

INVESTMENT QUESTIONNAIRE

1. General Information

- (a) The Bank submits this Investment Questionnaire to the Client for the purpose of providing Investment Services in a qualified manner. The Bank will use the information provided to assess whether a Transaction or Derivative Transaction involving an Investment Instrument and Investment Services to be provided by the Bank to the Client are appropriate to the Client's knowledge, experience, financial background, risk tolerance, investment objectives and needs.
- (b) If the Client gives a false, incomplete or inaccurate answer to any of the questions, the Bank may not be able to assess the Client's knowledge, experience, risk tolerance, investment objectives and needs accurately and may select an Investment Instrument, an Investment Service or manner of providing the Client therewith that is not appropriate or may refuse to provide the requested Investment Service.
- (c) All information stated in this Investment Questionnaire is covered by banking secrecy and is confidential under the applicable regulations.
- (d) Capitalised terms or phrases used in this document have the meanings specified in the Business Conditions of PPF banka a.s. for Investment Services (the "**Conditions**"). The provisions hereof are to be interpreted according to the interpretation rules set out in the Conditions. This document is an Investment Document.
- (e) If the Client is a legal entity, the Client shall ensure that any person who provides the Bank with information for the purposes of this Investment Questionnaire is authorised to provide such information and that such person has a fair overview of the knowledge and experience of the Client and its Authorised Persons and also of the Client's risk appetite. The Client is also required to ensure that any Authorised Person who is authorised to submit Orders for the Provision of Transactions or for concluding a Derivative Transaction has knowledge and experience no less or worse than the knowledge and experience stated in the Client's Investment Questionnaire.

2. Identification of the Client

Client	
Full name / organisation name:	
Birth ID No. (date of birth) / Identification No.:	
Address / Registered office:	
Represented by (legal persons only):	
Position (legal persons only):	

3. Financial Background, Risk Tolerance, Investment Objectives and Needs

3.1 How risky should the Investment Instruments composing your target portfolio be? Multiple answers are possible.

- Capital guaranteed even if it means a minimum return.
- Return matching government bonds and with limited potential losses.
- With a high annual return and possible high losses (including the loss of all capital invested).
- With a high annual return and possible losses exceeding the amount invested.

3.2 What liquidity level do you seek?

- Only highly liquid Investment Instruments are acceptable.
- Under some circumstances, I might be compelled to convert a part of the invested capital into cash.
- I expect to adhere to the investment horizon set.

3.3 I am able to invest money for a maximum duration of (select one value only):

- 1 year.
- 2 years.
- 3 years.
- 4 years.
- 5 years.
- 6 years.
- 7 years.
- 8 years.
- 9 years.
- 10 years.
- 11 years.
- 12 years.

3.4 What would you do if the value of your investment dropped by 10% within a few days?

- I would sell my investment immediately to avoid further losses.
- I would wait to see further developments. If the value continues to drop significantly I would decide to sell.
- I would not do anything, or, if the drop continues, I may take advantage of the opportunity to invest (buy more) at lower prices.

3.5 Would you sell Investment Instruments if the market price dropped significantly?

- Yes, I may. I have little other savings and only a small gap between income and expenses so I might need to withdraw the money even for low unexpected expenses in spite of the conditions being unfavourable.
- It is very unlikely. I have other savings or a sufficient gap between my income and my expenses; I would sell the investments only under exceptional circumstances.
- It is virtually impossible. I have sufficient other savings for unexpected expenses and a sufficient gap between income and expenses; I intend to adhere to the investment horizon.

3.6 What would the consequences of a 100% loss of the capital invested with the Bank be, taking into account your income and regular financial obligations?

- Insolvency.
- Great trouble.
- Temporary trouble.
- Negligible consequences.

3.7 What is your regular monthly income net of regular expenses?

- Below CZK 100,000
- Between CZK 100,000 and CZK 1,000,000
- Over CZK 1,000,000

3.8 What share (percentage) of your assets does the investment in the Investment Instruments represent?

- 0–20%.
- 21–80%.
- 81–100%.

