

## GENERAL INFORMATION PURSUANT TO AUSTRIAN SECURITIES SUPERVISION ACT OF 2007

The present "General information pursuant to Austrian Securities Supervision Act of 2007" was designed to inform clients about potentially essential circumstances of their investment activities or transactions in financial instruments with MFC Mikulik Finance Consulting GmbH. The present "General information pursuant to Austrian Securities Supervision Act of 2007", however, cannot replace any necessary contractual agreements.

### 1. GENERAL INFORMATION

#### NAME AND ADDRESS

MFC Mikulik Finance Consulting GmbH  
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#### HUNGARIAN BRANCH

MFC Mikulik Finance Consulting GmbH Magyarországi Fióktelepe  
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Hungary

#### LICENSE

License for commercial provision of the following services (decision of Austrian Financial Market Authority (FMA) dated 03.09.2015, GZ FMA-W00817/0002-WAW/2015):

- Investment advice (article 3 (2) 1 of Austrian Securities Supervision Act of 2007 (Wertpapieraufsichtsgesetz 2007, WAG 2007))
- Reception and transmission of orders (article 3 (2) 3 of Austrian Securities Supervision Act of 2007
- Securities agent

with regard to the following financial instruments according to article 1 (6) of Austrian Securities Supervision Act of 2007

- transferable securities (lit. a)
- money market instruments (lit. b)
- fund units (lit. c)
- financial derivatives (lit. d)

#### COMPETENT SUPERVISORY AUTHORITY

Austrian Financial Market Authority (FMA) (division: Securities Supervision)  
A-1090 Vienna, Otto-Wagner-Platz 5  
Tel. +43-1-24959-0  
Fax +43-1-24959-4499  
Internet: [www.fma.gv.at](http://www.fma.gv.at)

#### COMMUNICATION

German is the sole definitive language of communication for the contractual relationship.

Depending on the agreement, the client can communicate with MFC Mikulik Finance Consulting GmbH in person, per telephone, mail, fax or email.

## 2. INFORMATION ON THE COMPANY AND ITS SERVICES

MFC Mikulik Finance Consulting GmbH renders consulting and agent services to clients according to article 3 (2) items 1 and 3 of Austrian Securities Supervision Act of 2007. MFC Mikulik Finance Consulting GmbH transmits the client orders to the relevantly authorized units for execution. MFC Mikulik Finance Consulting GmbH strives to transmit orders to the relevant units as quickly as possible. If the order is received in a place other than MFC Mikulik Finance Consulting GmbH offices, the client agrees that transmission may take several working days. Units in charge of order execution are obliged to execute orders in the best interest of the clients and to constantly evaluate their execution policy (article 52 of Austrian Securities Supervision Act).

MFC Mikulik Finance Consulting GmbH or an advisor authorized by MFC Mikulik Finance Consulting GmbH do not at any time hold clients' financial instruments or funds and are explicitly not authorized to accept clients' money.

## 3. INFORMATION ON CLIENT CLASSIFICATION

In the implementation of the EU directive „Markets in Financial Instruments Directive" (MiFID) the new Securities Supervision Act (Wertpapieraufsichtsgesetz, WAG) entered into force on 1. November 2007. This act prescribes that securities services companies shall classify their clients in order to enhance investor protection particularly for retail clients. The following categories are singled out: retail clients, professional clients and illegible counterparties. This classification stipulates a different set of obligations to be fulfilled towards each client category with retail clients enjoying the highest level of protection.

Once assigned a category, clients can at any time send us an application for a change of their category.

## 4. INFORMATION ON MANAGING CONFLICTS OF INTERESTS

A conflict of interests is a situation in which different interests of different (groups of) persons are mutually contradictory. Such conflicts may result from different interests of our company, of other companies of our group, of our management board, our employees, our clients or other individuals or legal entities related to our business.

FC Mikulik Finance Consulting GmbH provides its services with the appropriate expert knowledge, care and diligence in the best possible interest of its clients. Conflicts of interests, however, cannot always be completely ruled out. In this respect, we herewith point out that the scope of services rendered to you by FC Mikulik Finance Consulting GmbH is very narrow and is essentially limited to investment advice. Potential conflicts of interests referred to below are therefore possible to a very limited extent only.

Furthermore, we have taken a set of adequate organizational precautions in order to avoid the influence of extraneous interests on various securities services rendered.

Additionally, together with our employees we have committed ourselves to high ethical standards to guarantee a high level of diligence and honesty, lawful and professional conduct, compliance with market standards and especially a constant focus on the clients' interests.

If conflicts of interests are inevitable despite all organizational precautions, we will inform the client on such conflicts of interests prior to entering into a business relations or prior to consulting the client.

The client is informed that FC Mikulik Finance Consulting GmbH recommends its own products, if such products are appropriate for the client, since the company considers these products at least equivalent to comparable products of other providers. The company undertakes to at any time advise the client on other products and compare these products to its own products, if the client so requests.

Furthermore, it should be noted that, according to article 78 (8) of Austrian Securities Supervision Act of 2007, the Austrian Financial Market Authority (FMA) publishes on its homepage possible ranges of market standard fees which shall be regularly surveyed by statutory representation of the financial service providers, specifically – by Association of Financial Service Providers of the Austrian Chamber of Commerce (Wirtschaftskammer Österreich, WKO).

In addition, with reference to our activities, our business partners may provide us free of charge financial analysis or other information materials on financial instruments, trainings and to a certain extent technical services and facilities as well as equipment for accessing third-party information systems and processing systems. These inducements are intended to improve the quality of our securities services. Receipt of all above mentioned benefits does not, under any circumstances, conflict with rendering securities services in your best interest.

