derivatives is that they have a maturity date. This means that if the expected evolution of the underlying asset does not occur before the derivative's maturity date, it may lose its full value. Options that expire after a given period are therefore mainly used for the short term. If an investor wants to maintain their position after the maturity date, they must roll them over.

Risks

Liquidity risk
This risk is low for derivatives as they are tradable on organised secondary markets.

Exchange rate risk
Is dependent on the composition of the underlying assets. If these are listed in a foreign currency, this risk can be considerable.

Interest rate risk
Is also dependent on the underlying assets, but is obviously higher for fixed-income assets.

Volatility risk
Is high and furthermore, is increased by the leverage effect of derivatives.

Options
Options are investment instruments that can be used for a variety of purposes, such as to insure against risk, generate additional returns or speculate on the price increases and falls for various assets.

An option is a standardised contract that gives the **right** to buy (call) or sell (put) a certain number of securities at a predetermined price (strike price) during a certain period (exercise period).

When you write an option, you have the **obligation** to buy (put) or deliver (call) a certain number of securities at the strike price during the exercise period. If you have bought a position, it is also referred to as a long position. If you have a written option, it is also referred to as having a short position. As long as the exercise period is not over, you can always exit your (written) options via the stock exchange by closing your position. If you have purchased a right, you are of course not required to use it. If you do not close your option, it will expire at the end of the exercise period (expiration date). If you have taken an obligation (writing), the obligation of whether to fulfil or not is not determined by you.

As a buyer of an option, you pay a premium because you buy the right to buy or sell an underlying asset. As a result, a fluctuation in the price of the underlying asset leads to greater gains and losses for the holder of an option (leverage). A put option, for example, will decrease in value if the underlying asset of the option increases. As a writer of an option, you cannot be certain of the outcome as you undertake the obligation to buy or deliver any underlying assets. You will receive a premium for this risk in advance when you open the position.

Warrants

Warrants are financial instruments that during a certain period of time give the holder the right to buy (call warrants) or sell (put warrants) an underlying asset at a predetermined price (the strike). These are issued by a bank or company and therefore involve a credit risk. This underlying asset can consist of (a basket of) shares, bonds,

currencies, commodities or an index. The buying and selling of warrants takes place in the same way as for shares. No supplementary agreement is required. Due to the limited maturity of the warrant, the right to buy or sell the underlying asset may be worthless upon expiry, whereby the investment (the price you paid to get the warrant) will be completely lost. Due to the leverage, a change in the underlying asset will have a greater effect on the price of the warrant. This may be either positive or negative. A warrant can generally be compared to an option. However, in contrast to options, you cannot write warrants yourself. The investor will exercise this right if they benefit from it. This means:

- In the case of a call warrant: buying the underlying asset at a lower price by exercising the warrant rather than buying it on the market;
- In the case of a put warrant: selling the underlying asset at a better price by exercising the warrant rather than selling it on the market.

Costs and taxes

Tax on stock exchange transactions

When you buy listed derivative products on the secondary market, the stock exchange tax (TOB) applies.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee

The fee charged for the custody of securities held in a securities account.

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Information Sheet

Exchange-Traded Funds (ETF) or Trackers

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January 2026

An exchange-traded fund (ETF) is a publicly-traded index fund that usually aims to track the performance of an underlying asset. Investments in an ETF are diversified and have a greater diversification compared to individual shares or bonds, just like investment funds. They buy, for example, the shares included in a certain index. The evolution of the ETFs' value then tracks the average performance of the index concerned as closely as possible.

As ETFs track the performance of the underlying asset, they are also better known as 'trackers' or passive funds. When the index rises, the ETF increases in value and vice versa. The management costs associated with an ETF are usually significantly lower than with active investment funds.

General information

We distinguish between two kinds of ETFs:

- The **physical ETF** tracks an index or basket of shares by buying the underlying instruments.
- The **synthetic ETF** offers diversification and lower costs, but is artificial. With a synthetic ETF, no physical investments take place with regard to underlying assets, but there is a 'swap': a financial agreement with a financial party to ensure that the ETF tracks the value evolution of the underlying asset.

Less investment freedom

The manager of an ETF cannot choose what to invest in, because it must replicate the underlying index. This is in contrast to an actively-managed investment fund, where the manager can, for example, invest in more defensive assets if the market is in a downward trend.

Transparency

This leads to a considerable reduction in administrative costs. As an investor, you can also follow the prices of ETFs in real time.

Maturity

Most ETFs or trackers do not have a final maturity date, but have an expected/recommended maturity. You can choose whenever you want to sell your units.

Dividend

An ETF will sometimes pay a dividend. The prospectus shall specify whether this is the case or not.

