

This is a translated version of the Finnish original document, which apply in case of conflict of contents.

INFORMATION REGARDING ZENITO, INVESTMENT AND ANCILLARY SERVICES OFFERED BY ZENITO, INFORMATION REGARDING THE CHARACTER OF FINANCIAL INSTRUMENTS AND TYPICAL RISKS AND ADVANCE INFORMATION REGARDING DISTANCE SELLING OF INVESTMENT SERVICE

1. GENERAL

In this announcement is gathered information according to the Act on Investment Services and regulation based on it, information regarding Zenito Oy, services offered by Zenito Oy, with the services related financial instruments and typical risks related to these instruments. In this announcement the consumer is given the advance information regarding distance selling of investment service according to the Consumer Protection Act. More accurate service and product specific information, as well as the terms are given, if necessary, when offering a service or financial instrument. The information, including the advance information regarding distance selling, is given according to Finnish law. Zenito Oy updates the information as necessary. Updates are available on the site www.zenito.fi.

2. INFORMATION ABOUT ZENITO OY AND ITS SUPERVISOR

Zenito Oy

Zenito Oy is a Finnish investment firm. The Finnish Financial Supervisory Authority has, according to the Act on Investment Services, granted concession for the following

- 1) receive and transmit orders,
- 2) investment advice,
- 3) asset management, and
- 4) offer to other investment service and ancillary service compared or related service.

The company is not authorised to hold client assets.

Zenito Oy is registered in the traderegister kept by Finnish Patent and Registration Office with the Business ID 2573467-6. Domicile of Zenito Oy is Espoo.

Contact information

Zenito Oy's headquarters is located at the address Döbelninkatu 2, 7. floor, Helsinki. Post address Döbelninkatu 2 E 29, FI-00260 Helsinki, telephone +358 9 171 0040, fax +358 10 752 0030, e-mail info@zenito.fi and firstname.lastname@zenito.fi. For more information: www.zenito.fi.

Supervising authority

Zenito Oy's operation according to the Act on Investment Services is supervised by The Finnish Financial Supervisory Authority, Snellmaninkatu 6, PB 103, FI-00101 Helsinki, telephone +358 9 185 51, kirjaamo@finanssivalvonta.fi. For more information: www.finanssivalvonta.fi.

3. WAYS OF DEALING WITH COMPANY AND LANGUAGES

The client can deal with the company by letter, fax, e-mail and by meeting representants of the company in person. Customer service is provided in Finnish and Swedish.

Zenito Oy has the right to send written information regarding an investment service to the client by letter, fax, or for the service standardized way of sending information or by other means as agreed upon with the customer.

With fax and e-mail, if it has been agreed upon with the customer to be applied, are certain risks related, e.g. the message might not reach the recipient, the message might end up in third party's knowledge or third party might modify the contents of the message. Zenito Oy has the right to trust the genuity and correctness of messages related to service, which Zenito Oy has received by fax or e-mail.

Possible service related reports, the delivery frequency and time of delivery of reports, are described in the terms or possible agreement of respective service.

4. USAGE OF INFORMATION AND STORAGE

Zenito Oy records telephone conversations, stores electronical correspondence and other correspondence that might lead to business acts, with clients and use the recordings and stored information for verifying orders, development purposes of customer service, risk management issues and as evidence for solving possible conflicts. Jurisdictional authorities such as the Financial Supervisory Authority has on request the right to receive copies of the recordings. The client is entitled to ask for copies of recordings and stored correspondence.

Questions to the client regarding knowing the client are presented according to the Act of Prohibiting Money Laundering and Financing of Terrorism (28.6.2017/444) regarding prohibiting, revealing and investigating money laundering and financing of terrorism, or for initializing investigation of the committed crime regarding the property or criminal benefit that has been received based on money laundering or financing of terrorism.

5. ADVANCE INFORMATION REGARDING DISTANCE SELLING

Within this section the client is given the advance information according to the Consumer Protection Act regarding distance selling of investment services. The advance information regarding distance selling is given according to Finnish legislation. Zenito Oy can transmit orders regarding the mutual funds Zenito Silver and Gold and

Zenito UK Value Fund based on distance selling. Distance selling means, providing client with investment service by utilizing means of distance communication, when an agreement is established with prior marketing, by telephone, mail or e-mail, without a personal meeting between the consumer client and a representative of Zenito Oy. This, however, requires that Zenito Oy has identified the client beforehand and already know the client, or Zenito Oy can acceptably and trustworthy identify the client based on prior information and documents received from the client. An occasionally established agreement without meeting the client is not distance selling. Making changes regarding service agreement without meeting a representative of Zenito Oy is not either considered distance selling of investment services.

Product specific advance information is given in the product specific terms, regarding the mutual fund in the mutual fund's Key Investor Document and fund prospectus. The Key Investor Document, fund prospectus and the rules of the mutual funds Zenito Silver and Gold and Zenito UK Value Fund in Finnish are available on Zenito Oy's website <https://www.zenito.fi/palvelut/rahasto.html> (Zenito Silver and Gold) and https://www.zenito.fi/palvelut/rahasto_uk.html (Zenito UK Value Fund).

The consumer client has a cancellation right regarding distance selling. However, there is no cancellation right regarding such service or to such service related financial instrument, which value alters according to changes on the financial markets. Therefore the client does not have a cancellation right regarding e.g. a subscription or a redemption order given by the client.

Finnish legislation is applied on agreements and establishing an agreement, based on distance selling. Possible conflicts regarding the agreement are solved through measures of arbitration according to valid legislation regarding arbitration, in case the client customer does not demand the issue to be solved by the district court of the client's domicile or permanent place of residence. Additional information on legal protection measures regarding agreements or establishing agreements, based on distance selling, is given in section 16..

6. INFORMATION ABOUT INVESTMENT SERVICES AND ANCILLARY SERVICES OFFERED BY ZENITO OY

Asset management

The client and Zenito Oy make an asset management agreement regarding fully discretionary asset management, by which the client authorizes Zenito Oy to take investment measures regarding the assets as defined in the agreement. Zenito Oy provides also consultative asset management, by which the client makes the investment decisions based on investment advice given by Zenito Oy. The investment advice offered by Zenito Oy is non-independent. In addition to defining the managed assets, the investment strategy and possible client specific limitations are defined within the agreement.

Zenito Oy operates as the portfolio manager of Mutual Fund Fourton Hannibal, based on the outsourcing agreement between Fourton Oy and Zenito Oy.

Zenito Oy operates as the portfolio manager of Mutual Fund Zenito Silver and Gold and Mutual Fund Zenito UK Value Fund, based on the outsourcing agreement between EAB Rahastoyhtiö Oy and Zenito Oy.

The comparison of financial instruments, offered by or used by Zenito Oy within asset management, is strictly limited, due to that all above mentioned mutual funds and asset management are based on value investing strategy, meaning there are scarce if any comparable financial instruments available. Additionally, mutual funds offered by Zenito Oy are limited to these three mutual funds.

