ABN·AMRO MeesPierson

July 2023

# A closer look at your investor profile

Understanding the opportunities, risks and sustainability of your investments

# Banking for better, for generations to come

At ABN AMRO we have a clear purpose: Banking for better, for generations to come. Together with you, we are working to solve the challenges of our time and shape the future. Our purpose guides us in everything we do. We would like to help you in the transition to a better, sustainable society, of course without losing sight of your personal situation and goals. To find out what this means for you and your investments, keep reading: we explain it all in this information brochure.

## How much risk are you willing to take?

When you invest, it's very important that your investments are in line with the risk you are willing and able to take. You see investing as a way to put money aside for a longer or shorter period of time with the aim of making a financial gain in the future. But keep in mind that investing also involves risks. You can discuss with your adviser what the risks are and how much risk you are willing to take. Your answers to your adviser's questions determine the risk profile of your investments.

## Do you want to take sustainability into account?

Sustainability is playing an increasingly important role in investing, in addition to financial returns. We are investing more often in companies that are taking on challenges relating to sustainability and that use raw materials economically, pollute as little as possible, treat their employees well, and recognise their opportunities and risks in the field of sustainability. In your talks with your adviser, you can discuss how important sustainability factors are to you in your investments. Your adviser will ask you a number of questions and your answers determine which sustainability profile best suits your situation.

Your risk profile and your sustainability profile, together with your knowledge and experience with investing, form your investment profile. You set the direction, and we will be happy to discuss the route with you.

**Chris van Schuppen**
Head of Wealth Products

# Contents

## Your risk profile



## Your sustainability profile

# When you invest, you take risk

You want to invest. You regard investing as a way to make a return on the money that you put away – either for a short or a long period – with the aim of making a future financial gain. But investing also involves risk.

You invest with money you have on top of your buffer for unforeseen expenditures. Investing can be attractive, but comes with risks. You can lose all or part of the money you invested. It is wise to bear this in mind. Our advice is to only invest in investment products that match your knowledge and experience.

There is a lot to think about when you invest. For this reason, we would like to go through a few things with you beforehand. For instance, one of the things we will ask you about is what you would like to achieve with your investments. The answer to this and other questions are important because they help us to help you determine your 'investor profile'. An investor profile shows how much risk you are willing and able to take with your investments, what knowledge and experience you have as an investor and what your sustainability preferences are. As soon as we know your investor profile, we can offer you appropriate investment advice or portfolio management.

This brochure explains the issues you need to think about when deciding on the right risk profile for you. You will find a clear explanation of the various risk profiles, and we explain when a risk profile is needed. We list the asset categories you can invest in: equities, fixed income, alternative investments and liquidities, which depends on the risk profile you choose. Feel free to discuss with us all the decisions you need to take before you can start investing.

## What ways are there to invest at ABN AMRO?

First off, you have to decide how you want to invest. At ABN AMRO, there are three ways to invest:

- You can invest on your own (Execution Only);
- You can take investment advice from ABN AMRO (Investing with Advice)
- Or you can leave all the investment decisions to the bank (Portfolio Management).

The way in which you want to invest also plays a role when determining your investor profile:

- If you choose Investing with Advice or Portfolio Management, we need to know your risk profile, how much knowledge and experience you have as an investor and what your sustainability profile is. That is why we ask you some questions before you start investing. Your answers lead you to a recommended risk profile.
- If you choose Execution Only, we do not need to know your risk profile or sustainability profile. In that case, you only have to answer questions about your knowledge and experience.

What investments suit you best depends closely on your answers to a number of questions about your risk profile and your knowledge and experience.

### Questions about your risk profile:

- What are your reasons for investing (your investment goal)?
- Do you want to put your money away for the short or long term (your investment horizon)?
- What income and expenses do you have and what is your net worth (your financial situation)?
- How much risk do you want and how much can you afford to take (your risk appetite)?

### Questions about your knowledge and experience:
How much do you know about how certain investment products work, their features and their risks? And how many years have you been investing in these investment products? How have you invested in the past: with advice, via a portfolio manager or execution only?

### Knowledge exam for complex investment products
Are you going to invest in complex investment products? We will first check if you have sufficient knowledge of that complex investment product.

Complex investment products include among others alternative investment funds, subordinated bonds, options and structured products. Investing in complex investment products carries extra risks. That is why it is important that you understand how these products work and which risk(s) they carry. That is why we request that you complete a knowledge exam in advance.

If the knowledge exam shows that you have sufficient knowledge of a complex investment product, you can start investing in it. If the exam shows that you have insufficient knowledge of a complex investment product, you cannot invest in it. In that case we will stop your order for this complex investment product.

This will happen when you give an order to buy a complex investment product. In the case of options, this will happen when you give an order to open an option position (opening order). However you can give sell orders and orders to close option positions (closing orders).

There are also non-complex products, which include most shares, bonds, investment funds and ETFs. You do not have to complete a knowledge exam for these products

### Questions about your sustainability profile
Do you wish to take into account adverse impacts on sustainability factors, sustainable investments and/or taxonomy-aligned investments within your investments?

### Your investor profile and the composition of your investment portfolio
The entire set of your responses to the questions about your financial situation, your investment goal, your investment horizon and your risk appetite results in your risk profile. Your risk profile, your knowledge and experience and sustainability profile jointly make up your investor profile. If you opt for 'Investing with advice' and 'Portfolio Management', we carefully select your investment portfolio to match your investor profile. If you opt for 'Execution Only', you select your own portfolio. Our advice is to do this in line with your knowledge and experience. Always make sure you are familiar with the investment product, so that you know how it works and what the risks are. And only invest in investment products you know and understand.

### Suitability of the investment approach
Before you start investing, we also ask you how much experience you have with the various investment approaches: investing with advice, portfolio management or execution only. This allows us to help you choose the investment approach that suits you best. A risk profile gives you an idea of how much of a risk you are taking with your investments. It also gives an indication of the possible returns – the yield – that you can expect on your investments if you invest in line with your risk profile. But remember: this is only a projection. The returns may disappoint and be at variance with the projected ones. For each risk profile, we offer an expected yield for the longer term. The risk profile that you choose is an indicator of how much risk you are willing and able to take. Investing in line with the recommended allocation of your risk profile (see chapter 'From risk profile to investment portfolio') gives you the highest chance of obtaining the return that you may expect for this risk profile. It will also reduce the chance that you incur larger losses than are acceptable to you. But be aware: even in the case of low risks, unforeseen situations may have large impact on the risk and return of the investments.

Have you determined your risk profile? We will provide you with a report showing:
- your risk profile; and
- a feasibility analysis. This analysis gives you an idea of the possible value growth of your investment portfolio in the longer term and tells you whether or not this will be enough to achieve your investment goal.

## The chosen risk profile is not set in stone

If you take the risk profile as the starting point for your investment portfolio, you agree with us on the conditions that your investments have to meet. This risk profile is not set in stone. Your personal circumstances may change. Your financial situation, for instance. This could lead to changes in your investments, and your risk appetite may decrease or even increase. In that case, you can reconsider with us whether you want to change your risk profile. The same applies if you are unhappy about any developments in the financial markets. Here again, you can reconsider your profile.

You can discuss the possible consequences of this with us. Always let us know about any changes. You are responsible for the accuracy and completeness of the information for your risk profile. Only with the correct information can we offer investment services that match your personal situation.

## The chosen sustainability profile is not set in stone

Your sustainability preferences may also change over time. In that case you can reconsider with us whether you want to change your sustainbility profile to ensure that your chosen sustainability profile is still matches your preferences.

ABN AMRO has six risk profiles, from very defensive (low risk) to very offensive (high risk) and four sustainability profiles, from Non-Sustainable to Impact. Every risk profile and sustainability profile has certain characteristics which determine which investments are most suitable for you. By choosing one of these risk profiles and a sustainability profile, you therefore determine for yourself what conditions your investments have to meet.

# Determining your risk profile

The risk profile determines how you can best put together your investment portfolio. Key factors in this respect are:

- **your financial situation;** what are your income and expenses, your assets and your debts?
- **your investment goals;** what do you want to achieve with your investments?
- **your risk appetite;** how much risk do you want and how much can you afford to take?
- **your investment horizon;** how long do you want to invest for?

## Your financial situation

Your financial situation includes your income and expenses as well as your assets and debts, now and in the future. Your financial situation is an important aspect in determining whether you have money to invest and whether your investment goal is feasible.

## Your investment goal

What do you want to achieve with your investments? Is protection of your wealth the most important goal? In this case, a risk profile with little risk would be a more obvious choice than a risk profile with high risk. If you are aiming for capital growth and the risks are acceptable to your situation, then you would probably be more satisfied with a higher risk profile.

### When you invest, you take risks

When you invest, you are putting your capital at risk. For this reason, it is important that we know what you want to achieve with your investments: your investment goals. These goals form a guide for how you compose your investment portfolio.

You can invest for a variety of reasons. For instance, because:

- you want to accumulate capital and see it grow further (capital growth);
- you want to protect your capital so that it at least does not decrease (capital preservation);
- you are looking for a regular income from your capital, for instance, to supplement your current or future income or pension;
- you have a special goal in mind, such as a large outlay in the future.

### Specific and generic goals

Think about what your investment goals are. And how important is it that you meet your goal. What happens to your goal if your investments do not produce the expected return? Will you still be able to reach your goal? Should you change your goal and settle for less? Is that something you can do? Is that something you want? Or is it perhaps an idea to invest more money to try to achieve your goal? Or how about investing in line with a higher risk profile?

Some goals are so important that you should not take too much risk with them. If you do not achieve your goal, it may have major consequences on your financial and personal situation. Take, for example, the following goals:

- You want to invest to pay off a mortgage loan or other debt;
- You want to invest to provide a future income, such as a pension;
- You want to invest for a child's studies.

There are also other more generic goals. Failing to achieve one of these goals may disappoint you, but will not have a major impact on your financial or personal situation. Take, for example, the following goals:

- You want to invest for a large expenditure, such as that once-in-a-lifetime trip around the world or a yacht to sail the seas;
- You want to invest to achieve capital growth.

## Your risk appetite

How much risk do you want and how much can you afford to take? Investing always comes with risk. But that risk may be low or high. The amount of risk depends on:

- the asset categories you invest in;
- the investment products you invest in;
- how diversified your investments are.

The risk you are exposed to as an investor is linked to the volatility of the markets. This volatility has an impact on the value of your investments. The equities market, for instance, is generally more volatile than the fixed income market. This means that equities may increase or decrease in value more sharply than fixed income. For this reason, we assess the risk of equities higher than the risk of fixed income.

There are two types of risk:

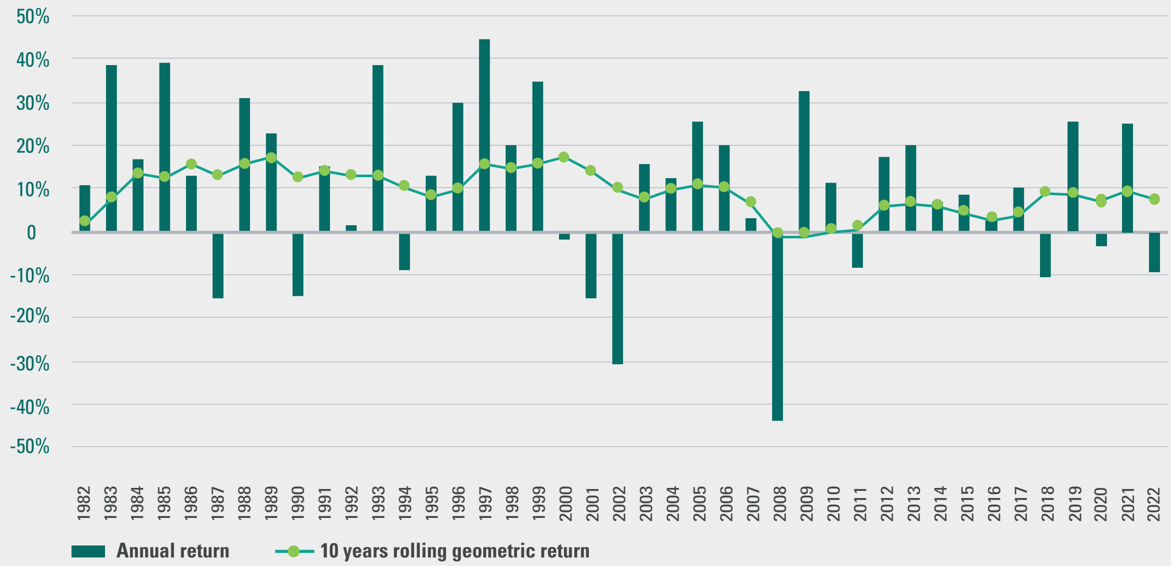
- **the risk that you could be exposed to** (risk that you can afford): this is determined by your financial situation and can be calculated for the short and the long term. Your personal preferences and options are a factor in this.
- **the risk that you want to be exposed to:** this is determined by your appetite for investment risk. What do you find acceptable? How do you feel about sharp price fluctuations? This is a personal judgement that will not always match the actual risks.