Risks

There are no specific risks associated with investments in ETFs or trackers other than those mentioned above relating to the underlying financial instruments on which they are based.

Costs and taxes

Tax on stock exchange transactions

When you buy or sell an ETF on the secondary market, the stock exchange tax (TOB) applies. The applicable TOB rate depends on the registration of the ETF within the EEA and on whether the ETF has a capitalisation or distribution structure.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee

The fee charged for the custody of securities held in a securities account.

Withholding tax on dividends

In Belgium, dividends on ETFs are subject to withholding tax. For dividends of foreign origin, a withholding tax may first be withheld in the country of origin before the dividend is taxed in Belgium. In certain cases, a portion of this withholding tax may be reclaimed from the country of origin, provided that Belgium has concluded a tax treaty that provides for such a refund.

Capital gains tax

If an ETF invests more than 10% in debt claims, the capital gain realised is taxed at a rate of 30% in proportion to that percentage (Reynders tax).

As from January 1, 2026, the remaining realised capital gain is subject to a capital gains tax of 10%.

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Structured Products

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January 2026

Structured products are best described as investment products that invest in one or more asset classes in a complex manner (usually by way of an option structure). Structured products therefore also have one or more underlying assets. Legally speaking, these are mostly corporate bonds, whereby you obtain a claim against the issuing institution. In terms of function and risks, however, these are not comparable. In addition, structured products are issued on the financial markets and traded as securities. ABN AMRO offers a variety of structured products that differ from each other based on their composition, risks and structure. The four main kinds are shown below.

Autocallable note (with memory effect)

An autocallable note (ACN) is a structured product made up of bond and option components. You invest in an underlying asset to achieve a return without investing directly in that underlying asset. An ACN can be composed of a variety of underlying assets, such as an index or a share. At a fixed frequency (usually annually) it is assessed whether a coupon is paid out based on the price of the underlying asset compared to the starting price. If no coupon is paid out during a period, this coupon can be recovered at a later date if the price of the underlying asset on one of the following observation dates exceeds the coupon threshold, the so-called memory effect. In addition, an ACN can be repaid early on one of the observation dates if the underlying asset is listed at or above the starting price. Should this happen, the coupon (as well as any missed coupons) and the full nominal value are refunded. If, in the meantime, the note has not been listed above the starting price, this structure offers a conditional capital guarantee upon maturity. This level of protection is always below the starting price of the underlying asset and is expressed as a percentage of this price. If the underlying asset is listed on or above the protection level on the last observation date, you will receive the nominal value of your investment on the final due date. This conditional protection does not apply to the interim sale of an ACN. If the underlying asset is listed on or above the protection level on the last observation date, the conditional protection will lapse. In the worst-case scenario, you may lose your entire investment.

Capital protected note

A capital protected note (CPN), also known as a guarantee note, is a structured investment product in which the issuing institution guarantees that under normal circumstances you will recover the agreed guaranteed value at maturity. In addition, a CPN offers the option of investing in the rise of the underlying asset from the moment you enter the market. The extent to which you invest in the rise of the underlying asset is called the participation rate. On the last observation date, it will be examined whether the underlying asset has actually increased from the starting price. Should this be the case, this increase is multiplied by the participation rate. On maturity, you will always receive the agreed guaranteed value plus any increase in the underlying asset multiplied by the participation rate. If the underlying asset has not risen, but rather fallen, you will only receive the guaranteed value.

Reverse exchangeable (REX)

A Reverse Exchangeable (REX) is a structured product made up of a bond and an option component. You invest in an underlying asset to achieve a return without investing directly in that underlying asset. A REX can be composed of a variety of underlying assets, such as an index or a share. You will always receive a coupon and under certain circumstances, a REX can be converted on the initiative of the issuing party. A REX is, in fact, the opposite of a convertible bond – it is not the investor, but the issuer (usually a bank) who has the right to opt for a redemption in shares or cash. When you receive shares, there is a direct investment whereby the value at that time is always lower than the nominal value. Furthermore, you run a price risk as long as you hold the underlying asset. For example, if the underlying asset is an index, the payment is made in cash on maturity. With a REX, the risk is much closer to that of a share than to that of a bond, which therefore makes it less suitable for more defensive investors. The higher the interest rate you receive, the higher the risk.

Customised investments

Customised investments are investments where a structure is created according to clients' wishes. ABN AMRO MeesPierson uses more than ten external parties to do so. The price of each structure is requested from at least three different parties. Clients then choose the party with whom the product is issued, whether or not based on price. In other words, you choose the issuer. In addition, you choose your capital protection, maturity, currency and the underlying asset.

Risks

Price risk

The value of the structured product depends on market conditions, such as the price and volatility of the underlying asset.

