

## Information preceding investments in mutual funds distributed by UniCredit Bank S.A

The present document serves to inform investors before investing in the mutual funds offered by UniCredit Bank S.A (the „Bank”) as credit institutions distributing equity interests authorized in European Union member states and registered with the Financial Surveillance Authority („FSA”) for distribution on Romanian territory.

The information preceding investments in mutual funds is made available to customers by the Bank at the time when such customer is interested in investing in mutual funds and with the purpose of such investor understanding the nature and risks associated with this type of product.

The document may be consulted for updated versions also on the UniCredit Bank S.A web page: [www.unicredit.ro](http://www.unicredit.ro)

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### 1. Information on UniCredit Bank S.A and on the Assets Management Company

**UniCredit Bank S.A.** („Bank”), Member of UniCredit Group – registered with the Banking Register under number RB-PJR-40-011/18.02.1999 - paid-up share capital: 589.955.162,70 RON - registered with the Trade Register under number: J1991007706408, EUID: ROONRC.J1991007706408 - Sole Registration Code: 361536, fiscal attribute RO , company administered in a two-tier system, SWIFT Code: BACXROBU, [Tel: +40 21 200 20 20](tel:+40212002020), [Fax: +40 21 200 2002](tel:+40212002002), [e-mail: infocenter@unicredit.ro](mailto:infocenter@unicredit.ro) [web: www.unicredit.ro](http://www.unicredit.ro)

UniCredit Bank S.A. distributes a wide range of mutual funds and has ongoing distribution contracts concluded with the following investment management companies, hereinafter referred to as the "Management Company":

- UniCredit Invest Lux S.A.** established under the name Structured Invest **S.A.** on 16 November 2005 in the Grand Duchy of Luxembourg as a public limited company (“société anonyme”) for an indefinite period and registered with the Luxembourg Trade and Companies Register under number: B 112.174. The management company has its registered office at **1**, avenue de l’Aéroport L-1110 Senningerberg Luxembourg, Grand Duchy of Luxembourg and is part of the UniCredit Group. The management company may decide to terminate the agreements concluded for the marketing of its collective investment undertakings in accordance with Article 93a of Directive 2009/65/EC. The Bank acts as a sub-distributor of UniCredit Bank GmbH for the funds managed by UniCredit Invest Lux S.A.
- Amundi Asset Management S.A.I S.A** assets management company licensed by the A.S.F through decision no. 238/16.01.2004 registered in the Trade Registry under number J40/15112/2203, taxation code 15889522, registration number in the A.S.F Registry PJR05SAIR/400007, registered offices in Bucharest, 56 Dacia Blvd., building B, 1<sup>st</sup> floor,

**Amundi Asset Management S.A.**, commercial name **Amundi Investments**, with registered offices at 5 Allee Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg, registered in Luxembourg with TR no. Section B 57 255, taxation code LU19067537 and fiscal registration number 1996 2220 382. Amundi Investments is registered in the A.S.F Registry in the Open investments funds from member states under number CSC06FDIMLUX0033 as per the A.S.F license no. 55/18.04.2013. Trustee and paying agent: Societe Generale Bank & Trust with registered offices at Avenue Emile Reuter 11, L-2420 Luxembourg, Grand Duchy of Luxembourg, tel +352 47 93 11 1, [www.sgbt.lu](http://www.sgbt.lu). Communication between the customer and the Bank will be achieved with observance of the legal norms in force, at the headquarters of the regional units of UniCredit Bank S.A, using the available services of actual or electronic post or by means of alternative communication channels.

## 2. Definitions

Mutual funds, open investments funds are collective asset undertaking bodies (UCITS) without legal personality, whose fund units constitute the scope of continuous issuance and redemption and are managed by a licensed asset management company through teams of professionals specializing in investments (fund managers).

**Asset Management Company (S.A.I)** is a legal person established in the form of a joint-stock company and operating pursuant to the FSA license, an entity whose role is to regulate and supervise asset management companies. The management company is the initiator and takes all decisions regarding the investments of a mutual fund. SAI manages the fund based on a management contract and for a management fee, a public fee highlighted in the issuance prospectus, fund rules.

**Distributor** - the company working directly with investing customers and who intercedes the underwriting and redemption of fund units.

**Investor** - the Bank's customer, legal or natural person, resident or non-resident, aged over 18, who holds a current active cash account in the currency of the fund and a fund units record account in the computerized system of the Bank wherein operations with fund units are registered. Also, the Bank's client, investor, must have a personal email address and mobile phone number, validated by him in the Bank's internal system.