## Your investment horizon

The maximum period you can invest without needing your money for other goals is referred to as your investment horizon. If you have a long investment horizon, you could opt to take a higher risk with your investments. But obviously only if you are willing and able to accept that higher risk.

Your investment horizon is the timescale within which you wish to achieve your investment goal. The longer your investment horizon is, the more risk you can take. In general, you should only invest with money you do not need for a longer period of time. Good years and

### MSCI Europe




The chart above shows the annual return and the average 10-year return of the MSCI Europe Index. As you can see, the annual return fluctuates more sharply than the average 10-year return. The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' later in this brochure. Past performance is no guarantee of future results.

Source: ABN AMRO MeesPierson

poor years can then cancel each other out. The chart shows that the result of investing in equities can vary sharply over the course of a single year, from very good to very bad. If you look at investment results over a period of ten years, the results often appear more even because the good years and the bad years balance each other out (at least partly). The longer your investment horizon is, i.e. the longer you do not need the invested money, the smaller the risk that disappointing results will prevent you from achieving your investment goal. Vice versa, if your investment horizon is short, it is unwise to invest very offensively.

The chart below shows the annual return and the average 10-year return of the MSCI Europe Index. As you can see, the annual return fluctuates more sharply than the average 10-year return. The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter ‘Impact of fees on your return’ later in this brochure.

**Important:** Can you invest your money for a long period? And will you ultimately choose a very offensive risk profile in which you invest all your money in equities? In that case, you are following a very offensive investment strategy. You should then be willing and able to accept that the prices of your investments may fluctuate sharply and that you will not always be certain that your investments will generate a positive return.

The more defensive your investment strategy, the more cautious you are. You are then investing in line with a more defensive risk profile. You will then invest a large portion of your capital in fixed income and alternative investments rather than in equities. Furthermore, you will also keep a portion of your capital in the form of liquidities, such as cash savings and term deposits. These earn interest. A defensive strategy like this lowers not just the risks of your investment portfolio, but also the expected return.

If you are investing for a specific purpose, remember that your investment horizon shrinks over time. Your current investment horizon may be ten years, but eight years from now it will be a mere two years. That is why you must regularly review whether your investment horizon is still long enough to achieve your investment goal. If not, you may need to adjust your risk profile. In this case, we will also review with you whether these changes have consequences for the composition of your investment portfolio.

# From risk profile to investment portfolio

It is impossible to predict with reasonable certainty what the winning and losing investments will be in the years ahead. You can spread your risk by diversifying your investments. Diversification is therefore one of the key strategies in the investment policy of ABN AMRO. Each risk profile comes with a certain asset allocation: an allocation of your invested money across the four asset classes of equities, fixed income, alternative investments and liquidities. We also advise you to spread your capital within these asset classes across regions and industries, and across different investments too.

## Diversification is important on three levels

1. Across the four asset classes of equities, fixed income, alternative investments for example hedge funds and commodities and liquidities;
2. Across regions and industries in the choice of individual equities and fixed income;
3. Across different investments

## Level 1: Diversification across the four asset classes

History shows the benefits of a well-diversified investment portfolio: one asset class generates a better return than another one. Although it may seem attractive to always invest in the best performing asset classes, this is not a sensible way to invest. It is often only clear after the fact which asset class generates the best return. It is therefore better to invest in line with the asset allocation that best matches your risk profile.

How do you determine the best allocation of your assets across the four asset classes? We make a distinction between two types of asset allocation:

### A. Neutral asset allocation

This is also called strategic asset allocation. ABN AMRO takes the view that the strategic asset allocation is the ideal allocation over the long term, based on expectations of risk and return of the various asset classes. The neutral asset allocation also indicates the minimum and maximum bandwidth for each of the four asset classes. The bandwidth is expressed as a percentage. Equities, fixed income, alternative investments and liquidities may vary within these bandwidths. For instance, the bandwidth for equities in the 'Offensive' risk profile is 30% to 95%. This means that equities can make up between 30% and 95% of all the investments. The 'neutral weighting' can be seen as a long-term average. We maintain a neutral weighting in our advice and management if we do not expect any specific rises or falls in the market. The table shows the allocations for the six risk profiles.

The actual asset allocation of your investment portfolio may vary from time to time from the allocation based on your risk profile due to market fluctuations. For instance, if equities rise sharply, the value of the equity component may also increase too much. In this case your portfolio may become 'overweight' in equities. This must be monitored, because it can easily happen unnoticed.

We regularly check whether equities, fixed income, alternative investments and liquidities have not exceeded their bandwidths. If the percentage exceeds the bandwidth, we let you know that your investment portfolio is no longer in line with your risk profile. You should then ensure that your investment portfolio is brought back into line with your risk profile. For example, suppose you invest 65% in equities and 25% in fixed income, whereas your risk profile restricts your equity component to a maximum of 55% and requires you to invest 35% in bonds. This means that you are investing with more risk than matches your personal situation. You may then do the following:

- You could restructure your investment portfolio. You then sell 10% of the equities and invest that 10% in fixed income. This will then restore the ratios to 55% in equities and 35% in fixed income.
- If you still have money to invest, you could invest it in fixed income to restore the ratios of 55% and 35%.
- You could change your risk profile to one with increased risk. But only do this if your personal and financial situation have changed in such a way that you can and are willing to accept more risk.

If you are investing with advice, we will advise you to ensure that your investment portfolio is in line with your risk profile. If you are investing under a management agreement, you can rest assured that our portfolio managers will ensure that your investment portfolio will remain within the bandwidths.

## B. Recommended asset allocation

This is also called tactical asset allocation. The recommended asset allocation diverges from the neutral asset allocation. The aim is to increase the expected return on the investments or reduce the risk in the short term. If, for instance, we see opportunities for equities, we will advise you to invest more in this asset class than according to the neutral asset allocation. In this case, equities are 'overweighted'. Vice versa, if we see threats for equities, we will advise you to invest less in this asset class, in which case equities are 'underweighted'. This 'overweighting' or 'underweighting' is based on our outlook on the financial markets and always remains within the bandwidths of the neutral asset allocation.

We regularly check the risk/return expectation data and make adjustments as necessary. This happens at least once a year. But adjustments may also be made several times a year, depending on developments in the financial markets. For instance, in turbulent markets we would adjust the figures more often than in calm markets.

## Portfolio Management: Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate
## Investment Advice: Comfort ESG Investment Advice and Active Investment Advice

| Risk profile name | Very Defensive | Defensive | Moderately Defensive | Moderately Offensive | Offensive | Very Offensive |
|---|---|---|---|---|---|---|
| **Investment horizon** | > 2 years | > 5 years | > 7 years | > 10 years | > 12 years | > 15 years |
| Expected gross returns annualised (geometric return based on 10-year horizon) | 3.6% | 4.2% | 4.6% | 5.1% | 5.4% | 5.3% |
| Expected risk (standard deviation) | 6.3% | 7.3% | 9.1% | 12.0% | 15.3% | 17.5% |
| Probability of a negative return every ... years | 3.5 | 3.6 | 3.3 | 3.0 | 2.8 | 2.6 |
| **Bandwidth (minimum and maximum weightings)** | | | | | | |
| Equities | 0 - 10% | 0 - 35% | 10 - 55% | 20 - 75% | 30 - 95% | 40 - 100% |
| Fixed income | 40 - 100% | 30 - 85% | 20 - 70% | 10 - 55% | 0 - 40% | 0 - 25% |
| Alternative investments | 0 - 10% | 0 - 20% | 0 - 20% | 0 - 30% | 0 - 30% | 0 - 30% |
| Liquidities | 0 - 60% | 0 - 70% | 0 - 70% | 0 - 70% | 0 - 70% | 0 - 60% |
| **Neutral asset allocation** | | | | | | |
| Equities | 0% | 20% | 35% | 55% | 75% | 90% |
| Fixed income | 90% | 70% | 55% | 35% | 15% | 0% |
| Alternative investments | 0% | 0% | 0% | 0% | 0% | 0% |
| Liquidities | 10% | 10% | 10% | 10% | 10% | 10% |

* The annualised expected gross return has been calculated based on the bank's long-term perspective (10-year horizon). For each risk profile, the neutral weighting has been assumed for each asset class. The higher the standard deviation, the higher the chance of a positive or negative return.

The value of your investments can fluctuate. Past performance is no guarantee of future performance.

Source: ABN AMRO Private Banking (GAAS), data accurate as of April 2023

## Impact Fund Mandate

| Risk profile name | Very Defensive | Defensive | Moderately Defensive | Moderately Offensive | Offensive | Very Offensive |
|---|---|---|---|---|---|---|
| **Investment horizon** | > 2 years | > 5 years | > 7 years | > 10 years | > 12 years | > 15 years |
| Expected gross returns annualised (geometric return based on 10-year horizon) | 3,4% | 4.0% | 4.4% | 4.7% | 4.9% | 5.0% |
| Expected risk (standard deviation) | 5,6% | 6.6% | 8.6% | 11.8% | 15.4% | 16.3% |
| Probability of a negative return every ... years | 3,7 | 3.2 | 3.0 | 2.8 | 2.6 | 2.6 |
| **Bandwidth (minimum and maximum weightings)** | | | | | | |
| Equities | 0% - 10% | 0 - 35% | 10 - 55% | 20 - 75% | 30 - 95% | 40 - 100% |
| Fixed income | 40% - 100% | 30 - 85% | 20 - 70% | 10 - 55% | 0 - 40% | 0 - 25% |
| Alternative investments | 0% - 20% | 0 - 20% | 0 - 20% | 0 - 30% | 0 - 30% | 0 - 30% |
| Liquidities | 0% - 60% | 0 - 70% | 0 - 70% | 0 - 70% | 0 - 70% | 0 - 60% |
| **Neutral asset allocation** | | | | | | |
| Equities | 0% | 20% | 35% | 55% | 75% | 80% |
| Fixed income | 80% | 60% | 45% | 25% | 5% | 0% |
| Alternative investments | 10% | 10% | 10% | 10% | 10% | 10% |
| Liquidities | 10% | 10% | 10% | 10% | 10% | 10% |

* The annualised expected gross return has been calculated based on the bank's long-term perspective (10-year horizon). For each risk profile, the neutral weighting has been assumed for each asset class. The higher the standard deviation, the higher the chance of a positive or negative return.

The value of your investments can fluctuate. Past performance is no guarantee of future performance.