Interest rate risk

The interest rate risk depends on the composition of the structure. It is, of course, higher for structures with fixed-interest assets

Credit risk

The creditworthiness of the issuer may change during the term of the structured product, which may affect its value. The risk of insolvency of the debtor must also be considered.

Liquidity risk

This risk reflects the difficulty of selling the structured product during its lifetime. There are often no secondary markets available for such products. It is therefore possible that the price obtained upon sale before maturity may not be a good reflection of the intrinsic value of the structure

Exchange rate risk

This risk is only present when a structured product is expressed in a foreign currency. Currency exchange rates fluctuate every day. If the currency in which the structured product is listed falls in value, you may receive less in your base currency than the original deposit.

Early termination risk

The issuer reserves the right to terminate the REX early should circumstances arise which distort the market. This situation may arise if it is no longer possible for the issuer to acquire positions in the underlying asset or because the issuer can no longer hedge the risks. The risk of early repayment may also arise should changes be made to legislation and regulations. In the event of early repayment, the payment is expected to be lower than the nominal value.

Costs and taxes

Tax on stock exchange transactions

When you buy or sell a structured product on the secondary market, the stock exchange tax (TOB) applies.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Withholding tax on interest

Only structured products that pay interest are subject to withholding tax in Belgium. For interest of foreign origin, a withholding tax may first be withheld in the country of origin before the interest is taxed in Belgium. In certain cases, a portion of this withholding tax may be reclaimed from the country of origin, provided that Belgium has concluded a tax treaty that provides for such a refund.

Custody fee

The fee charged for the custody of securities held in a securities account.

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Commodities

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Commodities are natural resources that are grown or extracted worldwide. They play a role in all production processes and therefore form the backbone of the global economy. Consumers and manufacturers find each other on the commodities market, on which they buy and sell. The market mechanism and therefore commodity prices are driven by supply and demand (and the associated uncertainties). Each commodity has its own clearly-defined market. For instance, supply and demand are very different for wheat and crude oil, which means that the correlation between the various commodities is generally low. Due to this important role and the specific characteristics of the commodity markets, commodities are an investment category that can add real value to your securities portfolio. Investing in commodities also ensures diversification within the investment portfolio as a whole, given that the correlation with other investment categories such as shares and bonds is also generally low, with the exception of specific shares related to commodities. On the other hand, they are characterised by high volatility, but are not very sensitive to inflation. In other words, they retain their value. ABN AMRO uses four types of commodities: energy (f.e. crude oil), base metals (f.e. copper), precious metals (f.e. gold) and agricultural (f.e. wheat).

Investing in commodities can be done in different ways: physically or indirectly. All commodities share the fact that no interest or dividends are paid out. All changes in the value of a commodity position arise from the price evolution of the underlying commodities (as well as fluctuations in the exchange rate). The most appropriate solution for private investors is, for example, to invest indirectly in commodities by purchasing an ETF (tracker).

General characteristics of indirect investments in commodities

Standardisation
Commodities are traded in standard quantities at a predetermined quality (not always possible).

Maturity
No fixed maturity.

Futures contracts
Forward contracts in commodities are contracts in which it has been agreed in advance how much of a specific commodity you will receive or when you will receive the commodity. Such contracts exist per commodity and have various maturities. You can buy and sell these contracts on the futures market.

Backwardation and contango
Futures contracts expire at various times. The expiry date is the date on which you receive or must deliver the commodities. Futures contracts with different expiry dates may have different prices. If the price for a futures contract which expires sooner is lower than that of a futures contract with a longer maturity date, we call this

contango. This is caused by storage costs, insurance and financing costs and the uncertainty concerning the supply of these commodities in the future.

If the price of a futures contract which expires sooner exceeds the price of a futures contract with a later maturity date, we call this backwardation. This is the opposite of contango. This may occur, for example, due to a shortage of that commodity, significant demand from companies to acquire the commodity immediately, or because many investors believe that there will be less demand for or no shortage of the commodity in the future.

Roll-over

You can avoid having to acquire or deliver the commodities by selling your futures contract. This is done by entering into a new futures contract with a later maturity date for the same commodity, meaning that you sell the contract that is about to reach maturity and immediately buy a new one that runs longer, otherwise known as a roll-over. With backwardation, the new contract will be cheaper. With contango, it will be more expensive.

