

Investment profile

Overall asset allocation

Detailed allocation

Portfolio

## COMPLEX INVESTMENT PRODUCTS

The products within this category vary in terms of composition and structure. Often the products consist of different equities or equity-like investments. However, the products also consist of bonds or fixed income strategies as well as commodities.

Compared to investments in more traditional investment products, these products differ for example in regard to the following:

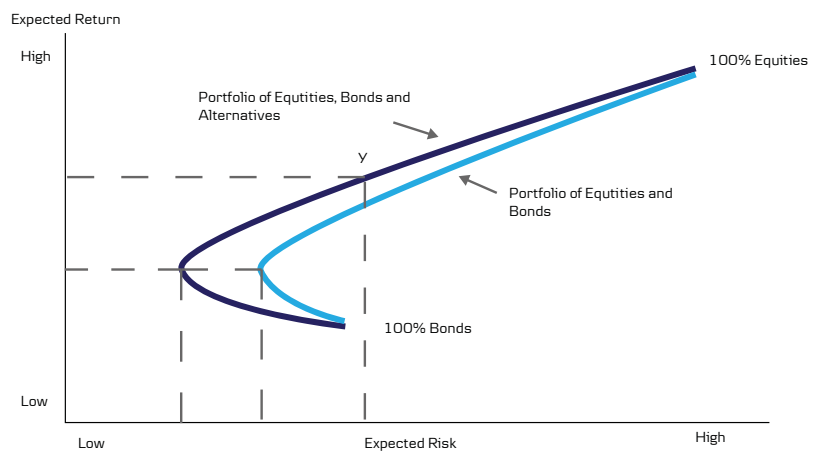
- Funds which do not meet the European regulations - e.g. the diversification of risk
- Hedge funds with a wide investment universe and possibly leveraged investments
- Poorer liquidity than the more traditional investment products i.e. investments in unlisted equities (Private Equity)

The typical products within this category are hedge funds with different investment strategies, funds investing in listed and unlisted securities as well as in warrants and different types of certificates.

### RETURN

You can expect to obtain a higher return taking on the same risk by combining different types of securities including alternative investment products.

One of the objectives of investing is to obtain the highest possible return relative to the risk. You can obtain this by investing in a portfolio with a wider range of assets.



The graph shows that in point Y where alternative investments are included, the investor obtains a higher expected return compared to a portfolio which consists solely of equities or bonds.

## RISK

The risk associated with these investment products varies highly and reflects the risk of the individual asset types contained in these products.

Bond investments entail three overall types of risk:

- The market interest rate increases - this implies that the bond price decreases (Interest rate risk)
- The issuer is unable to pay interest/principal (Credit/Default risk)
- The currency in which the bond is denominated decreases compared to the reference currency of the portfolio - this implies that the bond value decreases (Currency risk)

When you invest in equities, there are certain risks involved that the value of the equities may change:

- Company-specific risks - conditions and factors for the company in question
- Sector-specific risks - developments related to the sector in which the company is operating
- Market risks - developments in the financial markets which may be triggered by macroeconomic or political factors as well as investors' current appetite for equity investments.

In a worst-case scenario, the above risks may individually or in combination imply that the invested amount might be lost.

The risk associated with alternative investments are often made up of the risk elements mentioned and associated with either equities, bonds or a mix of these asset classes.

Typically investments are done in global and domestic securities. In addition to the exposure to price changes, investments in global securities are as well associated with a currency risk, which may affect the overall return significantly.

When you invest in commodities, the investment is not only affected by the development in financial markets but to a larger extent also by factors such as natural disasters, conflicts, wars or the like.

The products within this product category will typically experience higher volatility in the price than more traditional investments, since leveraging and illiquidity may increase the volatility.

## LIQUIDITY RISK

Most of the products within this category are less liquid in the market than traditional investment products. You should not expect a continuous pricing of the products. In certain periods you will not have access to sell the products.

### INVESTMENT FUNDS

If you invest in complex investment products via investment funds, you obtain the same characteristics as those associated with investing in similar individual complex investment products. However, you obtain a more efficient diversification and ongoing management of your investments.

### PRODUCT DOCUMENTATION

It is important that you as investor seek thorough information about the characteristics of the products. For products within this category there will usually be additional product documentation available, e.g. brochures, fact sheets, prospectuses, etc. Please request these documents and discuss the content with your adviser.

### YOUR RESPONSIBILITY AS INVESTOR

To which extent complex investment products are suitable for your portfolio will depend on your attitude to take risk and your investment horizon indicated by your investment profile. If there are any doubts as to whether a product is appropriate for your portfolio, you should seek additional information and advice or avoid investing in the product.