Source: ABN AMRO Private Banking (GAAS), data accurate as of April 2023

## Benchmark

In order to evaluate the results of the risk profile you have chosen, we use a baseline. We call this baseline the benchmark. The benchmark has the same neutral weighting across the equities, fixed income, alternative investments and liquidities as your risk profile. For 'Investing with Advice' and 'Portfolio Management', we use a different benchmark.

| Benchmark Investment Advice | Very defensive | Defensive | Moderately defensive | Moderately offensive | Offensive | Very offensive |
|---|---|---|---|---|---|---|
| **Equities** | | | | | | |
| MSCI Europe tilt - 50% MSCI-Europe \| 40% MSCI World ex Europe \| 10% MSCI Emerging Markets* | 0% | 20% | 35% | 55% | 75% | 90% |
| **Fixed Income**** | | | | | | |
| ▶ Fixed Income (Investment grade) - 100% Bloomberg Barclays Euro Aggregate Bond Index 1-10Y<br>▶ Fixed Income (High Yield) - 50% Bloomberg Barclays Global High Yield EUR Hedged \| 25% JP Morgan EMBI EUR Hedged \| 25% JP Morgan CEMBI EUR Hedged | 90% | 70% | 55% | 35% | 15% | 0% |
| **Liquidities** | | | | | | |
| 1-month Euribor | 10% | 10% | 10% | 10% | 10% | 10% |

* MSCI Indices are Net Dividend    ** Fixed Income benchmarks are Total return

| Benchmark Portfolio Management | |
|---|---|
| **Comfort Income Mandate** | |
| Equities | 50% MSCI Europe \| 40% MSCI World ex-Europe \| 10% MSCI Emerging Markets (EUR) |
| Fixed Income | ▶ Fixed Income (Investment grade) - 100% Bloomberg Barclays Euro Aggregate Bond Index 1-10Y<br>▶ Fixed Income (High Yield) - 50% Bloomberg Barclays Global High Yield EUR Hedged \| 25% JP Morgan EMBI EUR Hedged \| 25% JP Morgan CEMBI EUR Hedged |
| Liquidities | 1-month Euribor |
| **Classic Mandate** | |
| Equities | 50% MSCI Europe \| 40% MSCI World ex-Europe \| 10% MSCI Emerging Markets (EUR) |
| Fixed Income | ▶ Fixed Income (Investment grade) - 100% Bloomberg Barclays Euro Aggregate Bond Index 1-10Y<br>▶ Fixed Income (High Yield) - 50% Bloomberg Barclays Global High Yield EUR Hedged \| 25% JP Morgan EMBI EUR Hedged \| 25% JP Morgan CEMBI EUR Hedged |
| Liquidities | 1-month Euribor |
| **Multi Manager Mandate** | |
| Equities | 50% MSCI Europe \| 40% MSCI World ex-Europe \| 10% MSCI Emerging Markets (EUR) |
| Fixed Income | ▶ Fixed Income (Investment grade) - 100% Bloomberg Barclays Euro Aggregate Bond Index 1-10Y<br>▶ Fixed Income (High Yield) - 50% Bloomberg Barclays Global High Yield EUR Hedged \| 25% JP Morgan EMBI EUR Hedged \| 25% JP Morgan CEMBI EUR Hedged |
| Liquidities | 1-month Euribor |
| **ESG Investment Mandate** | |
| Equities | 50% MSCI Europe \| 40% MSCI World ex-Europe \| 10% MSCI Emerging Markets (EUR) |
| Fixed Income | ▶ Fixed Income (Investment grade) - 100% Bloomberg Barclays Euro Aggregate Bond Index 1-10Y<br>▶ Fixed Income (High Yield) - 50% Bloomberg Barclays Global High Yield EUR Hedged \| 25% JP Morgan EMBI EUR Hedged \| 25% JP Morgan CEMBI EUR Hedged |
| Liquiditeiten | 1-month Euribor |
| **ESG Fund Mandate** | |
| Equities | 50% MSCI Europe \| 40% MSCI World ex-Europe \| 10% MSCI Emerging Markets (EUR) |
| Fixed Income | ▶ Fixed Income (Investment grade) - 100% Bloomberg Barclays Euro Aggregate Bond Index 1-10Y<br>▶ Fixed Income (High Yield) - 50% Bloomberg Barclays Global High Yield EUR Hedged \| 25%  JP Morgan EMBI EUR Hedged \| 25% JP Morgan CEMBI EUR Hedged |
| Liquidities | 1-month Euribor |
| **Impact Fund Mandate** | |
| Equities | 100% MSCI World |
| Fixed Income | 100% Bloomberg Euro Aggregate (1-10 Y) (EUR Unhedged) |
| Alternative investments | 100% 1 Month EURIBOR PLUS 200 BPS |
| Liquidities | 1-month Euribor |

## Level 2: Diversification across regions and industries

On this level, we advise you to further diversify your investments within the asset classes (level 1). For each asset class, we can further divide your investment into sub-categories. Further diversification is possible here. For instance, within the equities asset class we can introduce further diversification across regions and sectors or industries. And within the fixed income asset class, we can diversify across government bonds and corporate bonds, in particular with a focus on the allocation by credit rating. With these further allocations, there is also a neutral and a recommended allocation.

### Asset classes

Investments can be made in various investment categories. Just like many other banks and investment institutions, we base our investment categories on the sub-divisions of the CFA Society VBA Netherlands. This professional association of investment analysts promotes the quality and integrity of investment professionals in the Netherlands. We use the following sub-division of asset classes and sub-classes:

#### Equities

- Equities, developed markets
- Equities, Emerging markets

#### Bonds

Government bonds:

- Government bonds, euro AAA-AA
- Government bonds, EMU
- Government bonds, emerging markets (hard currency)

Corporate bonds (credits):

- Investment grade corporate bonds, euro
- Investment grade corporate bonds, non-euro
- High-yield corporate bonds (global)

#### Alternative investments

- Hedge funds
- Commodities

#### Liquidities

There is one difference with the CFA Society VBA Netherlands categories. At CFA Society VBA Netherlands 'Exchange-listed real estate' is a separate asset class. At ABN AMRO 'Exchange-listed real estate' is a sub-class of the asset class Equities. It also depends on your risk profile whether you will invest in all of these investment categories and subcategories. For instance, investments in the categories of hedge funds and commodities are less suited to lower risk profiles. These investment categories generally have too much risk. However, in certain market circumstances, we believe that these investment categories can add value. This gives us the opportunity to invest in these categories even in the lower risk profiles.

For all investment products, we have strict requirements in terms of marketability, such as the size of businesses or investment funds. We also make an advance assessment of whether investment products fit within our range policy. We only offer investment products that we have approved within our range policy. We repeat our approval process regularly.

In our investment policy, we only accept currency risks arising from investments in asset classes with a high volatility, including equities and alternative investments. We do this to prevent the currency risk from dominating the overall risk. All investments in bonds, for instance, must therefore be denominated in euros. Or be hedged against the euro, in the case of international bonds with an additional currency risk.

## Level 3: Diversification across different investments

Once we have determined the diversification across the four asset classes (level 1) and the diversification across regions and sectors (level 2), we recommend that you diversify your assets across the various investments. These are the investments that we expect to deliver the best performance.

### What if you do not diversify?

If you invest too much in one or more investment products within the same investment category, you disrupt the balance in your investment portfolio. The ultimate return may then turn out to be very different than the expected return that corresponds to the risk profile you are using to invest. The risk is then great that you will not meet your investment goal and that you will take another risk with your investment portfolio than the risk that you had decided that you can and are willing to take.

### The impact of the economy on your investments

Macroeconomic and microeconomic factors have an impact on your investments. Examples of macroeconomic factors include economic growth and increasing prosperity, but also the impact of economic crises, armed conflict and disasters. Microeconomic factors include the financial performance of the businesses you invest in.

Our vision of the developments on the global financial markets and the opportunities and risks that these developments offers investors are expressed in our investment policy. This policy is determined by the ABN AMRO Investment Committee. The ABN AMRO Investment Committee combines all relevant information, establishes its investment perspectives on a monthly basis and translates these to recommended investment allocations.

ABN AMRO's Group Economics and ABN AMRO Global Investment Centre participate in the ABN AMRO Investment Committee. The economists of Group Economics track and analyse macroeconomic developments. They focus primarily on the long term and take a global view of the economy by regions and sectors, of the interest rate and of the value of the euro and other currencies. The analysts and portfolio managers of Global Investment Centre closely monitor developments in all asset classes and on the key financial markets. Together, they focus on the strategic and thematic issues at play in the equities and bond markets. They also make recommendations for equities sectors and bond segments. For the selection of individual investments, we draw on the expertise of specialists such as Morningstar, ABN AMRO Markets and ABN AMRO Investment Solutions.

### Stock market research

Morningstar, the leading supplier of independent investment research,supplies the fundamental stock market research into individual large cap companies worldwide. Thanks to the partnership with Morningstar, you benefit from high-quality stock market research. Additional, ABN AMRO Markets keeps track of companies from the Benelux.

### Investment funds research

If you invest in investment funds, these will be selected for ABN AMRO by ABN AMRO Investment Solutions. ABN AMRO Investment Solutions' selection experts choose from a global offering of investment funds. Every fund provider has its own investment style and choosing the right investment funds is an ongoing process. ABN AMRO Investment Solutions uses a selection method that allows you to gain maximum benefit from market developments thanks to the right funds.

Although we select investments with the greatest care, major unexpected events in the world can cause turmoil on the financial markets. These include terrorist attacks, armed conflict and natural disasters. Such events can have a major impact on the risk and return from your investment portfolio. Even if your investments are low risk.

# Description of the six risk profiles

The six risk profiles that ABN AMRO uses each have their own risk and return characteristics. On one side of the spectrum, you have the investor who only invests in defensive assets, such as liquidities and fixed income. And then there is the offensive investor with a portfolio which is often entirely comprised of equities.

## Calculation of the expected return

Expected returns are based on long-term forecasts made by the ABN AMRO Investment Committee. They make these forecasts based on the current investment environment in combination with expected future developments. But remember: this is a projection. The actual returns may disappoint and be lower than expected.

We calculate the expected returns in terms of geometry. The geometric return is the annual percentage that leads to the actual final capital. Example: In the return in year 1 is +50% and in year 2 –50%. (R1 = 50%, R2 = -50%) The geometric return is (1+R1) x (1+R2) -1 = -25%. In this example, if you had invested EUR 1,000, the value of your investment would have been EUR 1,500 at the end of year 1 (+50%). In year 2, the loss of -50% would mean that only EUR 750 of the original capital would be left (-50% of EUR 1,500). On balance, you would have made a loss of EUR 250, or a negative return of 25%.

## Notes to the risk profiles

The following pages describe the six risk profiles. For a better understanding, we will first explain a number of terms used.

## Expected overall annual return

This is the expected return on the entire investment portfolio. To calculate the expected returns for each asset class, we make a distinction between income and capital growth. The expected return on equities comprises the estimated dividend returns and the price gains. The expected price gains are calculated based on inflation and profit growth forecasts. When calculating the expected return on fixed income, account is taken of the current interest rate levels for the various durations, expected inflation and the interest rate returns. For liquidities, we take account of the 1-month Euribor (European money market interest rate) as our reference point. For alternative investments, we take the 1-month Euribor plus a surcharge.

## Ex ante risk (standard deviation)

Ex ante risk is the expected risk. This indicates how far potential returns can deviate from the expected return. The higher this percentage, the lower the expectation that the actual return will approximate the expected return. In other words, the higher the risk, the more variation there is likely to be in (interim) returns (see also: Historical risk (standard deviation)).

### Negative every x number of years

Under this heading, we show you how often you can expect the return on your portfolio to be negative every x number of years.

### Capital growth of EUR 100,000 after ten years

The values for capital growth show three possible scenarios for the value growth of EUR 100,000 over ten years. The standard scenario is the average, based on the expected overall return. The pessimistic and optimistic scenarios provide insight into the value development in very good or very bad economic times. The results are based on probabilities. In the optimistic and pessimistic scenarios, there is a 5% chance that actual performance could be even poorer or even better than indicated.

## Investment Risk Indicator

Banks and investment institutions use various names for their risk profiles. But these names do not always tell you about the extent of the risk of a certain profile. For this reason, we provide you with the Investment Risk Indicator. This is a standard developed by the Dutch Banking Association (NVB). Banks and investment institutions affiliated with the NVB have agreed to adopt this risk indicator as a standard.

The aim of the risk indicator is not for banks and investment institutions to all offer the same risk profiles. Nor is it to see that the risk profiles or the investment portfolios of customers are monitored in the same way. The aim of the risk indicator is purely to allow investors to easily and quickly compare the risk profiles of the various banks and investment institutions.

The Investment Risk Indicator runs on a scale from one to seven from left to right (from low to high risk). One is the lowest risk, while seven is the highest risk. The black area between the two indicators shows the maximum and minimum risk, i.e. the bandwidth within which the risk of that profile can be found:

- The wider the black area, the more volatility there will be in the return and the more uncertain the risk. The minimum risk and maximum risk are far apart here. The narrower the black area, the less volatility there will be in the return and the more certain the risk. The minimum risk and maximum risk are close together here.

The Investment Risk Indicator helps you understand the risk of the investments within a risk profile. This risk indicator is based on the volatility of the returns from the investments within a risk profile. This volatility is a commonly used measure of market risk. However, there are other risks that may have a major impact on the return which are not taken into account by the Investment Risk Indicator. Examples are the credit and liquidity risk. You should therefore also read the section on ‘Investment Risks’ later on in this brochure.