Investing in gold or precious metals

Precious metals are pure metal elements. They are used in aviation and space travel, medical technology and mobile telephones and laptops, for example. If you wish to invest in precious metals, you can invest in gold, silver and platinum. The actual value depends on the price and exchange rate at which the precious metal is listed. When the economy is weaker or (geo)political risks become more significant, investors often resort to gold as a so-called 'safe haven'. There are four ways to invest in gold:

1. Buy gold bars or gold coins. The gold is kept in a safe at a financial institution. Within ABN AMRO MeesPierson, however, we do not offer this solution.
2. Buy shares of a gold investment fund. You invest indirectly in gold, so nothing has to be kept in a safe.
3. Buy shares in gold mines. These usually track the price of gold, but can also be very volatile.
4. Buy derived products (ETC). The ETC buys physical gold and stores it for you in safes; this gold serves as collateral for your investment. You then participate equally in the evolution of gold.

General characteristics for gold or precious metals

Protection against inflation

Gold offers protection against inflation (in the long term, gold would retain its value in real terms).

Correlation

Gold is a non-correlated asset. The price of gold does not evolve as the value of traditional asset classes (shares, bonds), whereby it can occupy a position in a well-diversified portfolio.

Risks

Liquidity risk

For some commodities, the market is not huge and the volumes traded are low. This implies an increased liquidity risk.

Volatility risk

The return on commodities (including gold) is generally highly volatile and depends on a wide range of factors, such as global demand for a given commodity, the global economic climate, geopolitical problems and so on. These factors can have a strong influence on prices.

Counterparty risk

As an indirect investment in commodities sometimes uses derivatives, the counterparty may not be able to meet its obligation.

Exchange rate risk

The price of commodities (including the price of gold) is usually fixed in US dollars on global markets. For European investors, fluctuations in the dollar therefore affect the value of their positions.

Costs and taxes

Tax on stock exchange transactions

When you buy or sell a commodity-related financial instrument on the secondary market, the stock exchange tax (TOB) applies. The applicable TOB rate depends on the type of financial instrument.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee

The fee charged for the custody of securities held in a securities account.

Withholding tax on dividends

In Belgium, dividends on ETCs are subject to withholding tax. For dividends of foreign origin, a withholding tax may first be withheld in the country of origin before the dividend is taxed in Belgium. In certain cases, a portion of this withholding tax may be reclaimed from the country of origin, provided that Belgium has concluded a tax treaty that provides for such a refund.

Capital gains tax

As of January 1, 2026, capital gains realized from the sale of raw materials held in the form of financial assets or investment gold will be subject to a 10% capital gains tax.

The description of the above costs and taxes is based on the situation of an investor who is a natural person and a Belgian tax resident. For other tax situations, it is recommended to consult your tax adviser.

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Information Sheet

Hedge Funds

ABN·AMRO MeesPierson

January 2026

The term hedge funds does not refer to a specific investment category such as shares and bonds, nor does it refer to a specific investment strategy. Rather, it refers to a collective term for a wide range of alternative investment strategies. Hedge funds have a number of common characteristics that distinguish them from traditional investment funds, with the emphasis on achieving a positive return and not on performing better than an index. In addition, they have greater freedom of investment and can, for example, short sell shares or use derivatives (products like options, futures, swaps and forwards) to protect returns. Hedge funds also often use the leverage effect (see below) and as such, the fund can raise loans to finance investments that are considered interesting. Hedge funds therefore ensure greater diversification in your investment portfolio and usually have a positive effect on the risk-return ratio.

General information

Different types

We distinguish four different hedge fund strategies:

- **Relative Value** (Respond to unbalanced pricing)
- **Event Driven** (Respond to an event)
- **Trading** (Respond to fluctuating currency or commodity prices)
- **Equity Hedge** (Respond to valuation differences or price inefficiencies)

Freedom of investment

Hedge funds may invest in a variety of asset classes such as shares, bonds and currencies, but also in insurance contracts. They can use derivatives to benefit from falling prices in investment products.

Establishment and supervision

The universe of hedge funds is less regulated than is the case with traditional investment funds; as a result, they are often established offshore so that they obtain maximum flexibility to carry out transactions. However, the supervision of hedge funds and the transparency of information is constantly being improved.

Return

They strive for a positive return regardless of the price movements on the financial markets, which also includes falling markets.

Leverage effect

Hedge funds can lend money to increase the investment in a certain position (leverage) to respond to small price differences between investment products.

Risks

Transparency
An important risk factor is the lack of transparency regarding the investment policy. Hedge funds are usually established in countries where there is little or no supervision by an authority, as a result of which they have far more exposure to risks such as fraud, non-compliance with the investment strategy and endangering the financial structure.

Market risk
The risk of a hedge fund falling in value as a result of downward movements in the market.

Credit risk
The risk that arises if the company in which the investment is made goes bankrupt or if the credit risk premiums rise. This is particularly true for hedge funds that use Equity Hedge long, short and Event Driven strategies.