Investment advice

The investment advice offered by Zenito Oy is non-independent, due to the fact that Zenito Oy could separately offer to the client three mutual funds, for which the portfolio management is outsourced to Zenito Oy, additionally Zenito Oy has co-operation agreements regarding the mutual funds. The client and Zenito Oy make an agreement regarding investment advice. The client makes the investment decisions and gives the orders for execution to the financial provider the client has chosen. Investment advice means a personal recommendation, based on request by the client or on initiative of representant of Zenito Oy, given to the client regarding transaction of financial instrument, and transmitting order within consultative asset management, after Zenito Oy has mapped the client's personal situation in order to give investment advice. Giving general recommendations, e.g. recommendation regarding asset allocation or buy, sell or hold recommendations, is not investment advice. Marketing is not investment advice either. The comparison of financial instruments provided by Zenito Oy, is strictly limited, due to that all above mentioned mutual funds and investment advice are based on value investing strategy, meaning there are scarce if any comparable financial instruments available. Additionally, mutual funds offered by Zenito Oy are limited to these three mutual funds.

Receive and transmit orders

Zenito Oy receives and transmits orders based on consultative asset management agreement, i.e. orders received by the client are transmitted for execution to an investment service provider.

Zenito Oy can transmit orders given by clients regarding the fund units of the mutual funds Zenito Silver and Gold and Zenito UK Value Fund to EAB Rahastoyhtiö Oy for execution. Zenito Oy can receive orders regarding the mutual funds by fax, e-mail and mail, it is, however, required that the client giving the order has been, according to the regulation, properly identified by Zenito Oy at a personal meeting, or the client giving the order can be identified based on information and documents received from the client and performed payment. In case the client, based on own initiative, gives an order regarding the fund units of the mutual funds, Zenito Oy has no obligation to perform an appropriateness assessment (i.e. execution only), see section 14.4.1.1.. Zenito Oy does not offer execution only -service in other cases.

ZenoStock service

Zenito Oy offers an internet based stock investor tool and information source. The client uses the ZenoStock service on own behalf and according to own preferences, including market watch tools, market information and stock related articles. The contents of the ZenoStock service does not constitute investment advice, financial analysis or investment research. The contents may not be considered as a recommendation to either buy or sell financial instruments. The client is responsible for his/her own investment decisions and should if necessary consult his/her own investment adviser. Zenito Oy may perform marketing of the ZenoStock service also in Sweden and Denmark.

Marketing Zenito Oy's co-operation partner's mutual fund

Zenito Oy may perform marketing of Fourton Oy's Mutual Fund Fourton Hannibal.

Zenito Oy may perform marketing of and offer EAB Rahastoyhtiö Oy's Mutual Fund Zenito Silver and Gold and Mutual Fund Zenito UK Value Fund.

7. CONSIDERATION OF SUSTAINABILITY RISKS WITHIN ASSET MANAGEMENT INVESTMENT DECISIONS AND INVESTMENT ADVICE

Zenito Oy takes into account as part of the investment decisions within asset management and investment object recommendations within investment advice, sustainability factors (ESG) related to the investment objects, i.e. environmental, social factors and corporate governance matters, and to these related sustainability risks, in addition to overall assessment and investment analysis of investment objects. In order to assess sustainability risks Zenito Oy utilizes also sustainability risk assessments performed and maintained by external parties. Zenito Oy may exclude an investment object in case a company's business operations as a whole is assessed to inflict negative sustainability effects.

Zenito Oy is a member of FINSIF ry. (Finland's Sustainable Investment Forum), an organisation promoting responsible investment operations. Zenito Oy wants to participate in promoting and strengthen implementation of responsible manners within investment operations. Zenito Oy desires through its operations to influence companies to act more responsible in the future.

The result of the assessment of sustainability risks, the impact sustainability risks will likely inflict the investment product

The impact of sustainability risks within asset management and investment advice is assessed to be financial instrument specific, i.e. the impact might financial instrument specifically be slightly negative or slightly positive, hence the total effect within asset management and investment advice might possibly be neutral or slightly negative.

Zenito Oy is also interested in such investment objects, for which the sustainability factors can be assessed to have a remarkable positive effect on the price development of an asset. According to Zenito Oy's assessment this might also concern cases, where the sustainability factors relating to an investment object is experiencing a remarkable change.

8. CUSTODY OF CLIENT'S ASSETS

Zenito Oy is not authorised to hold client assets.

Funds

The client's funds are deposited on a bank account, opened in the client's name, in a credit institution or a foreign credit institution's Finnish branch, chosen by the client.

Domestic mutual fund units

Mutual fund units within the asset management agreement are registered in the client's name in the mutual fund unit register maintained by the mutual fund company.

Book entry securities

Domestic book entry securities within the asset management agreement are registered in the client's name on a, if necessary opened, book entry account in a, by a Finnish book entry services offering custodian, chosen by the client, maintained book entry security register.

Foreign financial instruments

The client's foreign financial instruments are registered on a before mentioned custodian's or other custodian's, in the client's name opened, book entry account or in the client's name opened foreign custody. The custodian keeps the foreign financial instruments on a chosen foreign custodian's (sub custodian) joint account. According to

international custom, foreign book entry securities are not necessarily registered in the client's name, but the instruments may be registered in the before mentioned custodian's or its sub custodian's name. The before mentioned custodian keeps in its own accounting separately all the securities kept on behalf of all Zenito Oy's clients. The specification of the financial instruments, by client, is done through custodian's book entry accounts and custody accounting. An agreement regarding book entry account, securities account and custodian services is always made between the client and the custodian.

Security and collateral rights and right of set-off regarding financial instruments

Security and collateral rights and right of set-off regarding financial instruments and funds within the asset management agreement are defined in the asset management agreement. Custodian of foreign financial instruments or funds may have security and collateral rights and right of set-off regarding these assets. The client's assets on custodian's joint account may be subject to security and collateral rights and right of set-off also due to other clients obligations.

Risks related to custody of foreign financial instruments

Compared to custody and exchange of domestic financial instruments, foreign financial instruments might be exposed to unpredictable risks especially, if the sub custodians domicile is outside the ETA area, meaning the rights regarding the financial instruments and assets might deviate according to current local legislation. Such risks can be e.g. political, market infrastructure related, legislative and related to taxation. Foreign financial instrument are usually not registered in the client's name but kept on accounts, opened by the custodian in its name, possessed by sub custodian and which are subject to local legislation. Therefore it is possible, in case of bankruptcy or other insolvency, that the financial instruments can not necessarily be separated from the custodian's or the sub custodian's assets. Additionally the separation of client's assets might be difficult or become impossible in case of errors regarding settlement of transactions or definition of split-shares within corporate actions. The client bears the before mentioned risks.