The following is also important to know:

- The Investment Risk Indicator is based on the volatility of past prices. This is an indication of future volatility, but is not a cast-iron guarantee.
- The more volatile the prices, the greater the returns may be and the lower the returns may be.
- Low risk still means that you could lose money. You should therefore also read the information on what would happen in a worst-case scenario. This is the scenario in which we have calculated the most negative expectations into the expected returns (see the pages on the characteristics of the six risk profiles).
- The Investment Risk Indicator refers to standard investments (a model portfolio) within a risk profile and not to your own individual investment portfolio.
- The Investment Risk Indicator assumes a diversified investment portfolio. A less diversified investment portfolio will usually entail higher risk.
- The Investment Risk Indicator assumes a long investment horizon. The shorter the (remaining) investment horizon and the more volatile the prices, the less time there will be to recover from poor returns thanks to good returns.
- The risk indicator provides an estimation of the risk based on past performance.

## Historic returns annualised

The average annual return: the sum of price gains and losses of all income, such as interest and dividends, annualised over the past ten years. The statistics are presented in the following pages.

### Historical risk (standard deviation)

The standard deviation per annum over the past ten years. This is a statistical measure that expresses the extent of fluctuations in the actual returns. The higher the standard deviation, the more the value of the portfolio may fluctuate.

### Historical Value at Risk (VaR)

A method of measuring risk. This gives investors a measure of the scale of possible losses as well as the probability of those losses. The VaR shown is the expected maximum loss in a year with a probability of 95%. There remains a 5% chance that the loss will be larger in reality than the historical VaR shows.

The historical VaR is determined based on the actual annual yield distribution over the past ten years.

### Minimum yield per year

The minimum annual yield of the strategic asset allocation over the past ten years.

### Maximum yield per year

The maximum annual yield of the strategic asset allocation over the past ten years.

## Impact of fees on your return

When you invest you pay costs and charges. These costs and charges include:

### Costs that you pay to ABN AMRO

- Costs for the investment service. These include the annual service costs (independent investing), advisory costs (investing with advice) or portfolio management costs (portfolio management);
- Costs for transactions. For investing with advice and portfolio management the transaction costs are included in the advisory costs or portfolio management costs. For independent investing and for those kinds of transactions which are not included in the advisory costs or portfolio management costs, you pay costs for the purchase or sell of your investments; and/or
- Costs for certain administrative services.

### Costs that you pay to others

And sometimes there are other costs, which you do not pay ABN AMRO. These include:

- Costs related to the product. Such as investment funds' ongoing charges; and
- Taxes and deductions at source. Such as VAT and withholding tax on dividends.

You will find the most important costs for investing with ABN AMRO MeesPierson at the bank's website.

There is a difference between the gross yield and the net yield. The return on your investments is the gross yield. The fees are then deducted from this. This reduces your gross yield. The remainder is your net yield. (Gross yield – fees = net yield.)

Example: the gross yield on your investments is 4% and the fees are 1.5%. Your net yield is then 2.5%.

The scale of the impact of the fees on your yield depends on:
- the investment approach of your choice (investing with advice or portfolio management);
- the size of your investment portfolio; the expected returns; and how actively you invest.

With a low risk profile, you can expect modest returns. If you incur many fees in a given year, the fees will have a relatively large impact on your returns. With a higher risk profile, you can expect higher returns. The impact of the fees would then be relatively lower. So always ensure the fees are proportionate to the returns and risk.

The lower the expected gross yield, the higher the chance that fees will result in your net yield being very low or possibly even negative. Always think about whether investing in this way is worthwhile for you. It may then be wiser to reorganise your investment portfolio. Or you may do well to invest a higher amount. Or maybe investing is not for you, and you may want to consider saving.

## Investment risks

It is important that you are aware of the various risks of investing. This will enable you to make a well-founded decision on whether you are able and willing to accept the risk of an investment. Here we describe the primary risks. For certain investment products, such as structured products and options, there may be other risks. Read the product information for structured products or read the ABN AMRO Options Conditions to find out what other risks may apply. If you want to invest in options, you will have to sign a separate subagreement for this.

### Price risk

Price risk is the risk that the value of your investment will depreciate. This risk varies from one investment to the next and depends among other things on:
- performance of the investment itself
- supply and demand for the investment market
- sentiment (see also: market risk)

### Market risk

Market risk is the risk posed by market volatility as a result of variable sentiment in the market. It is also referred to as market volatility. The market is generally very sensitive to changing moods. When sentiment is positive, the prices of your investments may rise. But negative sentiment can cause prices to fall.

### Concentration risk

It is important to spread your investments across various categories and businesses. If there is concentration in your portfolio, you are investing too much in a single investment or in a few investments. If things do not go well with these investments, you will have limited or zero opportunity to make up the losses from these investments with gains from other investments.

### Debtor or creditor risk
Most bonds are issued by businesses or governments. These are the debtors of the bonds. The value of bonds is linked to the market's opinion on the debtor. With bonds, the expectation that the debtor can pay back both the interest and the principal sum at the end plays a key role. This is known as the creditworthiness or credit rating of the debtor. The higher the debtor's credit rating, the lower the interest will be that you can earn on the bond. The lower the credit rating, the higher the interest will be. If a debtor's credit rating worsens, it will generally result in a fall in the price of that debtor's bonds. An improvement in the credit rating will usually result in an increase in the price.

### Exchange rate risk
Where an investment product is issued in a currency other than the euro, you will be exposed to a risk relating to that currency value compared to the euro. The other currency may increase or fall in value compared to the euro.

### Interest rate risk
Interest rate risk is the risk of changes in the interest rate in the market. Interest is the cost of borrowing money. If the market interest rate changes, this could have an impact on the prices of equities and bonds that offer a fixed income. This also makes the interest rate risk a price risk.

Generally speaking,
- If interest rates rise, the prices of fixed rate bonds and equities fall.
- If interest rates fall, the prices of fixed-rate bonds and equities rise.

### Liquidity risk
This is the risk that you will not easily be able to sell your investment because there is little or no demand for it.

### Political risk
This is the risk that certain government measures may have a negative impact on your investments.

### Inflation risk
This is the risk that the value of the euro falls. This means that your purchasing power per euro is reduced.

### Reinvestment risk
For bonds, for instance, this is the risk that you will not be able to invest in a similar bond when your bond matures and you get money back that you want to reinvest.

### Unexpected situations
This may be a drastic change in legislation. Or a terrorist attack. Even with a defensive risk profile, unexpected situations may have an impact on the return from your investments.

In this brochure, we have set out the key characteristics of the six ABN AMRO risk profiles. Based on your responses to the questions about the investor profile, you will be able to determine with our help the risk profile that best suits you. Bear in mind that the figures shown for the returns and risks in this brochure do not constitute a promise or guarantee of future performance.

Also be aware that the yields shown are gross yields. Fees have not been taken into account in the calculations.

More information on investing with ABN AMRO can be found in the General Investment Conditions of ABN AMRO. These conditions can be found on abnamro.nl/en/personal

# Risk profile 1: Very defensive

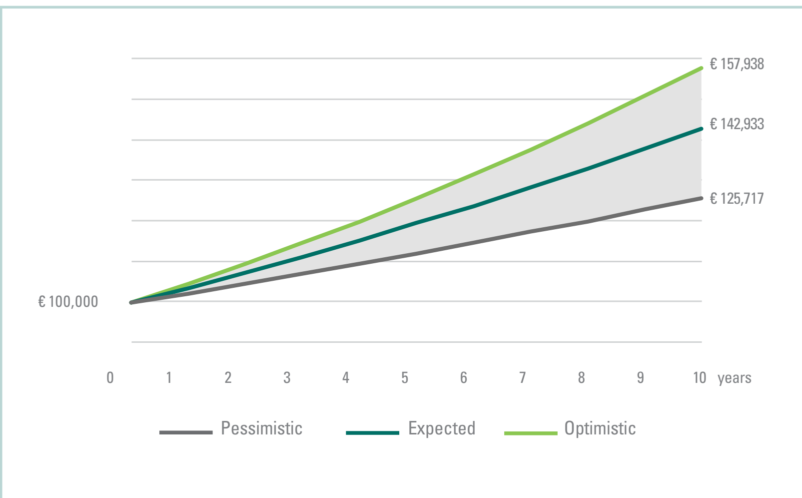
Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate


| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 0% | **0%** | 10% |
| Fixed income | 40% | **90%** | 100% |
| Alternative investments | 0% | **0%** | 10% |
| Liquidities | 0% | **10%** | 60% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 3.6% |
| Ex ante risk (standard deviation) | 6.3% |
| Negative every x number of years | 3.5 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 125,717 |
| Neutral scenario | € 142,933 |
| Optimistic scenario | € 157,938 |

| Historical risk and gross return: 10-year period | |
|---|---|
| Historic gross returns annualised | 0.5% |
| Historical risk (standard deviation) | 2.3% |
| Historical Value at Risk (VaR), 95% | -3.4% |
| Maximum drawdown (MDD) | -13.2% |
| Minimum gross return annualised by calendar year | -11.2% |
| Maximum gross return annualised by calendar year | 7.2% |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the very defensive risk profile is two years.

# Risk profile 2: Defensive

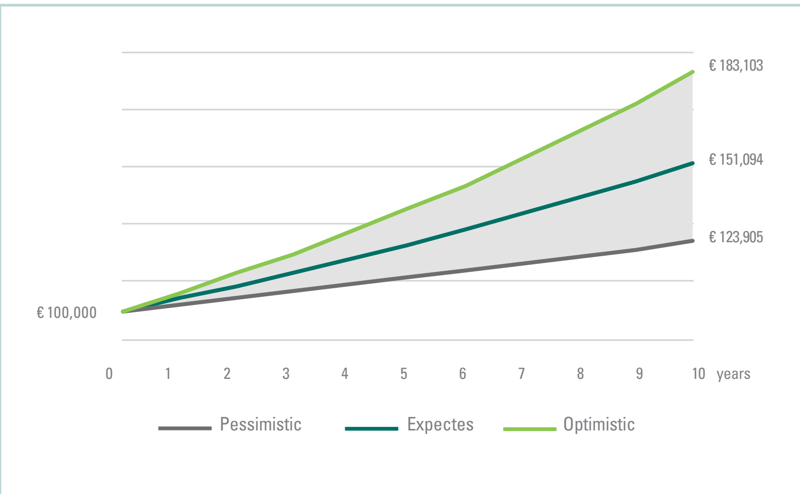
## Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate


| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 0% | **20%** | 35% |
| Fixed income | 30% | **70%** | 85% |
| Alternative investments | 0% | **0%** | 20% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 4.2% |
| Ex ante risk (standard deviation) | 7.3% |
| Negative every x number of years | 3.6 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 123,905 |
| Neutral scenario | € 151,094 |
| Optimistic scenario | € 183,103 |

| Historical risk and gross return: 10-year period | |
|---|---|
| Historic gross returns annualised | 2.1% |
| Historical risk (standard deviation) | 3.6% |
| Historical Value at Risk (VaR), 95% | -5.5% |
| Maximum drawdown (MDD) | -12.7% |
| Minimum gross return annualised by calendar year | -11.0% |
| Maximum gross return annualised by calendar year | 8.4% |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the defensive risk profile is five years.