**Issuance prospectus** - A document which includes the details required for the investor to assess and correctly evaluate its own investment decision in the fund units issued by that respective fund. The prospectus offers information regarding the management company, the trustee, the funds' investment policy, associated goals and risks, the unit funds issuance/redemption procedure, fees charged by the fund, etc.

**Fund rules** - document constituting an integral part of the issuance prospectus and containing the detailed regulations used to guide the activity of that particular fund.

**Key Investor Information Document (KIID)** - document containing a summary of the information presented in the issuance prospectus.

**Trustee** - based on the regulations specific to collective portfolio management, all assets of a mutual fund must be entrusted, based on an agreement, to a trustee - licensed credit institution for the safekeeping of such fund's assets. Details related to the trustee are presented in the fund prospectus.

**Equity interest, fund unit** - represents a holding of capital by a resident or non-resident natural or legal person, in the fund's net assets and is issued in nominative, non-material form as an account registration not listed at the quotation of a stock exchange. Fund units are paid at the time of their underwriting and confer onto the holders, equal rights and obligations. A person underwriting equity interests becomes a fund investor on the date such equity interest is issued and the existence of fund units is certified through an account statement. The value of a fund unit changes daily, weekly, or twice a month as mentioned in the prospectus, depending on the value of the fund's net assets.

**Net Asset Value (NAV)** - all liquid assets attracted by that respective fund from all investors are placed by the SAI in a portfolio of assets. The current value of the assets' portfolio represents the fund's total assets. VAN is calculated daily and is the result obtained after the deduction of total expenses from the total assets. The value fluctuates based on the evolution of portfolio assets' value.

**Unit Value of Net Assets (VUAN)** - is the official designation of the fund unit and is calculated by dividing VAN at a certain date with the total number of fund units in circulation at that date. The total number of units in circulation is determined as the difference between the total number of fund units issued and the total number of units redeemed. The value of fund units is determined daily by the SAI's computation of the net assets.

**Underwriting and underwriting price** - the purchasing of fund units, the fund unit underwriting price is the price paid by the investor and is made-up from the unit value of the net assets computed by the SAI and certified by the trustee, calculated based on the assets on the date of submission of the underwriting application plus an underwriting commission (if such is foreseen in the issuance prospectus). The mutual funds underwriting application is irrevocable.

**Redemption and redemption price** - the selling of a fund unit, the fund unit redemption price is the price calculated on the date of submission of the redemption application and is made-up from the unit value of the net assets calculated based on the assets on the date of submission of the redemption application and certified by the trustee, minus the redemption commission (if such is foreseen in the issuance prospectus) and any other legal charges. The mutual funds redemption application is irrevocable.

**Directive on Financial Instruments Markets II, MiFID II** - means Directive (EU) 65/2014 on financial instruments markets. MiFID II will replace the current (EU) Directive MiFID I, and its purpose is that of enhancing protection for investors and introducing new transparency requirements as to products, services, and associated costs.

### 3. Mutual funds, general information

Mutual funds reunite the liquid assets of several investors transforming them in investments on the capital market or monetary market offering investors access to a diversified portfolio from the standpoint of financial instruments wherein such invest otherwise very difficult to create due to much greater acquisition costs and the different individual behaviour of each financial instrument in part.

Each investing client participates in an equal extent as the other fund participants, in both the appreciation and depreciation of the fund. Fund units or fund interests may be purchased or redeemed upon request, at any point in time. Any investor in fund units has the obligation to permanently hold at least one fund unit.

Innovation is the core of our development strategy and, along with time-deposits or savings accounts, mutual funds in the Bank's offer may augment clients' product portfolios and may represent a long-term or average-term diversified alternative.

The bank will take into account any sustainability objectives of the clients and will include them in the definition of the target market of financial instruments that includes such factors. In the case of existing products, the bank will inform clients about financial instruments that include sustainability factors, according to the SFDR\* classification received from the instrument manufacturer. This information is provided through the document "List of mutual funds distributed by the Bank"

*\*SFDR: EU Sustainability Disclosure Regulation in the Financial Services Sector ("SFDR") aims to increase transparency on how financial market participants integrate sustainability risks and opportunities (environmental, social and governance, "ESG") in their investment decisions. The SFDR introduces a classification system with new transparency requirements for certain financial products.*

Financial instruments, classes of assets wherein mutual funds invest may be:

- Bank deposits
- Bonds
- Government Securities
- Shares

Documents specific to mutual funds (fund documents) are:

- Issuance prospectus
- Key Investor Information Document (KIID)
- Fund rules
- annual reports
- biannual reports
- Other documents issued by the fund or SAI on behalf of the fund
- Daily performance indicators
- Fund's monthly fact sheet

Details regarding the type of **financial instruments wherein mutual funds invest** as per the investment strategy set-forth by the management company may be found in the issuance prospectus, fund rules, Key Investor Information Document, fund's reports, other documents issued by the fund or the company managing investments on behalf of the fund. The purchase of a fund unit represents the sole manner of investing in the fund.