Investors' Compensation Fund and the Deposit Guarantee Fund

In case of insolvency regarding Zenito Oy and a deposit bank or investment service provider, which been granted concession in Finland, the client's undisputable and due receivables deposited on a deposit account and/or investment assets held on a custody account, located in the deposit bank and/or held by the investment service provider, which are linked to an investment service provided by Zenito Oy, are covered by two separate protection funds, *the Investors' Compensation Fund* and *the Deposit Guarantee Fund*, to the extent described below. The client's funds are not covered two-fold. *The Deposit guarantee* protects personally and by bank each depositor, excluding public entities such as government and its departments, municipality and joint municipalities, landscape of Åland, credit institutions, investment firms, mutual fund companies, alternative fund managers, financing institutions, insurance companies, insurance associations, pension foundations and insurance funds. In case of compensation event based on insolvency regarding deposit bank, the client is compensated by the Deposit Guarantee Fund for deposits and due receivables on deposit account, which is linked to investment service of Zenito Oy, up to 100 000 euros. Zenito Oy is member of *the Investors' Compensation Fund*. Covered by this fund is each of Zenito Oy's non-professional clients, whose assets are held on a custody account, in case of insolvency regarding Zenito Oy, the deposit bank or the investment service provider. The amount of compensation paid to each client is 9/10 of the value of the investor's assets in custody, however, max 20 000 euros, by each investment service provider. The compensation is paid directly to the client. The protection covers eg. receiving, transmitting and execution of orders and asset management. Mutual fund activities and investment-linked insurances are not covered. The fund does not compensate for losses due to declined stock prices or wrong investment decisions. Only non-professional clients are covered.

9. APPLIED PRINCIPLES REGARDING ASSET MANAGEMENT, RECEIVING AND TRANSMITTING ORDERS AND PORTFOLIO MANAGEMENT OF THE MUTUAL FUND

Zenito Oy has defined the applied principles the company follows, when receiving and transmitting professional and non-professional clients' orders, offering asset management services and regarding the to Zenito Oy outsourced portfolio management of the mutual funds, in order to achieve the best possible result for the client and the mutual funds, acting in the best interests of its clients. Zenito Oy does not execute orders.

Receiving and transmitting orders

In order to achieve the best possible result for the client, Zenito Oy takes into account the following aspects when receiving and transmitting orders: the price of the financial instrument, the execution related costs, the pace of execution and the probability of execution and clearing, size and character of order and other relevant aspects regarding the order.

Zenito Oy defines the before mentioned criteria priority order based on the following criterias: a) the client specific qualities including client classification, b) the order specific qualities, and is there an order related by financial instruments performed financing action, c) the qualities of the financial instrument and d) the qualities of the trading places, to which the order can be transmitted.

Zenito Oy emphasizes, when carrying out both a non-professional client's and a professional client's order, best possible total value, consisting of the price of the financial instrument and all the costs related to the execution of the order. In case it is possible to execute the order outside the marketplace, the client has to be informed

about this, and a consent for this has to be asked beforehand from the client, either as a transaction specific consent or a general consent. Orders executed outside the marketplace might be exposed to a counterparty risk, relating to the counterparty of the transaction. Zenito Oy gives more information about the consequences following this type of execution.

In case the client has given specific instructions regarding an order, Zenito Oy must follow these, despite Zenito Oy is required to deviate from the principles mentioned here and might prohibit Zenito Oy from achieving the best possible total value for the client.

Having influence on the inexpensiveness of total value are e.g. cost savings related to the clearing costs.

The fee structure and fee charging principles must not cause discrimination regarding places of execution. In case orders are transmitted regarding OTC-products or tailored products, Zenito Oy is obliged to verify that the proposed price for the client is current, by gathering trade data regarding the product used for the assessment, and if possible comparing the proposed price to the price of similar or comparable products. In case the product is traded on only one marketplace or there is only one counterparty giving the price, the price has to come from this marketplace or this OTC-counterparty.

The orders are transmitted forward in the order they arrive, if it is possible, taken into account the order size, the limit prices defined by the client or other order specific terms and the way of giving the order.

Zenito Oy informs about relevant changes regarding the principles of handling orders, on its website. Zenito Oy asks its client beforehand about consent for its principles mentioned here regarding asset management and receiving and transmitting orders (on the suitability assessment form).

Zenito Oy has to verify that the investment service providers executing orders have documented with the legislation based principles on executing trades. When choosing investment service provider Zenito Oy additionally considers qualitative aspects, like quality of execution, good reputation and solidity. In case Zenito Oy asks its clients to choose a place for execution, the clients must be given fair, clear and unmisleading information so that the client does not choose a certain place for execution instead of another, solely based on the practised fee policy of the company.

Zenito Oy maintains information on its website regarding the parties Zenito Oy transmits or gives orders to, and by using which it is possible to continuously achieve the best possible result for executing the client orders, presented by financial instrument category, and additionally the factors that have an impact on the choice of place for execution.

Zenito Oy has to sufficiently compare possible places for execution of orders, in order to achieve the best result for the client. Within the assessment the fees and expenses of Zenito Oy have to be considered also. One investment service provider can still be chosen for execution, in case it can be proven that the best possible result is continuously achieved, and one can reasonably expect that by utilizing the chosen investment service provider the achieved result is at least as good as if another investment service provider would have executed the orders. Zenito Oy utilizes for places of execution the investment providers chosen by the asset management clients, which are client specifically Nordea Bank Finland Plc or Danske Bank Plc. The before mentioned investment service providers provide in line with the best interests of the clients the best total value for the clients, considering the trade settlement and reporting, and enables current transmitting of orders and monitoring of orders. The investment service provider utilized for the mutual funds Zenito Silver and Gold and Zenito UK Value Fund is Danske Bank Plc, providing the best total value for the mutual funds, considering the trade settlement and reporting. Different investment service providers are utilized for the mutual fund Fourton Hannibal.

Zenito Oy may not receive in exchange for directing orders to certain marketplaces or places for execution, such rewards, discounts or other non-monetary benefits, that have a conflict with the legislation based conflicts of interest or demands regarding inducements.

Zenito Oy may combine order of client or asset management client with another client's order or order relating to the outsourced portfolio management of mutual fund, if it is improbable that combining the orders as a total would be harmful for the client or the mutual fund. Combining orders might in certain cases be unfavorable for a separate order, client or the mutual fund. Zenito Oy allocates combined orders according to its allocation principles.

Based on a reasonable request Zenito Oy has to give the clients or potential clients information about the investment service providers, to which Zenito Oy transmits or gives orders (the client chooses the investment service provider mainly).

Asset management

Zenito Oy gives the asset management clients' orders for execution to the investment service providers, chosen by the clients. Zenito Oy secures regarding the investment service providers that they have an execution policy regarding execution of orders, and that they apply it while executing the clients' orders. Zenito Oy chooses the investment service provider according to the principles described before regarding receiving and transmitting orders. Zenito Oy maintains on its website a current list of utilized investment service providers for each financial instrument class. The list is also available from the portfolio manager.

Portfolio management of Mutual Fund Fourton Hannibal, Portfolio management of Mutual Fund Zenito Silver and Gold and Mutual Fund Zenito UK Value Fund

Zenito Oy gives the mutual fund related orders for execution to the investment service providers, chosen by Zenito Oy. Zenito Oy secures regarding the investment service providers that they have an execution policy regarding execution of orders, and that they apply it while executing the orders. Zenito Oy chooses the investment service provider according to the principles described before regarding receiving and transmitting orders, however in such way that the importance of the factors that are the base for the whole assessment are defined considering the following factors: the investment aim of the mutual fund, investment strategy and the specific risks as described in the mutual fund prospect or the rules of the mutual fund, the characteristics of the order, the characteristics of the financial instrument based on the order and the characteristics of the place for execution, where the order can be directed. Zenito Oy maintains on its website a current list of utilized investment service providers for each financial instrument class. The lists regarding the above mentioned mutual funds are also available from the portfolio manager.