Liquidity risk
Investments in hedge funds are usually not very liquid. The period between the sale of the rights to participate in the hedge fund and the crediting of the proceeds of the sale may vary from a number of weeks to several months, depending on the product selected.

Volatility risk
Hedge funds that actively work with derivatives can be strongly affected by an increase in volatility (price movements). Consequently, the risk premiums increase, resulting in higher costs for executing the investment strategy.

Counterparty risk
This is the risk that the counterparty is unable to meet its obligation. Hedge funds that use over-the-counter derivatives (customised derivatives) must be selective which counterparty they do business with. After all, a profitable investment position results in a loss if the counterparty is unable to fulfil its obligation. In addition, it has been confirmed that there are higher risks for hedge funds in countries where there is little supervision.

Costs and taxes

Hedge fund fees
Hedge funds generally charge both a fixed management fee and a performance-based fee. The management fee is calculated as a fixed percentage of the invested amount. The performance fee is a percentage of the realised return and, in most cases, is only charged when a predefined performance threshold is exceeded.

Tax on stock exchange transactions
When you sell units of most investment funds, the stock exchange tax (TOB) applies.

Custody fee
The fee charged for the custody of securities held in a securities account.

Entry and exit fees
The one-off fee charged upon the purchase of units in an investment fund, usually expressed as a percentage of the invested capital. Upon the sale of units, no exit fees are generally payable.

Ongoing charges
The periodic fees charged for the management of an investment fund, including in particular the management fee and, where applicable, a performance fee, which are directly deducted from the net asset value.

Withholding tax on dividends
In Belgium, dividends on distribution shares of investment funds are subject to withholding tax. No withholding tax applies to capitalisation shares.

Capital gains tax
If an investment fund invests more than 10% in debt claims, the capital gain realised is taxed at a rate of 30% in proportion to that percentage (Reynders tax).

As of January 1, 2026, the remaining realised capital gain is subject to a capital gains tax of 10%.

The description of the above costs and taxes is based on the situation of an investor who is a natural person and a Belgian tax resident. For other tax situations, it is recommended to consult your tax adviser.

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Information Sheet

Bonds

ABN·AMRO MeesPierson

January 2026

A bond is a debt instrument issued by a company (corporate bond) or government (government bond) (hereinafter: issuer). Issuers may issue (government) bonds and in any currency for the purpose of raising money, enabling the issuer to undertake activities and make investments. You (the lender) therefore actually lend money to the issuer, and usually do so for a certain period of time (the term of maturity). In return, you receive an interest (a coupon) each year from the issuer of the bond. At the end of the term (final maturity date), you will usually receive the principal sum (nominal value)back. However, if the issuer goes bankrupt, you may only be partially reimbursed, or not at all.

A (government) bond is different from a share because you do not hold a stake in the capital and therefore do not have the right to vote. As with shares, the price of a bond fluctuates daily, and you can sell a bond at any time at the prevailing market price.

General information

Primary market
A (government) bond is first issued by a company or government. Its value is called the nominal value. Note that upon issuance, you usually pay the issue price and not the nominal value. This may differ slightly from the nominal value, i.e. above par value (bond listed above the full nominal value) or below par value (bond listed below the full nominal value).

Secondary market
When the buyer who purchased the (government) bond on the primary market sells the (government) bond prior to final maturity. The price may differ from the original issue price and is determined by supply and demand.

Maturity
A (government) bond usually has a fixed maturity. The day upon which you receive your money back is called final maturity. A perpetual bond has an indefinite term and therefore has no final maturity date, although they are often provided with a call. This means that on those dates, the issuer has the right to terminate the loan and repay the lender at a price established in advance.

Interest
A (government) bond has a fixed or variable interest rate. This is paid periodically and is called a coupon. In principle, floating rate bonds regularly adapt to market conditions. A zero-coupon bond bears no entitlement to (annual) coupons. This type of bond is usually issued and traded under par for this reason. As the maturity of the bond approaches, the spread between the nominal value and the price of the bond becomes smaller.

Risks

Credit risk

The risk that the issuer of the bond will no longer be able to repay you. This credit risk is lower or higher depending on the company or institution's creditworthiness. A very high 'yield' can be an indication of a company in financial difficulties. The likelihood of bankruptcy on the part of the issuer will therefore be higher. Make sure you keep an eye on the rating – this is an indication of an issuer's creditworthiness. By way of an example, an issuer with an AAA rating will have a lower credit risk than an issuer with a BBB rating. For more information about other types of bonds, please refer to the fact sheet 'Special Bonds'.