**The performance** of a mutual fund is related to an indicator determined based on that respective fund's investment policy and is reflected in the development of the fund unit. The value of the fund unit is posted daily at the headquarters of the SAI and of the distributors as well as on the internet pages of the SAI and licensed distributors.

When a **client decides to invest in mutual funds**, such client should take into account the following aspects:

- Does such client hold sufficient knowledge and expertise as to financial instruments?

- Will such client invest in fund units only after studying, understanding, and acquiring information from documents specific to investments in mutual funds (e.g. The present document, list of funds distributed by the Bank, issuance prospectus, and document with Key Investor Information Document, fund rules, fund's reports, monthly performance indicators, other fund documents)?
- Does such client have sufficient liquid assets to accomplish the investment and associated commissions?
- In the event of attaining revenue from investments in mutual funds, does such client have fiscal obligations as per the provisions of the fiscal legislation in force; the SAI periodically makes available for investors the portfolio sheet containing all information required for the fulfilment of fiscal obligations.
- As per specific legislative regulations in force, in the event of underwriting in several instalments, redemption of fund units is achieved based on the FIFO principle (first in-first-out), a method whereby the first units bought are always the first ones redeemed.

#### **4. Features and associated risks**

Investments in mutual funds imply associated risks and are not secured or compensated by any institution whose purpose is to secure or compensate investments.

The evolution of a fund unit may be affected by growth and abatement depending on the evolution of financial markets and instruments where the investments were made, as per the investment policy of any respective fund. It is possible that, at certain times, the value of the investments will be lower than the initial investment. Previous performances of mutual funds do not represent a guarantee for future results.

Investments in mutual funds are subject to risks like the general evolution of the economy, the risk of market interests' changes, risk related to exchange rates, risk of changes in the purchasing capabilities due to inflation, etc. Detailed information related to the risks associated to investments in mutual funds are presented to investors by the SAI, as per its legal obligations, in the Issuance Prospectus, Fund Rules and Key Investor Information Document (KIID). In order to understand the features of a certain fund and risks associated to investments in that respective fund, it is necessary to consult the above-mentioned documents drafted by the SAI.

The main advantages of investments in mutual funds may be represented by:

- Liquidity - fund unit may be purchased or redeemed at any point in time;
- Costs associated to investments in fund units are lesser in comparison to those associated to direct investments in individual financial instruments from the portfolio of the fund's assets; mutual funds pay smaller transaction charges than individual investors and such costs are translated into the performances of the investment;
- Equal rights and obligations before other investors, organized asset management and management transparency.

#### **5. Performance of operations with mutual funds**

Operations with mutual funds are detailed in the fund's documents and all operations will be recorded in the Bank's internal records. Information intended for customers according to Law no. 126/2018 regarding financial instruments markets and Regulation (EU) no. 1286/2014 regarding documents with essential information regarding individual structured and insurance-based investment products (PRIIP) are provided to clients as a standard method on the client's e-mail address. This information can be made available to the Client on paper upon his express request addressed to the Bank.

The following are also necessary when performing operations with fund units:

- The client should peruse the material designated "Information preceding the investment in funds"
- Bank representatives should review the steps of getting acquainted with the clients who are exposed as per the Bank's procedures in force.
- The existence of a current active account in the fund's currency with the Bank.
- Existence of an email address and mobile phone number of the investor, validated by him in the Bank's internal system
- Validation/rejection by the customer within 3 minutes of each transaction, by responding to the SMS received from the bank on the phone number registered and validated in the bank's systems.
- Completing and signing the "Investor Profile" questionnaire and the "Financial investment services contract regarding operations with fund units"
- Presentation of a list of funds distributed by the Bank and of the mutual funds' performance indicators.
- Presentation to and reviewing by the client of Key Investor Information Document (KIID)
- Presentation to and reviewing by the client of the Funds Issuance Prospectus.
- Consultation of the list of fees and commissions.
- Signing of the form associated with the underwriting or redemption operation.