Exceptions regarding the principles

The specific orders given by the client to Zenito Oy are always prioritized over the before mentioned principles. Following the specific orders given by the client, might hinder the company from executing measures according to the principles.

Zenito Oy has the right to deviate temporarily from these principles because of system or other prerequisite operational errors.

Assessment of the principles

Zenito Oy monitors regularly, at least yearly, the effectiveness of the principles regarding transmission of orders, and monitors the quality of the execution by the investment service providers, to which Zenito Oy transmits and gives orders, and amend possible flaws, if necessary. Additionally, Zenito Oy reviews the arrangements and principles regarding execution of orders, at least yearly, and always in case of substantial changes, that have an impact on Zenito Oy's ability to achieve the best possible result for the client, and if necessary, amend any possible flaws. Zenito Oy must additionally always as required assess, based on own assessment and consideration, whether an occurred substantial change (regarding expenses, price, speed, execution, probability of execution, size, or other relevant factor), are the places for execution, included in the principles regarding execution of orders, such that by utilizing them it is possible to achieve the best possible result for the clients, and if necessary, make changes to the places for execution.

Clients, with whom Zenito Oy has a continuous agreement, must be informed about possible substantial changes to the arrangements and principles. Zenito Oy informs about substantial changes regarding these principles on its website. Changes and updates are applied from the day they are published on the website.

10. EXPENSES AND FEES REGARDING INVESTMENT SERVICES AND ANCILLARY SERVICES

Information about fees collected for investment and ancillary services is included in respective service's client agreement and price list.

Zenito Oy gives the client, before offering the investment and ancillary services, information about the expenses and fees for respective service, including expenses and charges, that are not caused by realized market risk, in such way that the client can comprehend the amount of total expenses and the impact of those on the return, and can then make an investment decision based on this information. The information must be separated on request from the client. When calculating expenses and fees beforehand, Zenito Oy estimates the expected expenses and charges based on realized expenses, and if realized expenses are not available, estimates of these expenses. Additionally realized expenses and fees have to be presented, at least yearly, e.g. on the asset management report.

11. MANAGEMENT OF CONFLICT OF INTEREST

The board of Zenito Oy has approved the company's principles regarding identification and management of and preventing possible situations regarding conflict of interest. The principles are regularly assessed. With conflict of interest is meant an exceptional situation when offering investment service, e.g. between client and Zenito Oy, which can comprehend a substantial risk concerning the client's interest. A conflict of interest can also arise between client and a member of Zenito Oy's personnel or between two clients.

Zenito Oy can offer its clients asset management services, investment advice and receive and transmit orders. When offering these services there might arise situations regarding conflict of interest. Zenito Oy strives at actively identifying and preventing any possible situations regarding conflict of interest, e.g. by means of different organizational and administrative measures. The measures vary according to the nature of business actions or service in issue. The aim of the measures are to secure that the management and personnel of Zenito Oy carry out their assignments honestly and loyally and execute business actions as independently the size and operations of Zenito Oy and the level of damage risk concerning the client's interests require, in order to protect the client's interests.

Applied measures by Zenito Oy in order to manage and prevent situations regarding conflict of interest are e.g. hindering or supervising information exchange between persons or functions e.g. through separated information systems and user rights, training of and instructing personnel, trading rules for personnel and management, and principles regarding personnel's and management's side jobs, remuneration principles

for personnel and principles regarding receiving and transmitting orders. Zenito Oy pays special attention to identifying and preventing situations of conflict of interest regarding investment advice, receiving and transmitting orders and asset management, and providing the Zenostock -webservice as ancillary service.

In case of a situation regarding conflict of interest can not be avoided despite the before mentioned measures, the client is informed in a predefined manner, permanently, and with sufficient details about the nature of the conflict of interest and the reasons thereto, and about the risks facing the client arising from the conflict of interest and the measures taken to mitigate the risk, before the business act is performed. The client assesses independently if the client wants the business act to be performed in spite of the conflict of interest. Zenito Oy can also deny offering the investment service in case of conflict of interest. The board of Zenito Oy assesses regularly the contents of the principles and its currentness.

The above mentioned principles and measures are monitored by Zenito Oy. Identified conflicts of interest are documented according to internal instructions and are reported to the board of Zenito Oy. Zenito Oy gives on request more information to the client on the principles regarding conflicts of interest and measures Zenito Oy complies with.

12. INDUCEMENTS

With inducement is meant a payment, fee or other larger than a minor non-monetary benefit, an investment services provider can pay or receive from other party than client, when providing financial and ancillary service. Ordinary payments in conjunction with providing service, such as fees related to trading, custodian services or trade settlement, or other payments based on legislation are not considered inducements.

Zenito Oy does not receive and contain such inducements within asset management, neither within investment advice (non-independent).

Zenito Oy may not either accept non-monetary benefits, that cannot be considered acceptable minor non-monetary benefits. Zenito Oy has principles, based on which all received services, benefits, materials are considered, whether they are other than minor non-monetary benefits or research service, which is classified as inducement. The assessment is performed based on the contents of the service. Acceptable minor non-monetary benefits have to be reasonable and right dimensioned and their extent, such that they probably do not have an impact on Zenito Oy:s behaviour acting in conflict with the best interests of the client.

Acceptable minor non-monetary benefits are e.g. brief marketreviews with short market comments or opinions; discussions with the broker about the price and liquidity is allowed when giving an order; summary reports of public news and comments given by companies; general documentation regarding financial instruments and investment services; documentation available for the public and paid by the company promoting its IPO; participating in conferences regarding benefits and special characteristics of specific financial instrument or investment service; reasonable service relating to hospitality within business meetings and events mentioned above; other minor non-monetary benefits that supervising authority considers enhancing the quality of the service considering the total benefit, provided by separate organization or group of organizations, such that they probably do not have a negative impact on Zenito Oy:s obligation to act in the best interests of the client.

Zenito Oy can pay a third party a fee for providing the mutual fund Zenito Silver and Gold. Zenito Oy demands in the distribution agreement and monitors, that the third party gives according to the legislation the required information regarding received inducements and about the added value produced for the client.

13. REMUNERATION

Regarding remuneration Zenito Oy complies with the Act on Investment Services and other complementing regulation. Zenito Oy has a, by the board of Zenito Oy, yearly approved remuneration system for the whole staff. Within the remuneration system it has been taken into account that the remuneration system must not encourage taking on risk, which would conflict with the business and risk management aims of Zenito Oy, and does not cause conflicts of interest.

When a possible variable reward is being paid to a member of the staff, qualitative and quantitative criterias are applied, when assessing and rewarding the person. As qualitative criterias it is also considered how consistent the investment process within asset management and investment advice is in relation to Zenito Oy:s published principles and guidelines regarding considering the sustainability risks. The reward to a person within supervision tasks, may not be dependent on the result of the business unit the person is supervising. Additionally in such case, the reward must be determined based on achievements regarding defined aims with reference to supervision. Variable and fixed rewards paid to a member of the staff, are balanced. The board of Zenito Oy decides on remuneration of the management and persons within supervision tasks. The management of Zenito Oy is in charge of the daily implementations of the remuneration principles and monitoring the risks involved with the principles complying with the legislation.