Moody's	Fitch	Standard & Poor's	Description
Investment Grade (sufficient quality to invest)			
Aaa	AAA	AAA	Excellentcredit quality
Aa	AA	AA	Very high credit quality
A	A	A	Good credit quality. Long-term quality may decline in poor economic conditions.
Baa	BBB	BBB	Sufficient credit quality. Long-term quality may decline in poor economic conditions.
Non-Investment Grade or High Yield or Junk Bonds (insufficient quality to invest)			
Ba	BB	BB	Requires better-than-expected economic situations to continue to pay out in the long term.
B	B	B	Sufficient credit quality in the short term. The future is uncertain.
Caa	CCC	CCC	Poor credit quality. Increased likelihood of bankruptcy.
Ca	CC	CC	Poor credit quality. Increased likelihood of bankruptcy. Chances of survival are limited..
C	C	C	Poor credit quality. Likelihood of payment is very small.
	D	D	Company is bankrupt.
1,2,3	+ or -	+ or -	Indicates the trend within the category. (1 or + = ranking at the upper limit of the category, etc.)
NR	NR	NR	No Rating: no listing available.

Liquidity risk

The liquidity of a bond, and therefore the ability to buy or sell a bond during its lifetime, is highly variable. It largely depends on the amount of the issue (the larger the issue, the more efficient the secondary market), the transaction volume and the type of issuer (government bonds can usually be traded more easily during their lifetime than individual corporate bonds).

Price risk

This risk depends on the remaining term of the bond (the longer the remaining term of the bond, the more sensitive the bond is to interest rate fluctuations) and on the evolution of the issuer's financial situation (the price of the bond reacts negatively to a deterioration in the issuer's rating or the risk that it will deteriorate).

Interest rate risk

It may lead to a loss in value for the bondholder and is therefore significant during interim sales. The value of a bond decreases if the market interest rate rises. In addition, the longer the term of the bond, the more sensitive it is to interest rates.

Exchange rate risk

You will only face this risk when a (government) bond is expressed in a foreign currency. Currency exchange rates fluctuate every day. If the currency in which the bond is listed decreases in value, you may receive less in your base currency than your original deposit. This risk is also present upon payment of coupons.

Costs and taxes

Tax on stock exchange transactions

When you buy or sell a bond or a government bond on the secondary market, the stock exchange tax (TOB) applies, with the exception of Belgian government bonds and equivalent securities.

Brokerage fee

The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee

The fee charged for the custody of securities held in a securities account.

Sale and distribution fee

When you purchase a bond on the primary market, you pay a distribution fee. Together with the nominal value, this constitutes the issue price.

Withholding tax on interest

In Belgium, interest is subject to withholding tax. For interest of foreign origin, a withholding tax may first be withheld in the country of origin before the interest is taxed in Belgium. In certain cases, a portion of this withholding tax may be reclaimed from the country of origin, provided that Belgium has concluded a tax treaty that provides for such a refund.

Capital gains tax

As of January 1, 2026, capital gains realised on the sale of bonds would be subject to a capital gains tax of 10%, while the tax treatment of capital gains at maturity is currently still unclear.

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High Yield bonds

High Yield bonds are bonds with a relatively low rating from BB to D. Due to their low credit rating and the associated higher risk, these bonds have a relatively high return. This higher risk is reflected in the higher likelihood that the interest payment and repayment of the principal amount cannot take place.

Inflation-linked bonds

Inflation-linked bonds (or so-called index-linked bonds) have a lower risk because they offer protection against inflation, as the interest rate, return and redemption are linked to it. The higher the inflation, the higher the interest rate. The benefits (coupons) are also indexed according to a specific consumer price index. The coupon is generally lower than an ordinary bond given the lower risk of the investment. These bonds can be disadvantageous in periods of weak inflation or deflation, and usually have a longer duration.

Subordinated bonds

Subordinated bonds carry more risks than an ordinary bond. As such, you usually receive more interest on a subordinated bond than on an ordinary bond. If the company (or country) that issued the bond goes bankrupt, you will only recover your money from these bonds once the company has paid all other debts, although you will receive your money before the shareholders. Perpetual bonds are often subordinated.

Convertible bonds

A convertible bond has a fixed coupon and a fixed maturity just like a traditional bond. The bondholder has the right (not the obligation), however, to convert their bond into shares of the company that has issued the bond or into shares of another company under certain conditions and during one or more periods that were established in advance. Under certain conditions, the investor has the choice of conversion or payment in cash. The coupon is generally slightly lower than for an ordinary bond. A convertible bond therefore has two characteristics: a bond and a share. As the stock market price of the convertible bond and the share in question fluctuates, the conversion price must be calculated at regular intervals. This conversion price is obtained by dividing the current stock market price of the convertible bond by the conversion ratio established at the time of issue. The difference (in percentage terms) between the conversion price and the current share price gives the conversion premium. A positive conversion premium means that you can acquire the share cheaper by buying it directly on the market instead of buying it through the conversion of the bond into shares, assuming that the conversion takes place right away. A negative conversion premium means that the share can be purchased cheaper via the convertible bond, instead of buying the share directly on the stock exchange. For convertible bonds, the liquidity risk may be higher than for a traditional bond, as the secondary market is limited as a rule. Furthermore, the price risk is significant because the price of the convertible bond closely follows the share price. The interest rate risk, however, is limited because the interest rate is generally much lower than that of an ordinary bond.