- In the case of underwriting, provision of liquid assets by the client for the purchase of fund units. By signing the underwriting form, the client authorizes the Bank to charge the bank accounts with the total amount specified and representing the value of fund units and associated underwriting commission, an amount which the client commits to hold in the accounts opened with the Bank at the time of the investment and, in the event wherein the client does not hold that amount, the order will not be executed.
- Settlement of underwriting transactions is achieved within 3 business days since the time the order was processed or in accordance with the fund rules described in its prospectus
- The price paid by the investor is made-up from the issuance price, determined using the value of net assets on the date when the operation is performed, plus the commission associated with the operation. The value of net assets is determined by the management company as per the issuance prospectus. Commissions associated with the operation are detailed in the list of fees and commissions.
- The unit value of net assets for the fund unit is computed daily, and the value used to process orders registered every day (T) will be made public only in the following business day (T+1) after the day when the order was executed and conveyed to all entities part of the transaction flow as well as to clients, after the day when the order was executed.
- The underwriting operation will be performed after the amount of money is transferred into the SAI's account.
- In the event wherein consent for future underwritings exists in the forms and contracts signed by the client, the existence of liquid assets and transfer required for the investment in the fund is sufficient.
- Both the transfer associated with the underwriting operation as well as the collection resulting from the redemption operation will be performed from and into the account indicated by the client on the specific forms, opened with UniCredit Bank S.A, in the fund's currency.
- Operations will be achieved with observance of the cut off time:
  - a) **UniCredit Invest Lux S.A.** - 12:00, the day the order is placed for mutual funds denominated in EUR, USD and RON. All orders received by the Bank until 12:00 are sent for processing on the same day to UniCredit Bank GmbH which acts as a distributor of **UniCredit Invest Lux S.A.**
  - b) AMUNDI Luxembourg SAI SA - 12:30, the day the order is placed for mutual funds denominated in EUR, USD and RON;
  - c) AMUNDI Asset Management SA - 17:00, the day the order is placed, for mutual funds denominated in RON;
- Operations received after these hours will be processed during the following bank business day.
- Operations within the RITM Investment Plan will be able to be scheduled for the first debit, starting with the next working day. A maximum of 20 monthly debit rules can be included in the Investment Plan.
- Underwriting or redemption operations for the mutual funds under item a) above may be cancelled on the date of submission of the order with observance of the cut off time described above on the date when the order is placed.
- The mutual funds underwriting/redemption application is irrevocable. In the case of redemption, payment into the client's account associated with the redeemed fund units will be achieved within no more than 10 business days as per the details mentioned in the fund's prospectus, calculated from the date the order is executed and only into the bank account opened by the client with the Bank, in the fund's currency. Should following a redemption application, the client remain will less than one fund unit, the residual fraction is to be mandatorily redeemed.
- Fund units holders may be entitled to receive the associated equities as per the details set-forth in the fund's issuance prospectus, for which it is necessary for the investor to have a current account in the currency of the fund, in order to collect the counter value of the dividend.

## 6. Reports

As a result of fund units underwriting or redemption being performed, the investor will receive from the Bank, periodical reports regarding its operations:

- I. Confirmation of processing for the underwriting or redemption application, automatically on the customer's email address, on the day subsequent to the performance of the operation by the Asset management company. This includes, as the case may be and in the extent wherein they are applicable, the information cited below: a) identification data< b) client's name or any other similar information regarding the client; c) date of the transaction; d) time of the transaction; e) type of the operation; f) identification of the instrument; g) the purchase/sale indicator; h) quantity; i) unit price; j) total price; k) total amount of the commissions; l) withholding tax (if necessary).
- II. The Portfolio Overview Report and Fund Unit Statement Report, weekly by posting them in the Mobile Banking and Online Banking application, in the Useful Documents section.
- III. Ex-post report, with an annual frequency, to clients who in the last 12 months have either made transactions with fund units managed by Amundi (subscription/redemption), or own/have owned fund units managed by Amundi. According to the MIFID2 legislation, the obligation to inform clients has as its objective a better understanding of the costs and expenses incurred and a transparent evaluation of their cumulative effect on the yield.

## 7. Conflicts of interest management

The Bank has implemented, in line with the groups guiding principles, a conflicts of interest management framework. The goal of the Bank and of the UniCredit Group is to identify conflict of interests at Bank and Group level as a whole and to prevent such conflicts of interests as much as possible. In the event wherein the Bank determines that the implemented procedures and measures regarding conflicts of interest management are insufficient for preventing the risk of harming the client's interests, such will notify the client, before committing to certain business activities for the client, about any potential or actual conflict of interests, as per the legal provisions on the subject matter. The Bank has the obligation to always act in the best interest of its clients. The interests of clients take priority to those of the Bank and its employees.