The board of Zenito Oy supervises and assesses regularly the functionality of the remuneration system, and that the principles and procedures are complied with. Zenito Oy maintains information regarding members of the staff, who based on their professional activity have a significant impact on the risk position of Zenito Oy. The compliance function of Zenito Oy, as a business independent function, assesses yearly, that the remuneration principled approved by the board of Zenito Oy are complied with.

14. CONDUCT OF BUSINESS REGARDING CLIENT CLASSIFICATION, NOTIFICATION AND INQUIRY OBLIGATION WHEN OFFERING INVESTMENT SERVICE

14.1 GENERALLY ABOUT CLIENT CLASSIFICATION

According to the Act on Investment Services Zenito Oy has to inform the client about the client's classification as non-professional, professional client or approved counterpart. The classification is done directly according to the law and the Act on Investment Service includes detailed stipulations about the aspects impacting the classification. The classification of client has an impact on the broadness of the investor protection and the applied principles. A professional client has the obligation to inform Zenito Oy about changes, that can have an impact on client classification.

14.2 APPLICATION FOR CHANGING CLIENT CLASS

The client has the right to request Zenito Oy to make a change regarding the client classification. An application to change the classification has to be done in writing. Changing the classification can have an impact on the investor protection and the principles applied. A professional client can request for being treated as a non-professional client or approved counterpart. A non-professional client can based on application be treated as a professional client.

A client classified as approved counterpart can based on application be treated as professional or non-professional client. Zenito Oy assesses case by case the pre-conditions of changing the classification and whether it accepts the client's request. A professional client has the obligation to request for being treated as a non-professional client, in case the client considers that the client does not possess sufficient experience and knowledge to assess or manage the risks related to the business act.

14.3 THE IMPACT OF CLASSIFICATION ON INVESTOR PROTECTION

According to the Finnish law non-professional investors are covered by the Investor's compensations fund. The fund compensates the investor for losses due to that a member of the Investor's compensation fund has not paid an investor covered by the fund, the investor's clear and undisputable receivables according to the agreement. The Investor's compensation fund does not cover mutual fund operations.

The amount of compensation to one investor is 9/10 of the receivable from one investment service provider, however, max 20 000 euros. The fund does not cover losses due to fallen stock prices or wrong investment decisions, the client is still liable for the consequences from the own investment decisions.

A non-professional client of a foreign investment service provider's Finnish branch is primarily covered by the investor protection of the investment service provider's domicile.

A non-professional client has also the right to get single conflicts regarding application of the Act on Investment Services solved by an independent organ, giving recommendations of solutions. 'Arvopaperilautakunta' (Securities Complaints Board) acts as such organ.

14.4 THE IMPACT OF CLASSIFICATION ON APPLIED CONDUCT OF BUSINESS RULES

14.4.1 Non-professional client

A non-professional client has to be given the terms of the agreement and sufficient information about Zenito Oy, the offered service, and the financial instruments of the service and the risks related to these, before making a written agreement. The client has also to be informed about substantial changes in the above mentioned information. The information must be given in a permanent way, so that the client can either print or save it. The information can also be given on the service provider's website, in case the client gives his approval for this.

14.4.1.1 Assessing the appropriateness

When offering receiving and transmitting of orders to non-professional client Zenito Oy has to request information about the client's investment experience and knowledge regarding the financial instrument or investment service, in order to be able to assess whether the financial instrument or service is appropriate for the client. Zenito Oy has the right to trust the information given by the client.

In case Zenito Oy assesses that the financial instrument or service is not appropriate for the client, Zenito Oy has to inform the client about this. Zenito Oy also has to inform the client, in case it can not assess the appropriateness of the financial instrument or service for the client, because the client has not given all the required information as base for the assessment. Zenito Oy has to inform the client that Zenito Oy has no obligation to assess the appropriateness, in case the client, based on own initiative, gives an order regarding a non-complex financial instrument, e.g. fund units of a domestic mutual fund, such as the mutual funds Zenito Silver and Gold and Zenito UK Value Fund (i.e. execution only).

14.4.1.2 Assessing the suitability

Zenito Oy has defined the principles and measures regarding who the assessment of suitability concerns, and ensuring that the character, characteristics, expenses and risks and diversity of the investment services and financial instruments chosen for the client are understood, considering the assessment measures whether corresponding investment services or financial instruments can be in line with the client profile.

When offering asset management or investment advice to non-professional client it is Zenito Oy's obligation to gather, before offering investment service, adequate information about the client's financial situation, the investment experience and knowledge regarding the investment service or financial instrument of the client or the client's representative, and the client's investment objectives, including client's risk tolerance, and the client's financial situation, including loss tolerance, in order to be able to recommend the client suitable financial instruments or services. Zenito Oy has the right to trust the information given by the client.

The aim of the suitability assessment is to give Zenito Oy an opportunity to act according to the client's interest. Due to this, it is important that the representative of the client gives Zenito Oy current and correct information. Zenito Oy has the right to trust the information given by the client.

Based on the gathered information, Zenito Oy has to assess if the investment advice or offered service corresponds with the client's investment objectives, including client's risk tolerance, is the client capable of financially bearing the possible risk and has the client or the client's representative the required investment experience and knowledge in order to understand the risks regarding the recommended business act or service. In case Zenito Oy does not get sufficient information, Zenito Oy must not recommend either offer the investment service or financial instrument to the client.

Zenito Oy gives a non-professional client before offering investment advice and asset management a suitability statement, including regarding investment advice a summary of the given advice, and regarding asset management a summary of the asset management service, furthermore including how the service meets the objectives of the client and personal circumstances for the required investment horizon, and the client's knowledge and experience and way of dealing with risks and possibility of loss.

Zenito Oy does not offer continuous assessment of suitability. Suitability assessment is performed only on request from client.

14.4.2 Professional client

A professional client has to be given, before making a written agreement regarding investment service or ancillary service, the terms of the agreement, sufficient information regarding Zenito Oy, the offered service and the financial instruments of the service and the risks related to these. The information must be given in a permanent way, so that the client can either print or save it. The information can also be given on the service provider's website, in case the client gives his approval for this. A professional client belongs only partly within the cover of the conduct of business rules.

While offering asset management to professional client, Zenito Oy has to gather, before offering investment service, sufficient information about the client's financial situation, including the client's loss tolerance, and investment objectives, including the client's risk tolerance, in order to be able to recommend suitable financial instruments or services to the client. Zenito Oy has the right to trust the information given by the client.

In case the client is directly by the law classified as a professional client, Zenito Oy can while offering asset management services and investment advice presume that the client can financially bear, to the recommended business act related investment risks according to the client's investment objectives, and the client's financial situation is not necessary to examine.

Zenito Oy has, based on the gathered information, to assess whether the investment advice or offered service corresponds to the client's investment objectives. If Zenito Oy does not get sufficient information, Zenito Oy must not recommend either offer the investment service or financial instrument to the client.

14.4.3 Approved counterpart

An approved counterpart may request in writing, that Zenito Oy applies the conduct of business rules, meant for investor protection, on business acts with it, either generally or on separate business acts. Zenito Oy assesses case specifically if it approves the request. In other cases the conduct of business rules and rules for investor protection do not apply to approved counterparts.