# Risk profile 3: Moderately defensive

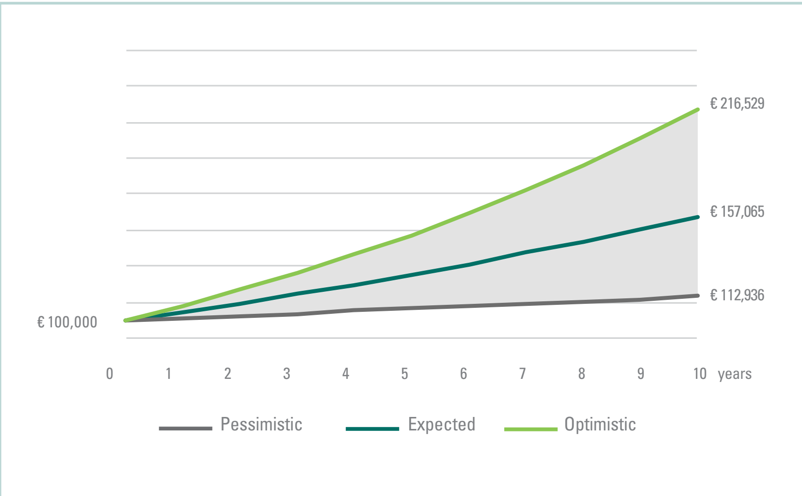
## Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate

| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 10% | **35%** | 55% |
| Fixed income | 20% | **55%** | 70% |
| Alternative investments | 0% | **0%** | 20% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 4.6% |
| Ex ante risk (standard deviation) | 9.1% |
| Negative every x number of years | 3.3 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 112,936 |
| Neutral scenario | € 157,065 |
| Optimistic scenario | € 216,529 |

| Historical risk and gross return: 10-year period | |
|---|---|
| Historic gross returns annualised | 3.4% |
| Historical risk (standard deviation) | 5.4% |
| Historical Value at Risk (VaR), 95% | -8.2% |
| Maximum drawdown (MDD) | -15.9% |
| Minimum gross return annualised by calendar year | -10.9% |
| Maximum gross return annualised by calendar year | 11.8% |



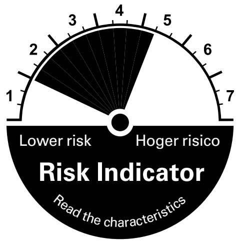

**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the moderately defensive profile is seven years.




# Risk profile 4: Moderately offensive

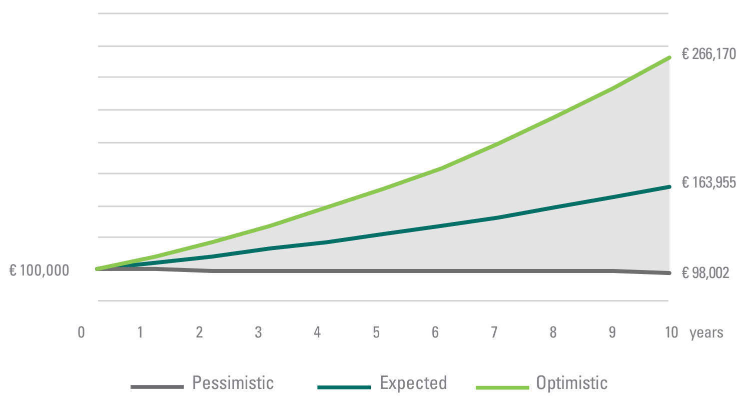
## Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate

| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 20% | **55%** | 75% |
| Fixed income | 10% | **35%** | 55% |
| Alternative investments | 0% | **0%** | 30% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 5.1% |
| Ex ante risk (standard deviation) | 12.0% |
| Negative every x number of years | 3.0 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 98,002 |
| Neutral scenario | € 163,955 |
| Optimistic scenario | € 266,170 |

| Historical risk and gross return: 10-year period | |
|---|---|
| Historic gross returns annualised | 5.0% |
| Historical risk (standard deviation) | 8.1% |
| Historical Value at Risk (VaR), 95% | -12.3% |
| Maximum drawdown (MDD) | -22.2% |
| Minimum gross return annualised by calendar year | -10.7% |
| Maximum gross return annualised by calendar year | 16.6% |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the moderately offensive profile is ten years.

# Risk profile 5: Offensive

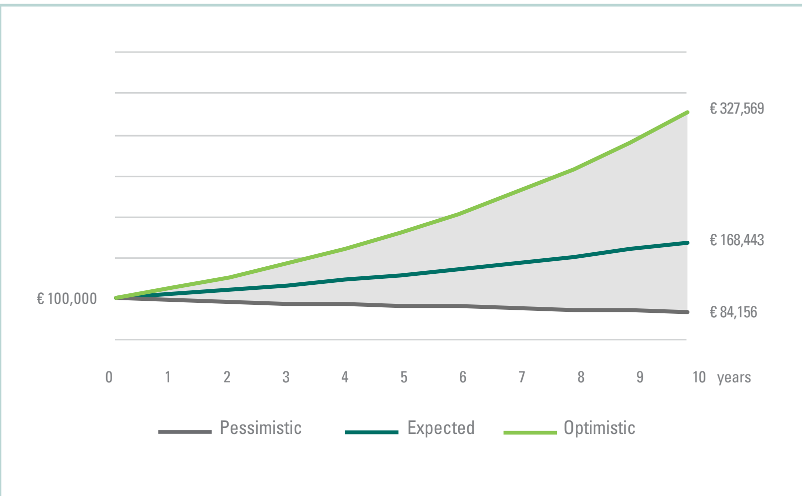
## Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate


| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 30% | **75%** | 95% |
| Fixed income | 0% | **15%** | 40% |
| Alternative investments | 0% | **0%** | 30% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 5.4% |
| Ex ante risk (standard deviation) | 15.3% |
| Negative every x number of years | 2.8 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 84,156 |
| Neutral scenario | € 168,443 |
| Optimistic scenario | € 327,569 |

| Historical risk and gross return: 10-year period | |
|---|---|
| Historic gross returns annualised | 6.7% |
| Historical risk (standard deviation) | 10.9% |
| Historical Value at Risk (VaR), 95% | -16.6% |
| Maximum drawdown (MDD) | -28.1% |
| Minimum gross return annualised by calendar year | -10.6% |
| Maximum gross return annualised by calendar year | 21.6% |




**Probability of achieving result**

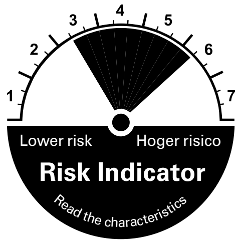
| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the offensive profile is twelve years.

# Risk profile 6: Very offensive



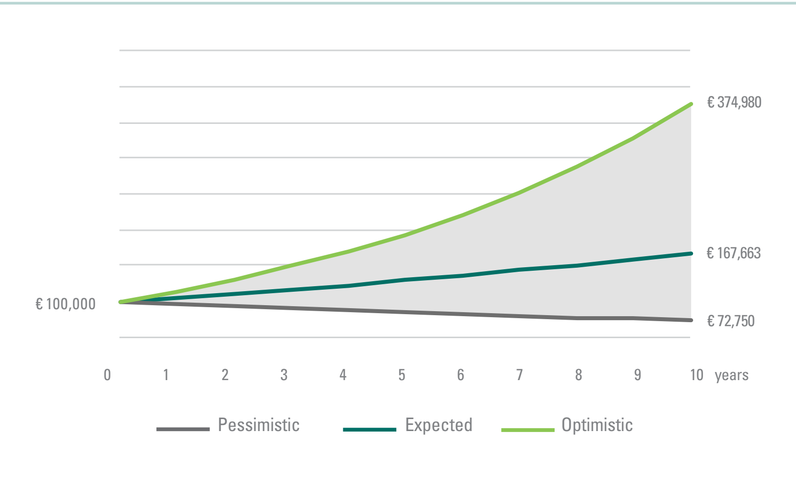

## Comfort Income Mandate, Multi Manager Mandate, ESG Fund Mandate, ESG Investment Mandate and Classic Mandate

| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 40% | **90%** | 100% |
| Fixed income | 0% | **0%** | 25% |
| Alternative investments | 0% | **0%** | 30% |
| Liquidities | 0% | **10%** | 60% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 5.3% |
| Ex ante risk (standard deviation) | 17.5% |
| Negative every x number of years | 2.6 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 72,750 |
| Neutral scenario | € 167,663 |
| Optimistic scenario | € 374,980 |

| Historical risk and gross return: 10-year period | |
|---|---|
| Historic gross returns annualised | 8.1% |
| Historical risk (standard deviation) | 12.8% |
| Historical Value at Risk (VaR), 95% | -19.8% |
| Maximum drawdown (MDD) | -30.9% |
| Minimum gross return annualised by calendar year | -10.3% |
| Maximum gross return annualised by calendar year | 24.5% |




**Probability of achieving result**

| | | |
|---|---|---|
| 5% | 90% | 5% |

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the very offensive profile is fifteen years.

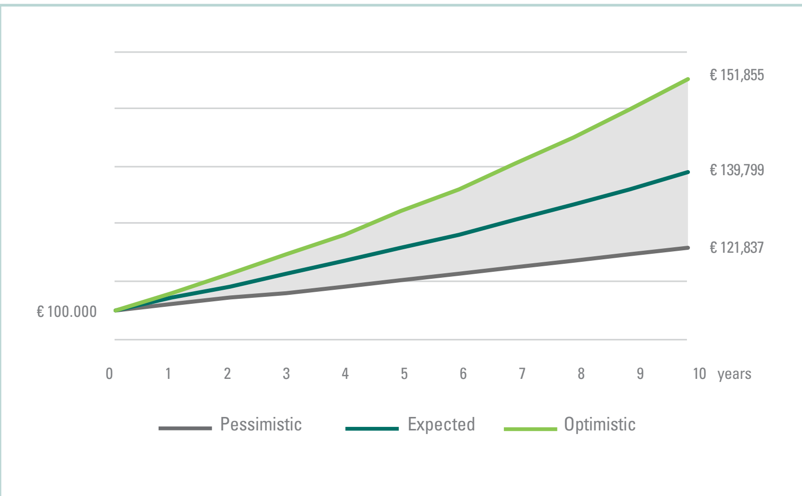

# Risk profile: Very Defensive

## Impact Fund Mandate

| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 0% | **0%** | 10% |
| Fixed income | 40% | **80%** | 100% |
| Alternative investments | 0% | **10%** | 10% |
| Liquidities | 0% | **10%** | 60% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 3.4% |
| Ex ante risk (standard deviation) | 5.6% |
| Negative every x number of years | 3.7 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 151,855 |
| Neutral scenario | € 139,799 |
| Optimistic scenario | € 125,837 |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important:** the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period:** the recommended minimum period for investing your money with the defensive risk profile is five years.

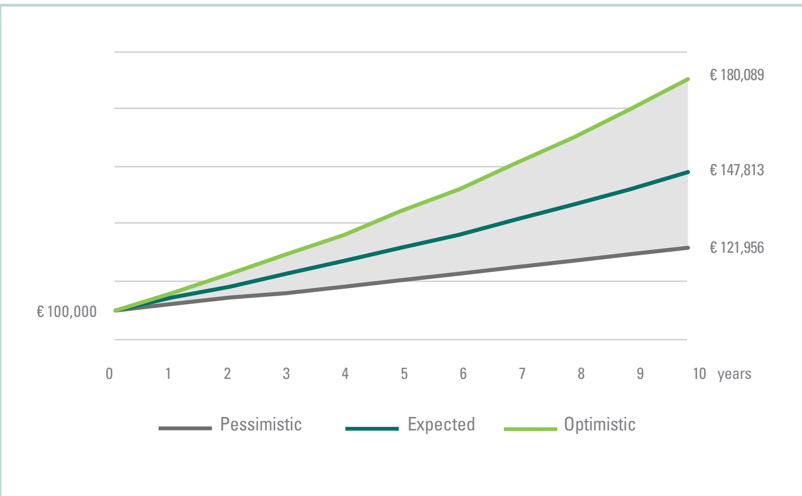
# Risk profile: Defensive

Impact Fund Mandate


| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 0% | **20%** | 35% |
| Fixed income | 30% | **60%** | 85% |
| Alternative investments | 0% | **10%** | 20% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 4.0% |
| Ex ante risk (standard deviation) | 6.6% |
| Negative every x number of years | 3.2 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 121,956 |
| Neutral scenario | € 147,813 |
| Optimistic scenario | € 180,089 |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the defensive risk profile is five years.

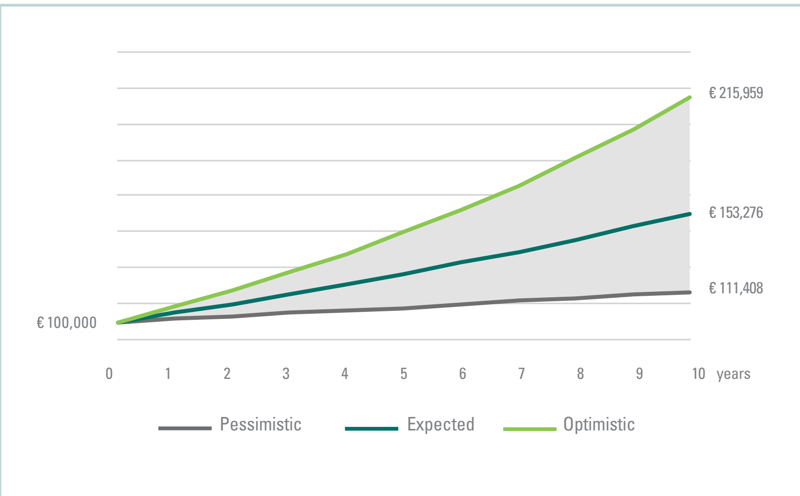
# Risk profile: Moderately defensive

Impact Fund Mandate


| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 10% | **35%** | 55% |
| Fixed income | 20% | **45%** | 70% |
| Alternative investments | 0% | **10%** | 20% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 4.4% |
| Ex ante risk (standard deviation) | 8.6% |
| Negative every x number of years | 3.0 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 111,408 |
| Neutral scenario | € 153,276 |
| Optimistic scenario | € 215,959 |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the moderately defensive profile is seven years.

