

Illustration of forecast costs and fees for investment services and financial instruments

This document provides you with an illustration of all forecast costs and fees that will be generated as a result of the provision of investment services on R-Execution portfolios (for clients who manage their assets independently).

The calculation of forecast costs reflects all costs and charges within the following categories, as required by the European Directive on Markets in Financial Instruments (MiFID II) of 15 May 2014:

- **Costs and fees for investment services provided and invoiced by Banque Raiffeisen s.c. (hereinafter “the Bank”).**
 - Any **non-recurring fees**. The Bank does not apply such fees to the provision of investment services.
 - **Recurring fees** such as custody fees.
 - **Transaction fees** such as stock market order fees, fund subscription and redemption fees, security transfer fees, foreign exchange charges and certain stock exchange taxes.
 - Any **incidental fees**. The Bank does not apply such fees to the provision of investment services.

These fees are debited from the client's account either periodically (recurring fees and ancillary costs) or on the transaction date (transaction fees). The client is informed of such fees via an account statement and, where appropriate, a separate notice.

- **Costs and fees of financial instruments, invoiced by third parties:**
 - **Non-recurring fees** such as distribution fees.
 - **Recurring costs** net of any commission payments such as management fees.
 - **Transaction fees** such as brokerage fees.
 - **Incidental fees** such as performance fees incurred within certain financial instruments such as UCITS funds or structured products.

These fees are reflected in the price of the instrument and thus not debited from the client's account.

- **Commission payments received by the Bank.**

If the issuer of a financial instrument pays a proportion of the recurring expenses associated with the financial instrument to distributors, this commission payment is listed as a separate fee and the recurring fees in relation to the financial instrument are shown net of the commission payment.

To estimate forecast costs and fees, the following factors will be taken into account:

- **The value of the portfolio and the value of the individual positions of the financial instruments** which are relevant to all these fees, as the fees are defined as a percentage of these values. This generally applies to recurring and transactional fees in relation to financial instruments, commission payments and custody fees applied by the Bank.
- **The level of activity in the portfolio:** The number and amounts of transactions carried out during a period have a direct impact on transaction fees. A portfolio with many large transactions will therefore generate more transaction fees than a portfolio with activity limited to a small number of rare transactions.
- **The term of the investment or portfolio** has an influence on the average annual transaction costs and fees. It is generally the case that a certain number of purchases or subscriptions need to be carried out at the outset to build the portfolio, and that sale or redemption transactions need to be carried out for divestment purposes at the end of the investment period. The proportion of the total cost of the portfolio represented by the fees relating to such transactions is greater where the portfolio's term is short and decreases as the term of the portfolio increases.

- **The investment policy** and therefore the distribution of assets between the various types of financial instrument also has an influence on overall costs because certain fees vary between types of financial instrument. This is particularly relevant to fees associated with the financial instrument itself but also to certain of the Bank's fees, such as custody fees (certain instruments not being subject to custody fees) and purchase/sale and subscription/redemption fees.

Consequently, the following illustrations of forecast costs and fees have been put together based on assumptions relating to:

- the portfolio's value,
- the portfolio's term,
- the investment policy or investment strategy and
- the level of activity in terms of the portfolio's annual turnover rate (an annual turnover rate of 30% means that 30% of the portfolio's positions are sold and reinvested during the year).

Estimates are based on the Bank's terms and fees in force on the date on which this document is published. With regard to costs and fees relating to financial instruments and commission payments, the estimates are based on a representative sample of the financial instruments (funds and structured products) most commonly used in clients' portfolios for the type of service (R-Execution). However, the estimate is unable to take account of the fees associated with each financial instrument in the entire range of financial instruments currently used and potentially used in the future.

Factsheet R-Execution

Description

R-Execution is intended for investors who wish to **manage their assets independently**. As you do not have an appointed adviser, you have full responsibility for, and monitor your own, investments. The Bank's role is limited to receiving and transmitting your orders without providing advice.

Pricing

- Stock exchange orders: Standard rate;
- Stock exchange orders via R-Net: R-Net price;
- Tax reporting: €50 (excluding VAT).

Detailed pricing available at www.raiffeisen.lu

Illustration of forecast costs and fees for investment services and financial instruments

Detailed example: “Defensive” R-Execution portfolio

Calculation assumptions:

Portfolio value:	€125,000
Investment policy:	Defensive
Activity level:	Turnover rate of 30%
Term of the investment:	10 years

Detailed breakdown of costs and fees between the categories prescribed by law:

	ANNUAL AVERAGE	
	AMOUNT	PERCENTAGE
Costs and fees for investment services provided, invoiced by the Bank		
- non-recurring	-	-
- recurring	€37.56	0.03%
- transactional	€177.44	0.14%
- incidental	-	-
Sub-total	€215.00	0.17%
Costs and fees of financial instruments, invoiced by third parties		
- non-recurring	-	-
- recurring items net of any commission payments	€165.98	0.13%
- transactional	-	-
- incidental	-	-
Sub-total	€165.98	0.13%
Commission payments received by the Bank	€7.68	0.01%
Total	€388.65	0.31%

The **total average annual costs and fees** of a portfolio that meets the criteria set out above is estimated at €388.65, which represents 0.31% of its average value. Costs and fees vary according to the level of activity and composition of the portfolio. The creation of the portfolio and its liquidation at the end of the investment period give rise to fees that are higher than those generated by day-to-day management. The annual average over a 10-year term includes the costs and fees associated with opening and closing the portfolio.

Costs and fees associated with the investment policy and the level of activity

The projected average annual costs and fees expressed as a percentage of the portfolio value vary based on

- the investment policy (each investment policy corresponds to a specific breakdown of assets) and
- the level of activity expressed in terms of annual turnover rate.

The table below shows these variations for an R-Execution portfolio with a value of €125,000 and a term of 10 years:

Annual turnover rate \ Investment policy	10 %	20 %	30 %	50 %	100 %
Conservative	0.21%	0.22%	0.26%	0.29%	0.32%
Defensive	0.24%	0.28%	0.31%	0.38%	0.56%
Average*	0.30%	0.35%	0.39%	0.47%	0.67%
Dynamic	0.50%	0.57%	0.64%	0.77%	1.11%
Aggressive	0.26%	0.31%	0.36%	0.45%	0.68%

E.g.: For a portfolio with a "Defensive" investment policy and a turnover rate of 20%, the average annual costs and fees are 0.28% of the portfolio's value, i.e. $0.28\% \times €125,000 = €350$.

These costs and fees have been calculated based on the breakdown of assets under the following investment policy, as typically seen in R-Execution portfolios held by the Bank's clients.

Investment policy \ Type of financial instrument	Conservative	Defensive	Average *	Dynamic	Aggressive
Cash	86%	82%	80%	71%	79%
Obligations	4%	6%	4%	3%	1%
Produits structurés	2%	1%	1%	2%	0%
Actions	0%	1%	5%	6%	13%
Fonds	8%	10%	11%	18%	7%

* The "Average" investment policy represents an average of all investment policies, i.e. $(\text{Aggressive} + \text{Dynamic} + \text{Balanced} + \text{Defensive} + \text{Conservative}) / 5 = \text{"Average"}$.

This document is provided for illustrative purposes only. Actual costs and expenses incurred in relation to a portfolio may vary based on the actual composition of the portfolio. These amounts are communicated annually to all holders of securities portfolios.