14.4.4 Assessing the suitability for group, legal entity, minor person

When the client is a group consisting of at least two natural persons, the information is gathered from all persons belonging to the group. The assessment concerning the financial situation is performed based on the weakest personal profile, investment objectives, risk tolerance and loss tolerance are assessed based on the most moderate personal profile, experience and knowledge are assessed based on the most unexperienced person. The client profile should reflect the ability to make investment decisions and impact of such decisions on each individual's financial situation or individual investment objectives, regarding all the persons belonging to the group.

In case the client is a legal entity, the assessment of suitability is performed regarding the representative of the entity, i.e. the person authorized to make investment decisions.

If the client is a minor, the information is gathered from both guardians, in case the other guardian has not authorized the other guardian to deal with investment issues of the minor. The assessment is performed as described above for groups.

15. INFORMATION ABOUT FINANCIAL INSTRUMENTS AND RELATED RISKS

In this section is presented a general description of the character of the financial instruments and typical risks related to the instruments, regarding the investment

services of Zenito Oy. The description presented below is not complete and it does not include all possible risks related to the financial instruments.

Before making any investment decisions the client has to get thoroughly acquainted with the financial instrument's terms, qualities and from these stemming obligations, so that the client can understand the risks related to financial instruments and the possible consequences from investments decisions on the client's financial situation including tax consequences. The client should also get acquainted with the investment markets, different investment alternatives and investment services.

Investment operations always include a financial risk. The targeted return can be unachieved and the invested capital can be partly or completely lost. The client is always responsible for the financial consequences from the client's own investment decisions. Before making any investment or credit decisions it is recommended to get appropriate professional advice for each situation. It is important to remember that the historical returns of financial instruments are not a guarantee for future returns.

Most central definitions

Active deviation risk

With active deviation risk is meant that the fund's return can deviate from the comparison index.

Credit risk

Risk for that the issuer, based on insolvency, can not pay the interest or the nominal amount according to the terms of the issued financial instrument.

Market risk

Market risk means risk for fluctuations in market price. Market risks are interest rate, currency, equity or other price risk.

Interest rate risk

Interest rate risk means fluctuations in interest rate level. An increasing interest rate lowers the value of a bond or other interest rate investment and a decreasing interest rate in turn increases the value.

Liquidity risk

Liquidity risk means that the investor is not able to sell or buy a financial instrument at a specific occasion, because its turnover is low or there is no secondary market.

Risk related to markets degree of maturity

Investments on emerging markets can be exposed to the countries' certain market specific risks. Especially on emerging markets the transparency, efficiency, liquidity, market infrastructure, credibility of legal system and legislation are often insufficient compared to mature markets, and strong market movements are possible due these reasons.

Equity risk

Equity risk means risk for fluctuation in equity price. Equity price fluctuations are influenced by market development and knowledge of information influencing the company's success.

Currency risk

Currency risk means risk for fluctuations regarding currency rates.

Counterparty risk

Risk related to trading outside the exchange and the trade executioner's ability to perform its obligations. (This can concern e.g. derivatives, interest rate investments, structured investments and currency trading.)

Clearing risk

Risk related to clearing trades, i.e. an agreed trade is not fulfilled either because the counterpart does not have the financial instrument to be delivered or can not pay the required transaction amount.

Contents risk

Contents risk means, that the investment objects of the ETF e.g. do not exactly match the name of the fund or the composition of the target market.

Leverage risk

Derivative structure causing risk for that even a small change for the underlying security of the financial instrument can have a great positive or negative impact on the financial instrument's return and value.

Risk profile

Risk profile means an investor's risk aversion, risk tolerance and loss tolerance. Risk profile can roughly be divided into three main categories: *low, average and high*. *High* means that the investor is willing to take on more risk in order to achieve a higher return in positive circumstances, meaning at the same time that the investor is willing to accept and is able to financially bear a possible substantial financial loss in negative circumstances. *Low* means that the investor is investing in such way that lower return could be achieved in positive circumstances, at the same time avoiding risks for substantial financial losses in negative circumstances.

Publicly traded stocks

Stock of a limited liability company gives its owner right to a share of the company's equity. The stockowners have the decisive power in the general meeting and the right to the return of the equity investment, consisting of a possible dividend and the stock's possible change in value. A limited liability company can have different equity series, where one of the series can e.g. entitle to use a broader vote right in the general meeting and another series can e.g. entitle to a larger dividend payment. The dividend is paid after the general meeting, usually once a year. Foreign companies can pay dividends quarterly or every six months. The value of the stock is based on the current general view on the value of the limited liability company, which issued the stock. When the investor sells the stock, the stock's possible increase in value or decrease in value is realized.

Typical risks related to equity investing is the risk related to stock price fluctuations, *market risk*, and the risk related to the extent of trading, *liquidity risk*. Other risks are risks related to the company and its branch, e.g. *competition, legislation, the branch development and other corresponding factors (stock risk)*. In a long perspective a specific company's return development is dependent on the company's *operational success*. The general development of the equity markets and economic cycles can also have an impact on a specific company stock's return development. When performing equity investments it is possible that the targeted return can be unachieved and the invested capital can be lost, in case the issuer goes *bankrupt*, i.e. *insolvency of the issuer*.

Possible risks related to foreign stocks can be *financial, tax related, legislative, political and other similar risks*, that deviates from Finnish stocks. Equity investments outside the euro area include *currency risk*.

Investing in emerging market stocks can be considered riskier than other equity investments, since such markets can be characterized by *unstable operational environment and legislation, political risks, strong currency rate fluctuations, counterpart risks and lower stock market liquidity (risk related to markets degree of maturity)*.

Subscription and option rights are conformed with stocks. Subscription and option rights entitle to subscribe for the issuing company's shares. The price of subscription and option rights are defined by the price development of the issuer's stock and additionally the strike price of the option right, stock volatility, interest rate level and the time to maturity. The volatility for a subscription and option right is higher than for the underlying stock (*leverage*), due to the lower amount of committed capital.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: average / high. Low experience and knowledge requirements. Prior experience regarding the financial instruments can replace low knowledge level, and vice versa.

Bonds

Bonds are loans issued by government, municipality, insurance or credit institute, or company, with the aim to raise long term funding, usually for two years and up. The value of the bond is defined by the present value of the bond's cash flows, whereas the cash flows consist of coupon interest and repayment of nominal capital. A bond can be of fixed, floating or zero interest rate type. The return of a bond is determined by the terms regarding each loan.

A government bond is a bond issued by the State Treasury and guaranteed by the Finnish government.

An index loan is a bond, which return is tied to a predefined underlying's value development. The underlying can be an equity, an equity basket or an equity index. Other underlyings can be e.g. a currency or a currency basket, commodity derivatives or a commodity derivatives basket consisting of several commodities. The value of the underlying can fluctuate during the loan period. Index loans can be capital protected, i.e. the nominal capital invested in the loan is usually repaid at the end of the loan period, independently of the value development of the underlying. The capital protection is, however, valid only when the loan expires, i.e. on the maturity date. If the holder of an index loan wants to sell before the maturity date, the selling price is defined by the prevailing market price at that time. This price can be lower or higher than the invested nominal capital at the time of purchase. The capital protection does not cover any possible premiums (higher price paid than nominal price at time of subscription) or subscription fees. Related to the capital protection there is a *credit risk*.