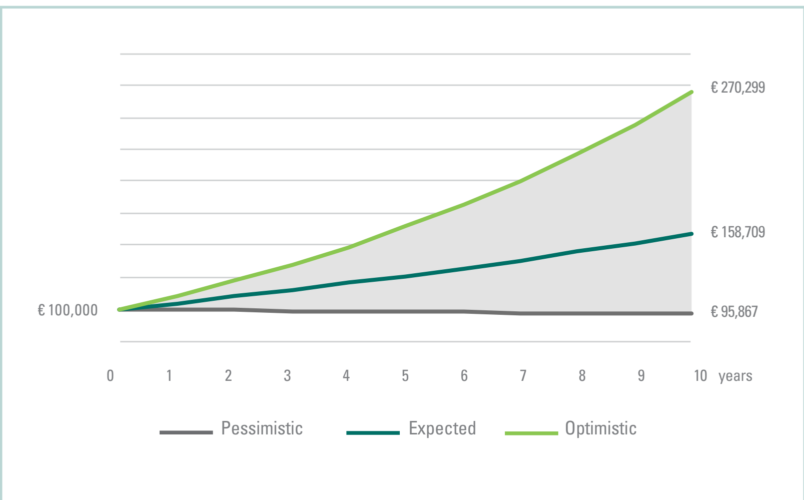

# Risk profile: Moderately offensive

## Impact Fund Mandate

| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 20% | **55%** | 75% |
| Fixed income | 10% | **25%** | 55% |
| Alternative investments | 0% | **10%** | 30% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 4.7% |
| Ex ante risk (standard deviation) | 11.8% |
| Negative every x number of years | 2.8 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 95,867 |
| Neutral scenario | € 158,709 |
| Optimistic scenario | € 270,299 |




### Probability of achieving result


**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the moderately offensive profile is ten years.

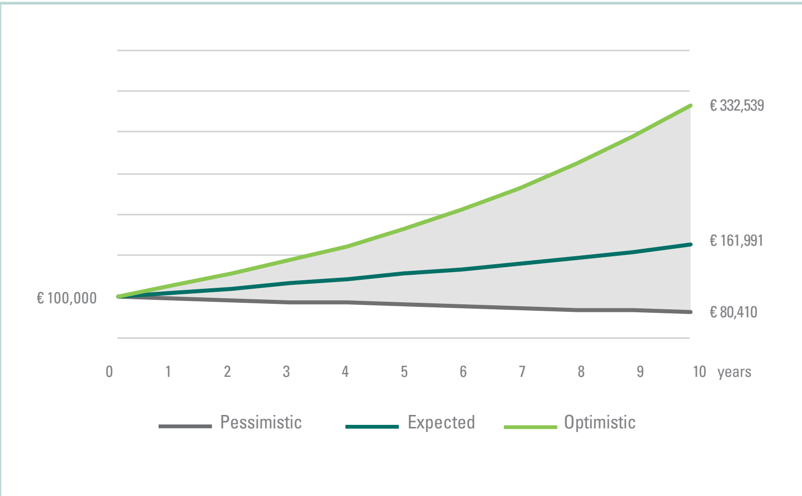
# Risk profile: Offensive

## Impact Fund Mandate


| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 30% | **75%** | 95% |
| Fixed income | 0% | **5%** | 40% |
| Alternative investments | 0% | **10%** | 30% |
| Liquidities | 0% | **10%** | 70% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 4.9% |
| Ex ante risk (standard deviation) | 15.4% |
| Negative every x number of years | 2.6 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 80,410 |
| Neutral scenario | € 161,991 |
| Optimistic scenario | € 332,539 |




### Probability of achieving result

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the offensive profile is twelve years.

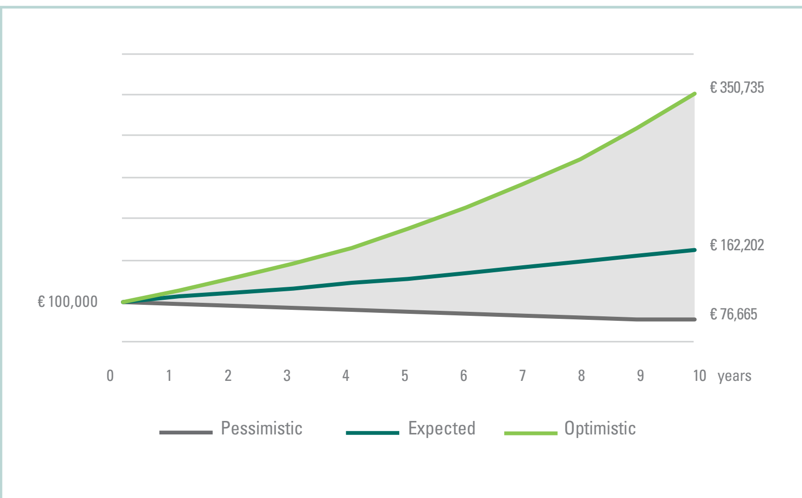

# Risk profile: Very offensive

## Impact Fund Mandate

| Asset allocation | min. | neutral | max. |
|---|---|---|---|
| Equities | 40% | **80%** | 100% |
| Fixed income | 0% | **0%** | 25% |
| Alternative investments | 0% | **10%** | 30% |
| Liquidities | 0% | **10%** | 60% |

| Expected risk and return | |
|---|---|
| Expected gross overall annual return | 5.0% |
| Ex ante risk (standard deviation) | 16.3% |
| Negative every x number of years | 2.6 |

| Gross capital growth of 100,000 euro after 10 years | |
|---|---|
| Pessimistic scenario | € 76,665 |
| Neutral scenario | € 162,202 |
| Optimistic scenario | € 350,735 |




**Probability of achieving result**

| 5% | 90% | 5% |
|---|---|---|

**Important**: the figures specified for the risks and returns do not constitute a promise or guarantee for the future. This example does not include the fees payable for investments.

The returns shown here are gross returns: due to the impact of fees, the actual (net) return is lower. You can read more about this in the chapter 'Impact of fees on your return' earlier in this brochure.

**Recommended period**: the recommended minimum period for investing your money with the very offensive profile is fifteen years.

# Sustainability and your investments

## Fleeting investment trend?

Investors who saw 'sustainable' as yet another fleeting investment trend – here today, gone tomorrow – have been proven wrong. After all, companies that already treat people, the environment and society with care will be less exposed to future regulations regarding sustainability, and will therefor often be better prepared for the future. And that appeals to an increasing number of investors, even those seemingly have little interest in sustainability.

How we look at sustainability has changed over the years; this is why we constantly innovate and reassess our own policy. With a view to the future, we would like to take you along on this transition to a more sustainable world. Investing is an important part of this.

A lot will change in the near future. New insights lead to new laws and regulations. And new laws and regulations may lead to adjustments in our investment decisions. Naturally, we will keep you updated on these changes. To find out what this means for you and your investments, keep reading: we explain it all below.

### Sustainability and your investments

Did you choose Investing with Advice or Portfolio Management? Then we will ask you a few questions regarding your personal situation and your investment goals. We will also discuss how important you consider sustainability to be in your investments, ask you some questions about your sustainability preferences, and establish a sustainability profile for you. In this part of this brochure we take you into the world of sustainability and investing and show you what has changed.

### Sustainable investing explained

In the past everyone could decide for themselves what they considered to be a 'sustainable' (or 'green' or 'socially responsible') investment. That's changing now with new EU regulations that define terms such as sustainable investing so that everyone has the same understanding of the terminology. A sustainable investment is an investment that contributes to achieving an environmental or social objective. Furthermore, the company must not have a significant adverse impact on other environmental or social objectives. The company in which the investment is being made must also follow good governance practices. So, there are quite a few requirements that a sustainable investment must meet. In addition to sustainable investments, we also have ESG investments. ESG stands for environmental, social and governance. These investments meet a number of sustainability criteria, but do not meet all the criteria that sustainable investments must meet.

### What is changing?

Due to new EU regulations we now have a definition of sustainable investing so that everyone has the same understanding of the terminology. Furthermore, we will ask you what your sustainability preferences are. ABN AMRO has defined different sustainability profiles. Based on your sustainability preferences we will determine which sustainability profile suits you best. Within our investment services we will take into account your sustainability profile.

If you do not have any sustainability preferences then you can indicate this in the questionnaire. We then do not have to take sustainability preferences into account.

## Grey, greener, greenest

A good investment policy – one which takes sustainability into account – starts with research. For this, ABN AMRO uses the findings of external research agencies. This leads to a good picture of a company's ESG performance. ABN AMRO then carefully considers whether and to what extent these companies fit in the framework of sustainable investing.

### ESG

In investing, sustainability aspects may be taken into account, alongside financial factors, in investment decisions. A term often heard in this context is ESG, or environmental, social and governance (risks, factors, etc.), and so investing with these aspects in mind is called ESG investing.

### Environmental

For the 'environmental' part of the ESG factors, we examine the positive contribution a company makes in the area of environmental challenges and its performance in this regard. We look at the steps a company is taking to reduce carbon emissions, water usage and the amount of waste generated. We also ask questions like 'Does the company actively recycle?' and 'Does the company report on its own environmental impact?'.

### Social

With the 'social' aspect we look at how a company treats its employees. Does a company ensure working conditions are safe and pay its employees a fair wage? Does the company have an anti-discrimination policy, for example? How does the company treat its suppliers? What is the company doing to exclude child labour from its production chain?

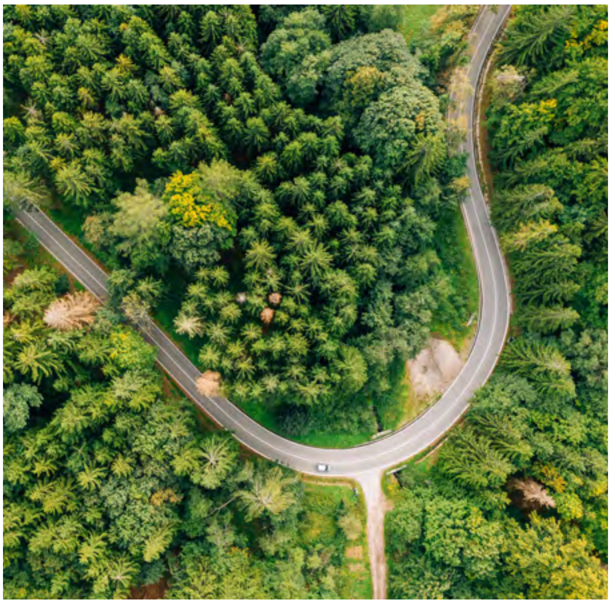
### Governance

For the 'governance' consideration we examine how a company is managed, asking questions like 'Is the company susceptible to corruption?' and 'How is the Supervisory Board composed?'. We also look into whether the company is involved in political lobbying and, if so, whether they have a transparent policy concerning this. And we consider how transparent the company is in terms of its policy and activities.

As there are a number of ways by which you can take into account suitability within our investments the regulator has defined three categories. In the questionnaire you can indicate whether you wish to take into account one or more of these categories within our investments. The three categories are:

- Take adverse impacts on sustainability factors into account.
- Sustainable investments
- Taxonomy-aligned investments

This framework and what these categories entail is discussed below, followed by an explanation of what this means for you and your investments.



**Adverse impacts on sustainability factors**

**Caused by companies**

- GHG emissions
- Carbon footprint
- Investing in companies without carbon reduction initiatives
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity sensitive areas
- Emissions into water
- Hazardous waste ratio
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)

**Caused by countries**

- GHG Intensity
- Social violations
- Social violations

EU regulations are currently under development and not all information is available yet. That is why ABN AMRO is now working with a temporary solution to assess how investments take into account adverse impacts. This may lead to a change in the assessment of the investment products in the future.