3.9 Do you assess your investments based on ESG (i.e. environmental, social and governance) factors?

- Yes.
- No.
- I am unable to decide.

4. Knowledge and experience

4.1 Please select Yes / No below depending on whether you have experience of the given asset class.

	4.1.1	4.1.2	4.1.3
	Have you made more than 5 trades in the last 12 months?	Have you traded in the last 5 years?	Have you traded, on aggregate, more than CZK 100,000 or the equivalent in another currency?
Stocks	Yes / No	Yes / No	Yes / No
Bonds	Yes / No	Yes / No	Yes / No
ETF (Exchange Traded Fund)	Yes / No	Yes / No	Yes / No
Mutual funds	Yes / No	Yes / No	Yes / No
Qualified investor funds	Yes / No	Yes / No	Yes / No
Complex debt instruments (e.g. investment certificates)	Yes / No	Yes / No	Yes / No
Structured deposits	Yes / No	Yes / No	Yes / No
Currency derivatives (forwards, swaps, options, etc.)	Yes / No	Yes / No	Yes / No
Interest rate derivatives (swaps, options, etc.)	Yes / No	Yes / No	Yes / No

4.2 How have you invested in the past? Multiple answers are possible.

- I have never invested before.
- I have invested on my own by placing orders.
- I have sought investment advice when investing.
- I have used portfolio management services.

4.3 What education and professional qualifications relevant to capital markets or investment in Investment Instruments do you or those responsible for investing have? Multiple answers are possible.

- None.
- Basic (e.g. internet or investment courses).
- University degree related to capital or financial markets.
- Working experience of more than two years related to capital / financial markets or investing.

4.4 A stock (share) is a Security that usually entitles the investor to what?

- To payment of a specified yield and to repayment of outstanding principal on a specified maturity date.
- To a share in the profit of the issuer and to exercise voting rights at the issuer's general meetings.
- To the corresponding share of the fund assets.
- I do not know the correct answer.

4.5 A bond is a Security that usually entitles the investor to what?

- To payment of a specified yield and to repayment of outstanding principal on a specified maturity date.
- To a share in the profit of the issuer and to exercise voting rights at the issuer's general meetings.
- To the corresponding share of the fund assets.
- I do not know the correct answer.

4.6 If the issuer of a subordinated bond becomes insolvent, then the investor's claim:

- will be repaid before those of other creditors.
- will only be repaid after the payment of the senior (unsubordinated) debts due by the issuer.
- will be recovered from the Guarantee Fund of Investment Firms.
- will never be recovered.
- I do not know the correct answer.

4.7 Which statement is true of ETFs?

- These are funds through which the Securities issued are traded on public markets.
- These are funds that always pursue an active investment strategy.
- The cost of investing in ETFs is always higher than that of standard collective investment funds.
- I do not know the correct answer.

4.8 A fund's risk profile:

- is always directly proportional to the fund's expense ratio.
- is stated in the fund rules and therefore need not be disclosed in the Key Information Document.
- is influenced by the mix of investment instruments held by the fund. It is expressed, for example, by the Synthetic Risk and Reward Indicator (SRRI).
- I do not know the correct answer.

4.9 What does a mutual fund's Total Expense Ratio (TER) express?

- The ratio of the mutual fund's total operating expenses to the mutual fund's average monthly equity value for the previous accounting period.
- The mutual fund's overall performance net of expenses.
- The ratio of entry and exit fees charged to the investor.
- I do not know the correct answer.

4.10 A unit in a Collective Investment Undertaking (mutual fund) is a Security that usually entitles the investor to what?

- To payment of a specified yield and to repayment of outstanding principal on a specified maturity date.
- To a share in the profit of the issuer and to exercise voting rights at the issuer's general meetings.
- To the corresponding share of the fund assets.
- I do not know the correct answer.

4.11 What does it mean to be a qualified investor?

- An investor declaring that they are aware of the risks and whose investment is equal to or greater than EUR 125,000. Alternatively, an investor whose investment is equal to or greater than CZK 1,000,000, provided that this investment is consistent with the investor's financial background, investment objectives, knowledge and experience.
- Any investor with an investment of more than EUR 125,000.
- An investor with sufficient knowledge and education to invest in funds.
- I do not know the correct answer.