A convertible bond is a bond, which entitles the holder to change the loans to equity issued by the bond issuer according to a predefined change ratio. A convertible bond combines the interest rate return of a loan and an opportunity to either get the nominal capital repaid or utilize the value increase of equity.

A debenture is a bond, which in case of the issuer's bankruptcy has a lower priority than the issuer's other commitments. Based on the greater risk and lower liquidity the debenture loan is paid a better interest rate than conventional loans.

Option loan is a bond, with a right to buy equity on credit from the issuer at a defined price at a defined time. On the secondary markets it is possible to trade with the option and loan separately. A part of the coupon interest is used to buy a stock option, resulting in that the coupon interest is lower than for a bond.

Typical risks related to bonds are *interest rate, market, credit and clearing risks*. *Currency risk* might relate to foreign bonds. It is possible that there is no continuous daily secondary market during the loan period, i.e. *liquidity risk* related to the loan. Among bonds there can be both safer and riskier investment objects. Government bonds are paid the lowest interest, as these are considered almost riskfree. The more risk there is related to the repayment of loan, the more interest paid is usually demanded from the issuer. *Interest or other market risk* mean that the value of the investment decreases when the interest rate increases or the index, to which the loan is tied, develops unfavorable. *Credit risk* means that the issuer can not pay the interest or repay the nominal capital according to the terms. *Clearing risk* means risk that arises between parties in conjunction with payment and delivery, and the counterpart has not the ability to fulfill its obligations. *Insolvency of issuer* can lead to write-downs of bond values. To index loans relate also *leverage risk*.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: low / average. Average experience and knowledge requirements. Prior experience regarding the financial instruments can replace knowledge requirements, and vice versa.

Money market instruments

Money market instruments are debt instruments, with which short term funding is raised from the capital markets. Money market instruments are government debt commitments, municipal certificates, investment certificates, company certificates and ECP:s (Euro Commercial Paper).

The loan period of money market instrument are max 12 months. Money market instruments are primarily zero interest certificates, and the holder is paid the investment's nominal capital by the issuer on the due date marked on the certificate. The zero interest rate money market investment return consists of the difference between the purchase price and the nominal value. The contract can be sold on the secondary market, and the buyback is at prevailing market price at time of purchase.

Typical money market instrument related risks are *interest rate risk*, i.e. fluctuations in interest rate and risk related to the maturity of the instrument, and the issuer's payment capacity, *credit risk*. *Clearing risk* means possibility of loss, arises between parties regarding payment and delivery, in case the counterpart is not able to fulfill its obligations.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: low. Low experience and knowledge requirements. Prior experience regarding the financial instruments can replace low knowledge level, and vice versa.

Standardized derivative contracts

Derivative contracts are contracts, which value can depend on the contract underlying's value changes, price fluctuations, interest rate fluctuations, the maturity time of the contract or other factors. As underlying can be e.g. equity, interest rate, commodity, currency, credit risk, index or ratio describing similar underlying's price development.

Derivatives are options, futures, forwards, swap contracts and combinations of these.

Derivatives can be standardized or unstandardized (OTC derivatives).

Derivatives are commonly used for hedging other investments, usually against underlying's value changes or to benefit from these. The validity period of derivative contracts can vary from very short to a few years.

The contract obligations are primarily fulfilled by delivery of underlying or by paying the value of the contract in cash on the contract day. The derivative contract can dependent of the type, cause to the client, other in the contract terms defined financial commitments or obligations in addition to the purchase costs, and the purchase might also include collateral requirements.

The value of derivative contracts can change rapidly and strongly, whereas the holder might be obligated to cover a possible collateral discrepancy with additional collateral or realize collateral. There might be limitations to the *liquidity* of derivative contracts.

The value of derivatives are directly impacted by the *risks related to the underlying and the price fluctuations due to these*. Typical risks related to derivative contracts are the before mentioned to the underlying's value related *market risk* and also to the counterpart's insolvency related *credit risk, leverage risk* (structure when a small change for the underlying can have a great impact on the value of the derivative contract) and possible *currency risk*.

The derivative contracts can be used to create combinations. The terms of a derivative contract can be such that the possibility of profit or loss can grow *very high, and be in theory even unlimited*.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: high. High experience and knowledge requirements.

Option

Option means right, but not obligation to buy or sell a security at a predefined price. This can occur at the strike price on a predefined date or before it. A call option gives the holder the right to buy during a specific period already issued equity, at a predefined price. A put option gives the holder the right to sell during a specific period already issued equity, at a predefined price.

Buying call and put options is less risky than selling. An option can be left unused, if the underlying security's value develops negatively. The greatest possible loss is limited to the price paid for the option and the transaction costs. Related to options are the before described risks regarding derivatives.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: high. High experience and knowledge requirements.

Futures and forwards

Trading with futures and forwards include a commitment to buy or sell the underlying security or commodity at time of exercise. Future and forward contracts require collateral, and the investor should be acquainted with the impact of this. The price is calculated daily for all on exchange traded futures and forwards and the investor has to pay possible additional collateral. In other case the counterpart can terminate the contract. Related to futures and forwards are the before described risks regarding derivatives.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: high. High experience and knowledge requirements.

Swap contracts

A swap contract means the counterparts agree on continuous payments to each other. These are calculated based on e.g. fixed or floating interest rate (interest rate swap) or at predefined point in time occurring a certain type of property, e.g. swap of currency (currency swap). Related to swap contracts are the before described risks regarding derivatives.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: high. High experience and knowledge requirements.

Warrants

Warrant is a derivative, which is traded on exchange like equity. The value of the warrant is defined by the value of the underlying's value. As underlying is commonly an equity or index, but can also be any commodity or currency. A call warrant gives the right to buy and a put warrant gives the right to sell the underlying on a certain date at a certain price. A value for the right to buy or sell is a defined price, which is the market price of the warrant.

The strike price of the warrant defines the price, at which the investor has the right to buy (call warrant) or sell (sell warrant) the underlying on a certain day and at a certain price. The conversion ratio defines how many warrants the investor needs, in order to buy or sell the underlying security.

In warrant trading a central part is the market guarantee given by the issuer. By giving the market guarantee, the issuer commits to giving buy and sell quotes for the warrant during the continuous trading session.

Risks related to warrants are *market and credit risks*. *Currency risk* relates to warrants outside the euro area. The *market risk* is related to the possibly unfavorable price development of the underlying, the warrant can expire worthless, resulting in that the *invested capital is lost*. The *credit risk* of warrants is related to the issuer's solvency.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: high. High experience and knowledge requirements.

Mutual fund units

The mutual fund collects capital from investors and invests the capital in securities according to the investments objectives defined in the prospectus of the mutual fund. When investing in a mutual fund, the investor buys units or shares of the mutual fund and becomes a shareholder of the mutual fund, in proportion to the mutual fund units or shares owned.

The mutual fund is administered by a fund management company and the assets are managed by a portfolio manager. The mutual fund's investment strategy, investment objectives and possible limitations are defined in the rules of the mutual fund.