## Takes adverse impacts on sustainability factors into account

In your investment strategy, you can choose to take into account adverse impacts on sustainability factors. Sustainability factors relate to environmental, social and employee aspects, respect for human rights, and anti-corruption and anti-bribery matters. This can be done in one of three ways:

- Exclusion
- Engagement: entering into a dialogue with listed and non-listed companies
- Do no significant harm (DNSH)

## Exclusion

### Controversial weapons list

ABN AMRO always excludes companies that manufacture controversial weapons or make money from them in some other way. We believe that the effects of these weapons are disproportionate given that they indiscriminately impact civilians and military targets. We include biological, chemical and nuclear weapons, anti-personnel mines, cluster munitions and several other categories under our definition of controversial weapons. You can read on our website which weapons and companies ABN AMRO excludes.

### Sanction list

Sanctions may apply to entire countries or to individual companies or organisations. When sanctions have been imposed on a country, company or organisation, this means that it is prohibited by law to conduct certain defined transactions with these entities. As a result, they are always excluded and are not, or no longer, included in any investment decision.

### List of investment exclusions

This list contains companies that we do not wish to invest in for various reasons. We also always exclude these companies for our investments in shares and bonds. Examples are tobacco manufacturers and companies with which we cannot successfully engage. This does not always apply to investment funds, government bonds and structured products given that some investment funds are composed by other parties. Other investment exclusions may apply in these cases though.

### Exclusions per investment concept

Companies or countries may also be excluded for each investment concept based on ESG factors. The more sustainable the investment concept, the higher the number of companies and/or countries excluded.

## Engagement: entering into a dialogue with listed and non-listed companies

By bundling our clients’ investments, we can influence the decision-making of listed and non-listed companies in which we invest and, this way, try to reduce the adverse impacts on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. This strategy arose from the idea that a constructive, ongoing dialogue, referred to in the industry as ‘engagement’, has a greater effect on sustainable change than excluding or divesting companies. In 2021, ABN AMRO engaged with 845 companies on various ESG topics. Two key topics of these discussions were climate change and gender diversity.

## Do no significant harm (DNSH)

If an investment has no significant adverse impacts on an ecological or social objective, this investment complies with the principle of ‘do no significant harm’ (DNSH). Consider, for example, the situation in which a company installs a wind turbine in a protected nature reserve: though this may generate clean energy, harming natural areas (biodiversity) is of course an undesirable outcome. So, DNSH essentially means that the activity must not have a significant adverse impact on other social and/or environmental objectives.

## Sustainable investments

You can make a positive contribution with your investments by investing in companies that pursue activities that support an environmental or social objective. These objectives are often related to the UN Sustainable Development Goals. Environmental objectives relate to matters like greenhouse gas emissions, water usage and the production of waste, for example. Social objectives could be tackling inequality or promoting good industrial relations and employment practices, for example. It’s also important that the extent to which the objective is being achieved can be measured.

We also look at whether an investment that makes a positive contribution to one or more environmental or social objectives will not unintentionally also have an adverse impact on other environmental or social objectives. If it does, this investment no longer meets this category. An example would be a wind farm (makes a positive contribution to an environmental objective) in a nature reserve (adversely impacts biodiversity). In addition, a company must apply good governance practices. We call investments that meet these three criteria sustainable investments.

## Taxonomy-aligned investments

To ensure everyone has the same understanding and definition of what is sustainable, the European Commission has created a taxonomy, a classification system establishing a list of environmentally sustainable economic activities. The EU Taxonomy is a sort of ‘green manual’. If an economic activity complies with the criteria under the EU Taxonomy, it can be considered to be ‘environmentally sustainable’. The EU Taxonomy explains per sector which economic activities can be deemed to be environmentally sustainable and which not. We call investments that meet these criteria taxonomy-aligned investments.

**Taxonomy-aligned investments**

**Activities that make a substantial positive contribution to at least one environmental objective:**

- climate change mitigation
- climate adaptation
- sustainable use and protection of water and marine resources
- transition to a circular economy
- protection and restoration of biodiversity and ecosystems
- pollution prevention and control

**Activities that do not significantly adversely impact the environment**

**Activities that meet minimum social safeguards**

**Activities that meet the technical screening criteria**

To determine whether an investment product is taxonomy-aligned, ABN AMRO relies on information disclosed by listed companies. Given that these companies are only expected to start reporting on their alignment with the EU Taxonomy in the coming years, it is not yet possible to offer taxonomy-aligned investments in our financial products.


**SDG**

The Sustainable Development Goals (SDGs) are 17 goals set by the United Nations that spell out exactly what needs to change in the field of poverty, inequality and climate change. These goals, which cover matters like climate action, clean water, quality education and sustainable energy, are increasingly being used by companies to measure and improve their sustainable impact.

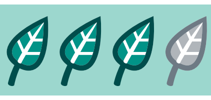
A taxonomy-aligned investment is an investment in an economic activity that:

- makes a substantial positive contribution to at least one environmental objective:
  - climate change mitigation
  - promoting climate adaptation
  - sustainable use and protection of water and marine resources
  - transition to a circular economy
  - protection and restoration of biodiversity and ecosystems
  - pollution prevention and control
- does not have a significant adverse impact on the environment
- meets minimum social safeguards
- meets the technical screening criteria

# Sustainability profiles

We are happy to offer you investments that align with your sustainability preferences. In your talks with us, you will answer a few questions so that we can determine how important sustainability factors are to you in your investments. Your sustainability profile will then be drawn up accordingly.

## Sustainability profiles

| | |
|---|---|
| Non-Sustainable |  |
| ESG Starter |  |
| ESG Advanced |  |
| Impact |  |

# Non-Sustainable sustainability profile

For the Non-Sustainable sustainability profile ABN AMRO by default applies the minimum exclusion criteria. This means that we exclude companies on the ABN AMRO controversial weapons list, the sanctions list and the list of investment exclusions. Furthermore, ABN AMRO engages with certain companies as described in the ABN AMRO engagement policy.

The table below shows which adverse impacts we consider and what we do to limit or exclude these adverse impacts

| Adverse impacts | What we do to limit these adverse impacts |
|---|---|
| **Caused by companies** | |
| - GHG emissions<br>- Carbon footprint<br>- GHG intensity of investee companies<br>- Exposure to companies active in the fossil fuel sector<br>- Share of non-renewable energy consumption and production<br>- Energy consumption intensity per high impact climate sector | - Engage on the topic of climate change |
| - Board gender diversity | - Engage on the topic of gender diversity at board level |
| - Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons) | - Exclude companies on the ABN AMRO controversial weapons list |
| - Investing in companies without carbon emission reduction initiatives | - Engage on the topic of climate change |

Under the Non-Sustainable sustainability profile, sustainable investments and/or taxonomy-aligned investments are not take into account in your investments.

# ESG Starters sustainability profile

For the ESG Starters sustainability profile ABN AMRO by default applies the minimum exclusion criteria. This means that we exclude companies on the ABN AMRO controversial weapons list, the sanctions list and the list of investment exclusions. Furthermore, companies must meet the requirements for good governance. Other criteria may apply in the case of third-party investment funds, ETFs and structured products.

ABN AMRO applies the following investment exclusions under this profile:

| Investment exclusions | |
|---|---|
| **Shares, bonds and ABN AMRO investment funds**<br>**From companies** | **From countries** |
| - with involvement in tobacco production (growers and manufacturers)<br>- non-compliant with the 10 principles of UN Global Compact<br>- with involvement (exceeding 10% of total turnover) in power generation from thermal coal<br>- with involvement (exceeding 10% of total turnover) in thermal coal mining<br>- that lack good corporate governance practices | - that have not ratified the Paris Agreement<br>- that have not ratified the Non-Proliferation of Nuclear Weapons Treaty<br>- that have not ratified the ILO Convention 182 on Child Labor |

## Good to know:

- For some investment products there is no data regarding sustainability available. Therefore, we cannot yet label them on sustainability.
- When you invest in an investment service with an ESG Starters sustainability profile, you are investing at least 70% of your portfolio in investments that meet the criteria of the ESG Starters sustainability profile. The other 30% (maximum) of your portfolio may include non-sustainable investment products or investments which we cannot yet label due to a lack of data .
- To date there is no generally accepted methodology to assess the sustainability of money market instruments, derivatives and turbo’s. Therefore, Liquid assets and these investment products are not included in the 70/30% calculation.

Furthermore, ABN AMRO engages with certain companies as described in the ABN AMRO engagement policy.

The table below shows which adverse impacts we consider and what we do to limit these adverse impacts.

| Adverse impacts | What we do to limit these adverse impacts |
|---|---|
| **Caused by companies** | |
| - GHG emissions<br>- Carbon footprint<br>- GHG intensity of investee companies<br>- Exposure to companies active in the fossil fuel sector<br>- Share of non-renewable energy consumption and production<br>- Energy consumption intensity per high impact climate sector | - Engage on the topic of climate change<br>- Exclude companies with involvement (exceeding 10% of total turnover) in thermal coal mining*<br>- Exclude companies with involvement (exceeding 10% of total turnover) in power generation from thermal coal* |
| - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises* | - Exclude companies that are non-compliant with the UN Global Compact* |
| - Board gender diversity | - Engage on the topic of gender diversity at board level<br>- Exclude companies that that lack good corporate governance practices* |
| - Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons) | - Exclude companies on the ABN AMRO controversial weapons list |
| - Investing in companies without carbon reduction initiatives | - Engage on the topic of climate change |
| **Caused by countries** | |
| - GHG Intensity* | - Exclude countries that have not ratified the Paris Agreement* |

* Additional compared to default exclusion criteria, engagement and requirements for good governance

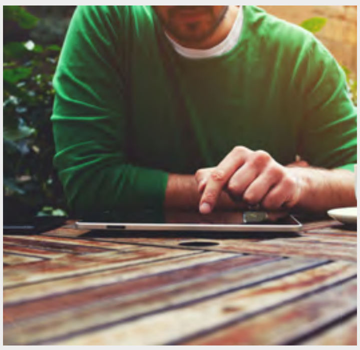
Under the ESG Starter sustainability profile, sustainable investments and/or taxonomy-aligned investments are not taken into account in your investments.

# ESG Advanced sustainability profile

For the ESG Advanced sustainability profile ABN AMRO by default applies the minimum exclusion criteria. This means that we exclude companies on the ABN AMRO controversial weapons list, the sanctions list and the list of investment exclusions. Besides this, this sustainability profile takes into account the majority of the adverse impacts on sustainability factors selected by ABN AMRO and companies must meet the requirements for good governance. Other criteria may apply in the case of third-party investment funds, ETFs and structured products. This means that in this profile ABN AMRO applies the same criteria as in the ESG Starter sustainability profile, but with a number of additional exclusions, as shown below.

| **Investment exclusions** | |
|---|---|
| **Shares, bonds and ABN AMRO investment funds**<br>**From companies** | **From countries** |
| - with involvement in weapons production (including key components), retail distribution of weapons, or military contracting of weapons<br>- that have 10% or more ownership in companies with involvement in controversial weapons<br>- with involvement (exceeding 5% of total turnover) in military contracting of weapon-related products and/or services<br>- with involvement (exceeding 5% of total turnover) in cannabis for recreational purposes<br>- with involvement (exceeding 5% of total turnover) in addictive gambling<br>- with involvement (exceeding 5% of total turnover) in animal fur and specialty leather<br>- with involvement (exceeding 5% of total turnover) in the combined exposure to arctic drilling, shale gas and oil sand extraction methods<br>- with involvement (exceeding 5% of total turnover) in coal mining<br>- with involvement (exceeding 5% of total turnover) in adult entertainment<br>- with involvement (exceeding 5% of total turnover) in Genetic Modification of Organisms<br>- with involvement (exceeding 5% of total turnover) in trading and/or wholesale of tobacco | - subject to social violations, as referred to in international treaties and conventions, UN principles and, where applicable, national law |

Furthermore, ABN AMRO engages with certain companies as described in the ABN AMRO engagement policy.



## Good to know:

- For some investment products there is no data regarding sustainability available. Therefore, we cannot yet label them on sustainability.
- When you invest in an investment service with an ESG Advanced sustainability profile, you invest at least 90% of your portfolio in ESG Advanced investments. The other 10% (maximum) of your portfolio may include non-sustainable investment products, ESG Starters investment products or investments which we cannot yet label due to a lack of data.
- To date there is no generally accepted methodology to assess the sustainability of money market instruments, derivatives and turbo's. Therefore, Liquid assets and these investment products are not included in the 90/10% calculation.