Perpetual bonds

The unique characteristic of this type of bond is that no redemption date agreed to in advance is known. The bond can only be redeemed by the issuer if it so wishes, on the previously agreed call dates at a price that was also fixed in advance. It is, in general, a form of subordinated loan, which implies an additional risk and therefore a higher return. A perpetual bond gives an annual coupon and the capital invested is, in principle, never repaid. Confidence in the issuer is necessary because it is possible that coupons will no longer be paid out in the event of financial difficulties.

The long term of this type of bond makes its price very sensitive to the evolution of the bond markets. The volatility of the price and therefore the risk of a loss in value is higher than for a traditional bond. The calls that are usually built-in can also be considered as a risk for the investor, as the issuer usually exercises these if they see the opportunity to finance themselves against a better price.

Asset-backed securities

Asset-backed securities (ABS) are financial instruments whereby the collateral is a specific asset, ranging from mortgage loans to credit card receivables. The risk can be reduced by diversifying the collateral. The underlying assets are also illiquid. ABS are actually the result of a structuring process, whereby structuring is considered a financial technique that converts illiquid assets into liquid securities (bonds, etc.).

Risks

Credit risk

The risk that the issuer of the bond will no longer be able to repay you. This credit risk depends on the company or institution's creditworthiness. A very high 'yield' can be an indication of a company in financial difficulties. The likelihood of bankruptcy on the part of the issuer will therefore be higher. Make sure you keep an eye on the rating – this is an indication of an issuer's creditworthiness. By way of an example, an issuer with an AAA rating will have a lower credit risk than an issuer with a BBB rating.

Moody's	Fitch	Standard & Poor's	Description
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Moody's	Fitch	Standard & Poor's	Description
Non-Investment Grade or High Yield or Junk Bonds (insufficient quality to invest)			
Ba	BB	BB	Requires better-than-expected economic situations to continue to pay out in the long term.
B	B	B	Sufficient credit quality in the short term. The future is uncertain.
Caa	CCC	CCC	Poor credit quality. Increased likelihood of bankruptcy.
Ca	CC	CC	Poor credit quality. Increased likelihood of bankruptcy. Chances of survival are limited..
C	C	C	Poor credit quality. Likelihood of payment is very small.
	D	D	Company is bankrupt.
1,2,3	+ or -	+ or -	Indicates the trend within the category. (1 or + = ranking at the upper limit of the category, etc.)
NR	NR	NR	No Rating: no listing available.

Liquidity risk
The liquidity of the loan, and therefore the ability to buy or sell a loan during its lifetime, is highly variable. It largely depends on the amount of the issue (the larger the issue, the more efficient the secondary market), the transaction volume and the type of issuer (government bonds can usually be traded more easily during their lifetime than individual corporate loans).

Price risk
This risk depends on the remaining term of the bond (the longer the remaining term of the bond, the more sensitive the bond is to interest rate fluctuations) and on the evolution of the issuer's financial situation (the price of the bond reacts negatively to a deterioration in the issuer's rating or the risk that it will deteriorate).

Interest rate risk
It may lead to a loss in value for the bondholder and is therefore significant during interim sales. The value of a bond decreases if the market interest rate rises. In addition, the longer the term of the bond, the more sensitive it is to interest rates.

Exchange rate risk
You will only face this risk when a (government) bond is expressed in a foreign currency. Currency exchange rates fluctuate every day. If the currency in which the bond is listed decreases in value, you may receive less in your base currency than your original deposit. This risk is also present upon payment of coupons.

Costs and taxes

Tax on stock exchange transactions
When you buy or sell a bond on the secondary market, the stock exchange tax (TOB) applies, with the exception of Belgian government bonds and equivalent securities.

Brokerage fee
The fee charged by a broker for the execution of transactions on the secondary market.

Custody fee
The fee charged for the custody of securities held in a securities account.

Sale and distribution fee
When you purchase a bond on the primary market, you pay a distribution fee. Together with the nominal value, this constitutes the issue price.