Conflicts of interests cannot always be prevented, especially within a global bank providing a variety of investments services for its clients. Conflicts of interests may occur in the following situations:

- Between the interests of clients and those of UniCredit Bank S.A as well as between those of clients and of Bank employees, Management /Supervisory Board members, agents and other members of UniCredit Group;
- Between the interests of different clients;
- In relation with payments representing the Portfolio Commission whereby the Assets Management Company pays the Bank commissions based on the total net assets resulting from the mutual funds distribution activity (incentives); The monthly value of the portfolio commission is calculated based on the following formula:  
Monthly portfolio commission = (Annual portfolio commission) \* (total net assets resulting from the Distributor's activity assessed on the last day of the foregoing month) / 12 months.
- Annual portfolio commissions paid to the Bank by the Assets Management Company are included in the range 0.45% to 1.62% of total Management fee from net assets resulting from mutual fund distribution activity;
- With regard to the remuneration of employees based on their performance;
- In the event wherein the Bank becomes aware of information that has not been made public;
- In the case of personal relationships of Bank employees or members of the Bank's Management or of persons related to them
- In connection to persons with tasks within the Bank's Supervisory Board.

To this end, the employee remuneration system is designed so as to avoid potential conflicts of interests in the relations with clients and so as to not be directly linked to incentives. The remuneration system is not based solely on financial parameters but also takes into account quality related aspects of performances, honesty, and transparency in client and business networking.

Employees are not allowed to demand or accept incentives or gifts which might create a conflict situation with any task that such employees or the Bank have with clients. No incentive or gift should be given, demanded or accepted if, the public disclosure of such circumstances, or the incentive or gift might prejudice the reputation of the Bank or of the employee.

Any additional details regarding the conflicts of interest policy will be made available to the client, upon request, at any time, on a long-lasting support, as well as through the intercession of the internet page.

## 8. Notes

This material is not an issuance prospectus and does not constitute an offer for investing in a unit fund.

The information included herein does not constitute an advice or recommendation for you to purchase or sell products or to perform transactions but only offers you general information regarding investments in mutual funds.

Previous performances of mutual funds do not warrant future performances. Mutual funds involve not solely their specific advantages but also the risks of objectives not being achieved, including the risk of loss for investors as, the revenue attracted into the investments is, usually, proportional with the risk. It is possible that, at certain times, the value of the investments will be lower than the initial investment.

There cannot be any assurance that the countries, markets, or sectors of activity will evolve as expected. Investments imply certain risks, risks related to the general evolution of the economy, the risk of changing market interests, risks related to exchange rates, risk of change in purchasing capabilities due to inflation, placement risk, management risk, financial risk, etc. The risks associated to each fund in part are described in the document of that respective fund (Issuance Prospectus, Fund Rules and Key Investor Information Document), documents elaborated, as per its legal obligations, by the assets management company.

The Bank, in its capacity of distributor of Luxembourg international fund units may use a global account (nominee) respectively, the units which are the property of investors are registered in the record account of the fund unit opened by the Bank, as agent of the investors, with the transfer agent of the company managing the investment fund.

The official language used for any type of communication between the client and the Bank will be Romanian. Any type of communication with the Bank, related to the features associated with investments, may be initiated by the client using the data mentioned in the chapter ~Information about UniCredit Bank S.A and the Asset Management Company~ herein.

Complete information and detailed documents regarding investment funds distributed by the Bank and managed by Assets Management Companies ( Amundi Asset management SAI SA; Amundi Investments; **UniCredit Invest Lux S.A.**) may be obtained from the Bank, from the headquarters of the management company or from the websites of the Asset Management Companies ([www.amundi.ro](http://www.amundi.ro); [www.amundi.lu](http://www.amundi.lu); [www.structureinvest.lu](http://www.structureinvest.lu)) As per the provisions of article 98 of G.E.D no. 32/2012, before investing in mutual funds, investors will read, acknowledge and accept the provisions set-forth in the documents of the fund wherein they decide to invest, in the issuance prospectus, fund rules, Key Investor Information Document, fund reports, other documents issued by the fund or by the asset management company on behalf of the fund.

The present document is mandatory and was drafted in order to provide general information when you use the distribution services provided by UniCredit Bank S.A in relation with one or several types of mutual funds.

The provisions (including those relating to the cut-off time) of this document shall prevail over the corresponding provisions of the Prospectus as this document refers to the distribution services provided by UniCredit Bank S.A. in relation to one or more types of mutual funds, while the provisions of the Prospectus refer to the direct relationship of the investor with the investment management company.