The mutual funds can be categorized based on their investment objects, e.g. equity funds, balanced funds, fixed-income funds and commodity funds. The mutual funds can additionally be categorized based on profit distribution, i.e. distribution units, pay an annual distribution and accumulation units, no distributions are paid on accumulation units, but any income is added to the fund's assets. The same mutual fund can have both distribution and accumulation units. Part of the mutual fund are UCITS-funds, with unified regulation in the EU-countries. Other mutual funds are e.g. special mutual funds, which can deviate remarkably from each other regarding operation and rules, and can take on more risk when investing than UCITS-funds.

The fund's investment strategy and investment objects have impact on the fund's level of risk. The total risk can be reduced by diversifying the investments into several objects. Commonly, funds investing on the money market have the smallest expected return and lowest risk and funds investing on the equity market have the greatest expected return and highest risk.

The fund management company administering the mutual fund calculates regularly the current value of the fund units, based on the price development of the financial instruments invested in by the fund.

The fund management company has to redeem the mutual fund units on investor's request. From the mutual fund's assets is charged the expenses related to the operation, such as management and custodian fees and possible return related fees. The fees are fund specific and they are stated in the Key Investor Information Document.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: low / average / high (product specific). Low / average experience and knowledge requirements. Prior experience regarding the financial instruments can replace knowledge requirements, and vice versa.

ETF-funds

ETF-funds (Exchange-Traded Funds) are funds traded on regulated markets, i.e. ETF-funds can be bought in the same way as equity on international exchanges. In the rules of the ETF-funds is stated the investment policy of the fund. ETF-funds can deviate remarkably from each other with regard to investment policy and risks.

Risks related to ETF-funds are primarily the same as in other international fund investing. ETF-funds have, however, different structures and deviates by issuer. There are two types of ETF:s, based on the underlying. ETF:s with physical underlyings are less risky than ETF:s with synthetic underlying, which are riskier. Risks related to ETF:s are *market, credit, currency and counterpart risks* and additionally possible *risk related to custody of client assets*.

The capital can decrease or can in theory be entirely lost, in case the price of the ETF's underlying security falls. Depending on the investment strategy the price change for certain ETF:s can be greater than the price change for the underlying. The issuer strives at managing the product related counterpart risk with different collateral demands. The ETF-fund can own the securities of the index or the fund may have set up collateral. Due to the ETF-funds' contract structure there might be an issuer related *credit risk*. The *currency risk* should be taken into account regarding the underlying's currency and the quote currency. So called Short ETF:s are structures, which price development follows inverse the daily price development of the target market or underlying. In possible equity lending there is a limited *counterpart risk*. For a synthetic structure there is *counterpart risk*, when the swap contract is "in-the-money". Additional information on risks is found in each issuer's prospectuses. It is possible that during the investment period of an ETF there is no continuous daily market, meaning the investor is not able to sell the ETF on the secondary market (*liquidity risk*).

Contents risk, i.e. the investment objects of the ETF does not necessarily match exactly the name of the fund or the contents of the target market. Contents risk might specifically be present in international ETF-investing, where information related to the funds is not necessarily easily available.

Active deviation risk, i.e. the return of the fund can deviate from the comparison index. The ETF's active deviation is commonly small, but the risk is more crucial when the objective is expressly to achieve the return of the index. A negative deviation is caused by e.g. the management fees and transaction fees from altering the fund portfolio.

For some ETF-products, *due to the leverage effect, the profit or loss opportunities can be multiple*, compared to a direct investment in the underlying. Trading with ETF:s requires that the investor follows the market value development of the open position and is, if necessary, ready to close the position, even at loss.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: low / average / high (product specific). Low / average experience and knowledge requirements. Prior experience regarding the financial instruments can replace knowledge requirements, and vice versa.

Commodities, ETC:s

ETC:s (Exchange Traded Commodities) are commodities traded on regulated markets. The price development of ETC:s follows the price development of the underlying e.g. the commodity or commodity basket. The ETC can be fulfilled e.g. with commodity derivatives and then the client's total return depends on profits or losses from rolling. Rolling is a measure like, the ETC sells a maturing commodity future and buys instead a future with later maturity.

Risks related to ETC-funds are e.g. *market, credit, currency and counterparty risk*. Market risk means risk related to the price development of the underlying, i.e. *the capital can decrease or it can be entirely lost*, in case the price of the commodity or commodity basket as underlying decreases. *Credit risk* is related to the issuer's solvency. The issuer strives at managing the product related counterparty risk by different collateral demands. The *currency risk* should be taken into account with regard to the currency of the underlying and the quote currency.

The financial instruments are applicable for both non-professional and professional investor and approved counterpart, with the risk profile: high. High experience and knowledge requirements.

16. TAXATION

The client is liable for the tax consequences from the client's investment operations. Therefore the client should be thoroughly acquainted with the taxation regarding the financial instrument before making any investment decisions. The client should consult a tax specialist if necessary. Additional information regarding taxation is available from the client's local tax office and on the tax administration's internet site www.vero.fi.

17. CUSTOMER SERVICE, CLIENT FEEDBACK AND LEGAL PROTECTION MEASURES

In case of questions regarding the service the client should always primarily contact Zenito Oy.

The board of Zenito Oy has approved the company's principles and conduct regarding handling of client feedback, in order to handle potential client feedback in a consistent

manner and with fairness. The client can give feedback when dealing in person, by phone, e-mail, or mail (see section 2.). In case a solution can not be reached between Zenito Oy and the client through negotiations, the client must without delay inform Zenito Oy regarding a service related fault and a possible demand hereto. Possible complaints are always addressed in writing to Zenito Oy. The complaint has to include the client's contact information and a detailed description of the fault. Zenito Oy notifies receiving the complaint, informs about the complaint process and handling progress. Zenito Oy strives at giving a response as soon as possible, however, if possible within one week from receiving the complaint. Client feedback is handled in a consistent manner according to current regulation by Zenito Oy's compliance officer, as Zenito Oy has not defined a separate business independent function for handling complaints. Zenito Oy takes into consideration potential conflicts of interest regarding the process and aims at avoiding them well. The client can get information regarding the handling of the complaint by contacting the CEO. The CEO gives information about the process regarding handling of complaints on client's request, regarding handling of the client specific complaint and if necessary about its progress. In case a decision can not be given within the time limit, Zenito Oy has to inform the presenter of the complaint about the reasons for the delay and when the handling is presumably finished. The final decision is given in writing, and thereto shall be attached a thorough and clearly stated explanation regarding Zenito Oy's view on the complaint. In case a satisfying solution between Zenito Oy and the client can not be achieved, the client can ask the 'Vakuutus- ja rahoitusneuvonta' (the Insurance Complaints Board, Banking Complaints Board) for help in solving the situation or take the conflict to the 'Arvopaperilautakunta' (Securities Complaints Board) for a statement of recommendation regarding solving the dispute. 'Vakuutus- ja rahoitusneuvonta' can be reached by phone 09 685 0120 and the internet site www.fine.fi.

'Arvopaperilautakunta' gives advice, leads and seeks solutions in matters regarding the Securities Markets Act and thereto related regulations by authorities, application of investment service agreement terms, good practice in securities trading and other practices related to securities. The service is free of charge and available for all non-professional investors, who have a client relationship with an investment service provider, bank or fund management company. Phone number to 'Arvopaperilautakunta' is 09 685 0120. Additional information is available on the internet-site of 'Arvopaperilautakunta' www.arvopaperilautakunta.fi.