Withholding tax on interest
In Belgium, interest is subject to withholding tax. For interest of foreign origin, a withholding tax may first be withheld in the country of origin before the interest is taxed in Belgium. In certain cases, a portion of this withholding tax may be reclaimed from the country of origin, provided that Belgium has concluded a tax treaty that provides for such a refund.

Capital gains tax
As from January 1, 2026, capital gains realised on the sale of bonds would be subject to a capital gains tax of 10%, while the tax treatment of capital gains at maturity is currently still unclear.

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Information Sheet

Money market instruments

ABN·AMRO MeesPierson

January 2026

Money market instruments are liquid solutions with an investment horizon ranging from one day to several years and flexible and simple repayment terms. Through these instruments you can invest in a wide range of solutions that meet investor expectations in terms of security and investment horizon.

The different types

Varied investment solutions:

- Savings accounts;
- Term accounts, treasury bills;
- Money market funds, bond funds (see also the ‘investment funds’ information sheet) or short-term bonds in direct lines (see also the ‘bonds’ information sheet);
- Deposits or certificates that are repaid at an interest rate that varies depending on the holding period or at a fixed interest rate plus a premium if the investor holds the security until maturity;
- Structured deposits at a fixed or variable interest rate for an investment horizon between one month and five years.

These solutions may be available in euros or in **other currencies**.

Liquidity

Liquidity depends primarily on the **investment instrument**. A savings account is highly liquid and allows for daily withdrawals.

The liquidity of a term account or deposit depends on its duration. Although early exit from this type of product is often possible, it can affect returns due to the associated costs.

Risks

Money market instruments are considered to be low-risk investments. Some investments are also covered by a **deposit guarantee**. This means that the government guarantees repayment (up to a certain amount) of the invested capital in the event of the issuing bank failing.

If the investment was issued in a different currency, there is an **exchange rate risk**. For example, an investor who puts 10,000 euros into money market instruments denominated in USD may have less capital at maturity, expressed in euros, than initially invested.

Return

The return is **inherently** linked to the type of product and the term. The investor receives either a **fixed** or **variable interest rate**. In the case of traditional deposits or short-term bonds, the return is linked to the short-term money market rate. For structured deposits or term accounts, the return is more likely to be linked to interest rates offered on longer-term securities.

In **very low interest rate** conditions (such as after the 2008 financial crisis), money market instruments **yield low returns**.

The main advantages

- The ability to simultaneously benefit from **full or partial capital protection, depending on the chosen structure, as well as the performance** of the money or bond markets.
- **A high degree of liquidity**.
- Risk **transparency**.
- **Innovative solutions** such as structured deposits.

Risks

- **Low or even negative payout** in low interest rate conditions.
- **Market risk** associated with fluctuations in the price of financial instruments.
- Risk of **capital loss**, depending on the chosen structure, and specifically the risk of default by the issuing bank and the custodian bank.

Transaction costs

The initial transaction costs paid by the investor can only be covered by any capital gains realised when the investor sells on the product, on early redemption or at maturity.

The role of central banks

Central banks (the Federal Reserve in the United States and the European Central Bank in the eurozone) play a fundamental role. By raising or lowering their base rates, they regulate banks' liquidity.

Central banks' main objective is to keep prices stable within an economic zone. In periods of strong growth, in view of the risk of inflation they will raise their short-term interest rates (also known as the base rate or policy rate) to curb money creation and, indirectly, economic activity.

Conversely, during an economic downturn, central banks use short-term interest rate cuts to boost economic activity through cheaper lending, improved corporate cash flow and stimulation of consumer spending.

Different interest rates

In the eurozone, the average of the interest rates applied daily by the major banks forms the 'Eonia rate,' which is in turn linked to the various key rates set by the ECB.

These key rates are:
- the deposit rate;
- the refinancing rate;
- the marginal lending rate.

The ECB intervenes in the interbank market by injecting more or less money into the financial system. This money can be used to refinance banks that, depending on their lending activity, temporarily lack sufficient liquidity to meet their customers' cash withdrawals.

Glossary

Market risk

The risk of fluctuations in the valuation of a product due to market conditions, such as the overall performance of businesses or market perceptions of certain economic or political factors.

Risk of capital loss

The invested amount is not guaranteed because it is influenced by the financial markets and makes use of techniques and financial instruments that are subject to fluctuations. This can generate both profits and losses.

Liquidity risk

Certain exceptional market conditions can have a negative effect on a product's liquidity, or even make it completely illiquid. Liquidity risk is a risk to product value and a risk of loss, which may make resale of the product impossible. Certain products are less liquid than others due to their characteristics (products that are rarely traded on financial markets, primarily OTC markets, or that are subject to infrequent valuations) and carry a high liquidity risk. Moreover, products that are typically liquid may also carry liquidity risk, for example, if the issuer defaults.

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