## **5. GENERAL INFORMATION ON RISKS PURSUANT TO ARTICLE 40 OF AUSTRIAN SECURITIES SUPERVISION ACT OF 2007**

Risk is defined as the possibility of not achieving the expected return on an investment and/or losing the capital invested. Causes for materialization of risks can be complex and vary across the product range. It is not always possible to predict risks and the following description, therefore, shall not be considered exhaustive. Since the basis for investment advice may change over a period of time, it is recommendable that investors, in their interest, regularly observe and evaluate the situation together with the advisor. An additional detailed description of risks is provided to clients of FC Mikulik Finance Consulting GmbH on request.

Depending on their type, financial instruments may be particularly exposed to the following risks:

### **Credit risk**

There generally exists the risk of a debtor failing to fulfill its payment obligations or failing to fulfill them in time. Especially performance of bonds is substantially affected by this risk of payment default. Therefore, investors must consider the credit-standing of every debtor and issuer, when making their investment decision. Independent rating agencies publish ratings for assessment of issuers' creditworthiness. These ratings range from the top AAA rating to C or D. The lower the rating of a debtor, the more probable this debtor's payment default. The credit risk can be additionally reduced by spreading invested funds among different issuers.

### **Liquidity risk**

This risk refers to the possibility of selling or closing an investment position at a competitive price at any time. A market is considered liquid if an investor can trade his securities without an average order (measured on usual market turnover volume) causing noticeable price fluctuations or not being capable of being settled at all or only at a significantly changed price.

### **Country risk**

The country risk is the credit risk of a country. The political or economic risk presented by a given country may have adverse impact on all counterparties resident in this country.

### **Currency risk**

Return and performance of transactions in foreign currency depend not only on the local yield of the security in the foreign market, but also heavily on the exchange rate development of the foreign currency as compared to the investor's base currency (e.g. euro). Exchange rate fluctuation may, therefore, cause the return and value of the investment rise or fall.

### **Interest rate risk (also payment risk)**

The interest rate risk results from possible future interest rate changes in the market. Rising market interest rates will lead to a lower price of fixed-interest bonds, falling market interest rates will raise their price.

### **Transfer risk**

Transactions with foreign dimensions are exposed to the risk that political or exchange control measures may prevent or complicate the realization of the investment, causing, for instance, the currency of a foreign currency transaction to lose its free convertibility.

#### Risk of total loss

Risk of total loss pertains to the possibility that an investment may become worthless e.g. due to its structure as a temporary right. Total loss can especially occur if the issuer of a security is no longer able to meet its payment obligations (insolvency) due to economic or legal reasons.

#### Price risk

Securities are usually traded on exchanges and recognized markets. In this process prices are formed by supply and demand. Lack of demand for a security will result in a decreasing security price and in losses.

## **6. INFORMATION ON RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS PURSUANT TO ARTICLE 40 OF AUSTRIAN SECURITIES SUPERVISION ACT OF 2007**

### **BONDS**

#### Definition

Bonds (debentures, notes, obligations) are securities that oblige the issuer (debtor, issuer) to pay to the bondholder (creditor, buyer) interest on provided capital and to repay the principal in compliance with the bond terms.

#### Return

The return on a bond investment comprises the interest on the capital and the difference between the purchase price and the price achieved at sale/maturity. The return can only be calculated in advance if the bond is held until maturity and the debtor is able to duly fulfill its obligations. Yield (to maturity) can serve as a reference point for return. Transaction fees shall be taken into account when calculating return.

#### Risks

Credit risk, interest rate risk, liquidity risk, currency risk (for foreign currency bonds), country risk

### **SHARES**

#### Definition

Shares are securities that represent an interest held in a company (joint-stock company). Shareholders are entitled to participate in the company's profits and to vote in the shareholders' meetings (exception: preferred shares).

#### Return

The yield on a share is composed of dividend payments and changes of the share's price. The yield on a share cannot be calculated in advance and depends on both - development of the company's business and on the general economic development. The dividend is the company's profit, (partially) distributed according to the decision of the shareholders' meeting.

#### Risks

Price risk, credit risk, liquidity risk, currency risk, country risk

### **Investment funds**

#### Definition

Certificates of participation in investment funds confirm the investor's joint ownership in assets of an investment fund. The funds invest according to the principle of risk diversification pursuant to legal requirements and individual standards of the funds. Investment funds can be roughly classified into the following major categories: bond funds, stock funds and mixed funds.

#### Return

The return on investment fund participation consists of distributions (exception: non-distributing and accumulating funds) and the development of the calculated value of the fund. The return cannot be determined in advance.

#### Risk

Price risk, credit risk, liquidity risk, country risk (for foreign funds), currency risk, interest rate risk.

### **7. COSTS AND ANCILLARY COSTS PURSUANT TO ARTICLE 40 OF AUSTRIAN SECURITIES SUPERVISION ACT OF 2007, ANNEX 4**

Within the scope of its activities MFC Mikulik Finance Consulting GmbH receives benefits from third parties (e.g. depositary banks or product providers). These benefits include issuing costs surcharges up to 100% of which flow to MFC Mikulik Finance Consulting GmbH. The company additionally receives proportionally payable portfolio commissions of up to 1,5% p.a. that are directly or indirectly (via depositary banks) paid by the product providers from administration fees collected by the latter. These commissions are primarily intended as remuneration for agent services and are used for building and maintenance of infrastructure necessary to ensure the highest level of services rendered to the clients.

MFC Mikulik Finance Consulting GmbH has concluded general condition contracts with several depositary banks. These contracts regulate the minimum rates at which clients of MFC Mikulik Finance Consulting GmbH can carry out transactions. The choice of the depositary bank is subject to the decision of the advisor acting in compliance with the "Best execution principles". For further information see the "Execution policy" of MFC Mikulik Finance Consulting GmbH.

Vienna, April 2015