The table below shows which adverse impacts we consider and what we do to limit these adverse impacts.

| Adverse impacts | What we do to limit these adverse impacts |
|---|---|
| **Caused by companies** | |
| - GHG emissions<br>- Carbon footprint<br>- GHG intensity of investee companies<br>- Exposure to companies active in the fossil fuel sector<br>- Share of non-renewable energy consumption and production<br>- Energy consumption intensity per high impact climate sector | - Engage on the topic of climate change<br>- Exclude companies with involvement (exceeding 5% of total turnover) in thermal coal mining*<br>- Exclude companies with involvement (exceeding 10% of total turnover) in power generation from thermal coal*<br>- Exclude companies with involvement (exceeding 5% of total turnover) in the sum of arctic drilling, shale gas and oil sand extraction methods** |
| - Activities negatively affecting biodiversity sensitive areas** | - Exclude companies with involvement (exceeding 5% of total turnover) in genetic modification of organisms (GMOs)**<br>- Exclude companies with involvement (exceeding 10% of total turnover) in the sum of arctic drilling, shale gas and oil sand extraction methods** |
| - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises* | - Exclude companies that do not comply with the principles of the UN Global Compact* |
| - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises* | - Exclude companies that do not comply with the principles of the UN Global Compact* |
| - Board gender diversity | - Engage on the topic of gender diversity at board level<br>- Exclude companies that that lack good corporate governance practices* |
| - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | - Exclude companies on the ABN AMRO controversial weapons list |
| - Investing in companies without carbon reduction initiatives | - Engage on the topic of climate change |
| **Caused by countries** | |
| - GHG Intensity* | - Exclude countries that have not ratified the Paris Agreement* |
| - Social violations** | - Exclude countries subject to social violations** |
| - Social violations** | - Exclude countries with poor human rights performance** |

* Additional compared to default exclusion criteria, engagement and requirements for good governance
** Additional compared to the ESG Starters sustainability profile

Under the ESG Advanced sustainability profile, sustainable investments and/or taxonomy-aligned investments are not taken into account in your investments.

# Impact sustainability profile

For the Impact sustainability profile ABN AMRO by default applies the minimum exclusion criteria. This means that we exclude companies on the ABN AMRO controversial weapons list, the sanctions list and the list of investment exclusions. Besides this, this sustainability profile takes into account all of the adverse impacts on sustainability factors selected by ABN AMRO. This means that in this profile ABN AMRO applies the same criteria as in the ESG Advanced sustainability profile. On top of that all investment products must meet the three criteria of a sustainable investment:

1. The investee company contributes to an environmental or social objective.
2. The investee company does not significantly harm any environmental or social objective (DNSH).
3. The investee company follows good governance practices.

Other investment exclusions may apply in the case of third-party investment funds, ETFs and structured products. Green bonds, social bonds, SDG bonds or bonds with similar characteristics are always classified as impact investments. For the Impact Fund Mandate, the activities such as exclusion and engagement are not carried out by ABN AMRO but by the asset manager of the mutual fund in which the Impact Fund Mandate invests. This is done partly on the basis of ABN AMRO's policy on the mentioned subjects.

Furthermore, ABN AMRO engages with certain companies as described in the ABN AMRO engagement policy.

## Good to know:

- When you invest in an investment service with an Impact sustainability profile, you invest exclusively (for 100%) in investments that meet the sustainability criteria of the Impact sustainability profile.
- To date there is no generally accepted methodology to assess the sustainability of money market instruments, derivatives and turbo’s. Therefore, Liquid assets and these investment products are not included in this calculation.

The table below shows how we limit certain adverse impacts on sustainability factors.

| Adverse impacts | What we do to limit these adverse impacts |
|---|---|
| **Caused by companies** | |
| - GHG emissions<br>- Carbon footprint<br>- GHG intensity of investee companies<br>- Exposure to companies active in the fossil fuel sector<br>- Share of non-renewable energy consumption and production<br>- Energy consumption intensity per high impact climate sector | - Engage on the topic of climate change<br>- Exclude companies with involvement (exceeding 5% of total turnover) in thermal coal mining*<br>- Exclude companies with involvement (exceeding 10% of total turnover) in power generation from thermal coal*<br>- Exclude companies with involvement (exceeding 5% of total turnover) in the sum of arctic drilling, shale gas and oil sand extraction methods**<br>- Do no significant harm to SDG 13 – Climate Action*** |
| - Activities negatively affecting biodiversity sensitive areas** | - Do no significant harm to SGD 14 – Life below water***<br>- Do no significant harm to SGD 15 – Life on land*** |
| - Emissions to water*** | - Do no significant harm to SGD 6 – Clean water and sanitation***<br>- Do no significant harm to SDG 12 – Responsible consumption and production*** |
| - Hazardous waste ratio*** | - Do no significant harm to SDG 12 – Responsible consumption and production*** |
| - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises* | - Exclude companies that do not comply with the principles of the UN Global Compact* |
| - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises* | - Exclude companies that do not comply with the principles of the UN Global Compact* |
| - Unadjusted gender pay gap*** | - Do no significant harm to SDG 5 – Gender equality*** |
| - Board gender diversity | - Exclude companies that that lack good corporate governance practices<br>- Exclude companies that do not follow good governance practices*<br>- Do no significant harm to SDG 5 – Gender equality*** |
| - Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons) | - Exclude companies on the ABN AMRO controversial weapons list |
| - Investing in companies without carbon emission reduction initiatives | - Engage on the topic of climate change |
| **Caused by countries** | |
| - GHG Intensity* | - Exclude countries that have not ratified the Paris Agreement* |
| - Social violations** | - Exclude countries subject to social violations** |
| - Social violations** | - Exclude countries with poor human rights performance** |

* Additional compared to default exclusion criteria, engagement and requirements for good governance

** Additional compared to the ESG Starters sustainability profile

*** Additional compared to the ESG Advanced sustainability profile

Under the Impact sustainability profile, taxonomy-aligned investments are not taken into account in your investments.

# Sustainability and our investment services

The table below shows which investment services best matches which sustainability profile.

| Portfolio Management | Sustainability profile | Minimum investment |
|---|---|---|
| Comfort Income Mandate | ESG Starters | € 50,000 |
| Multi Manager Mandate | ESG Starters | € 50,000 |
| Classic Mandate | ESG Starters | € 500,000 |
| ESG Fund Mandate | ESG Advanced | € 50,000 |
| ESG Investment Mandate | ESG Advanced | € 500,000 |
| Impact Fund Mandate | Impact | € 50,000 |
| Impact Mandate | Impact | € 2,500,000 |
| Special Mandates | Various, but at least ESG Starters | € 2,500,000 |
| **Investment advice** | **Sustainability profile** | **Minimum investment** |
| Comfort ESG Investment Advice | ESG Starters | € 500,000 |
| Active ESG Investment Advice (Plus) | ESG Starters | € 500,000 |
| Customised Advice | Non-Sustainable | € 2,500,000 |
| Private Equity Advice | Non-Sustainable | € 5,000,000 or<br>€ 3,000,000 under additional conditions |
| Structured Products Advice | Non-Sustainable | € 1,000,000 |

## Insight into sustainability

If you have chosen to include sustainability in your investment portfolio, you will naturally want to know what that means for your investments. Each quarter we will inform you on the performance of your investments via our non-financial reporting (NFR). This report provides an overview of the performance of your investments regarding sustainability. We will inform you (amongst others) on:

- The ESG risk score of your investments
- The carbon emissions of your investments
- To what extent you investments contributes to reaching the goals of the Paris Agreement

# Sustainability and your investments: Glossary

## UN Global Compact Principles and OECD Guidelines for Multinational Enterprises

The Global Compact of the UN (UNGC) is a strategic initiative for companies that have agreed to align their activities to the ten principals regarding human rights, labour, environment and anti-corruption.

## ESG risk score

The ESG risk score indicates how sustainably a company operates and, accordingly, the degree to which investments in that company can be deemed to be sustainable. This score ranges from 0 to 100. In your quarterly report you will see the ESG risk score of your investment portfolio.

## Carbon emissions / CO2

A company's carbon emissions, measured as carbon dioxide equivalents (CO2e), are an indicator for monitoring sustainability performance. By setting a common unit like CO2e, the emissions relating to a company's activities can be calculated and compared to a benchmark. This allows us to put a company's carbon emissions into perspective, or to measure whether a certain target has been met.

## Paris Agreement

In the United Nations Paris Agreement it has been agreed to limit the long-term rise in global temperature to a maximum of 2°C, preferably to 1.5 degrees Celsius, by 2050.

## Sustainable investments

According to the new regulations, an investment product may only be called a sustainable investment if it meets these three criteria:

1. The investment is made in an economic activity that contributes to an environmental or social objective.
2. The investment does not significantly harm any environmental or social objective (DNSH).
3. The investee company follows good governance practices.

## Sustainability profile

Your sustainability profile is compiled based on your sustainability preferences, which in turn are determined by your answers to the questions of whether in your investments you:

- want to take into account the principal adverse impacts on sustainability factors selected by ABN AMRO; and/or
- want to include investment products for economic activities that contribute to an environmental or social objective, have no significant adverse impact on other environmental or social objectives and are with a company that follows good governance practices (sustainable investments); and/or
- want to include investment products classified as environmentally sustainable economic activities under the EU Taxonomy (taxonomy-aligned investments).

And if so, to what extent. These sustainability preferences result in a sustainability profile in which your preferences are taken into account.

## Taxonomy-aligned investment

If an economic activity complies with the criteria under the EU Taxonomy, it can be considered to be 'environmentally sustainable'. A taxonomy-aligned investment is an investment in an economic activity that:

1. makes a substantial positive contribution to at least one environmental objective:
    - climate change mitigation
    - promoting climate adaptation
    - sustainable use and protection of water and marine resources
    - transition to a circular economy
    - protection and restoration of biodiversity and ecosystems
    - pollution prevention and control
2. does not have a significant adverse impact on the environment
3. meets minimum social safeguards;
4. meets the technical screening criteria

## Sustainability factors

Sustainability factors relate to environmental, social and employee aspects, respect for human rights, anti-corruption and anti-bribery matters.

## Risks relating to sustainable investments

All investing involves a degree of risk. When sustainability factors are included in the investment, the two most important investment risks are sustainability risk and concentration risk.

## Sustainability risk

A sustainability risk is an environmental, social or governance event or circumstance that could adversely affect the value of an investment if such event or circumstance were to occur.

## General Disclaimer

The information provided in this document has been drafted by ABN AMRO Bank N.V. and is intended as general information and is not oriented to your personal situation. The information may therefore not expressly be regarded as a recommendation or as a proposal or offer to 1) buy or trade investment products and/or 2) procure investment services nor as an investment advice. Decisions made on the basis of the information in this document are your own responsibility and at your own risk.

Although ABN AMRO attempts to provide accurate, complete and up-to-date information, which has been obtained from sources that are considered reliable, ABN AMRO makes no representations or warranties, express or implied, as to whether the information provided is accurate, complete or up-to-date. ABN AMRO assumes no liability for printing and typographical errors. The information included in this document may be amended without prior notice. ABN AMRO is not obliged to update or amend the information included herein.

Neither ABN AMRO nor any of its agents or subcontractors shall be liable for any damages (including lost profits) arising in any way from the information provided in this document or for the use thereof.



This message has been sent by ABN AMRO Bank N.V., which has its seat at Gustav Mahlerlaan 10 (1082 PP) Amsterdam, the Netherlands, and is registered in the Commercial Register of Amsterdam under number 34334259
May 2016

## About ABN AMRO

ABN AMRO Bank N.V. is established at Gustav Mahlerlaan 10, 1082 PP, in Amsterdam (The Netherlands). The internet address is abnamro.nl

ABN AMRO Bank N.V. has been granted a banking licence by the Dutch Central Bank (De Nederlandsche Bank N.V.) and is entered in the register of the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, AFM) under number 12000004. ABN AMRO Bank N.V. may act as:

- a supplier of payment, savings and credit products;
- a broker and consultant for payment, savings, credit and insurance products;
- an investment firm for all investment services, investment activities and non-core services.

ABN AMRO Bank N.V. is entered in the Trade Register of the Amsterdam Chamber of Commerce under number 34334259. The VAT identification number of ABN AMRO Bank N.V. is NL820646660B01.

## US Securities Law

ABN AMRO Bank N.V. is not a registered broker-dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act") and under applicable state laws in the United States. In addition, ABN AMRO Bank N.V. is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, absent specific exemption under the Acts, any brokerage and investment advisory services provided by ABN AMRO Bank N.V., including (without limitation) the products and services described herein are not intended for U.S. persons. Neither this document, nor any copy thereof may be sent to or taken into the United States or distributed in the United States or to a US person.

313909