4.12 The price of an investment certificate:

- only depends on the supply and demand for the particular certificate.
- is set by the issuer depending on developments in the value of the underlying asset and, partially, on developments in the supply and demand for the particular certificate.
- depends on the volume the Client requests to buy.
- I do not know the correct answer.

4.13 What risks do you have to accept if you want to invest in an investment certificate whose underlying asset is the stocks of three technology firms?

- Certificate issuer risk and underlying stocks price development risk.
- The certificate issuer risk only.
- The underlying stocks price risk development only.
- I do not know the correct answer.

4.14 Which of the following statements is true about a structured deposit (dual currency deposit)?

- The interest rate is always the double of the standard market interest rate.
- The principal and interest will be paid either in the currency of the deposit or in the other currency in the pair at a pre-agreed limit rate.
- The principal is always paid in a different currency than interest, regardless of the rate of the agreed currency pair on the calculation date.
- I do not know the correct answer.

4.15 A firm is exporting goods and will be paid three months later in a foreign currency. Which products can this exporter use to hedge its foreign exchange risk?

- Foreign exchange (FX) forward, interest rate option.
- FX forward, FX swap, FX option, stock market index futures.
- FX forward, FX swap, stock market index futures.
- FX forward, FX swap, FX option.
- I do not know the correct answer.

4.16 How is the exchange rate for an FX forward product – entered into e.g. for 3 months – usually calculated?

- The forward rate is calculated from the current spot exchange rate of both currencies, to which a fixed fee is always added.
- The forward rate is calculated from the current spot exchange rate of both currencies and reflects the interest rate differential (difference between interest rates) of these currencies.
- The forward rate is based on an analyst estimate of the exchange rates that both currencies will have in three months with a 99.5% probability.
- I don't know.

4.17 Which of the following statements is true about foreign exchange (FX) forwards?

- A foreign exchange (FX) forward is a leveraged product unsuitable to hedge foreign exchange risk.
- Under an FX forward contract, the buyer can choose to purchase the foreign currency at the rate currently agreed.
- Under an FX forward contract, the buyer undertakes to buy the foreign currency at a predetermined date at the agreed price.
- I do not know the correct answer.

4.18 Which statement is true about a foreign exchange (FX) swap?

- Combination of a spot purchase and forward sale (in the future).
- Exchange of currencies at a forward rate.
- One-off exchange of a currency for a bond.
- Exchange of currencies at a spot rate.
- I do not know the correct answer.

4.19 What is a barrier knock-in option?

- An option that the holder must first register with the CNB in order to trade in it.
- An option that becomes active only when the agreed barrier is reached.
- An option that can only be exercised by the holder if the issuer agrees.
- I do not know the correct answer.

4.20 If you agree on a Derivative Transaction with the Bank but after the deal is entered into you do not receive a confirmation of the terms of the Derivative Transaction entered into (i.e. a Confirmation), then:

- the Derivative Transaction will be cancelled automatically.
- you have the right to withdraw from the Derivative Transaction at any time and the Bank cannot demand any payment or delivery from you.
- failure to receive a Confirmation does not have an impact on the validity of the Derivative Transaction and the Derivative Transaction is entered into validly.
- I do not know the correct answer.

4.21 In order to hedge an interest rate risk the Client agreed an interest rate swap with the Bank, under which the Client pays the Bank a fixed rate of 3% p.a. and receives a reference rate of PRIBOR + 2% p.a. from the Bank. If the PRIBOR reference rate rises to 1.25%, which of the following statements will be true?

- After the mutual payments have been netted, the Bank will pay the Client 0.25% p.a.
- After the mutual payments have been netted, the Client will pay the Bank 0.25% p.a.
- After the mutual payments have been netted, the Client will pay the Bank 3.25% p.a.
- The Client neither pays anything to the Bank nor receives anything from the Bank because this is a hedging instrument.
- I do not know the correct answer.

4.22 You own a bond with a variable coupon (6M PRIBOR) and a 3-year maturity. You are concerned about interest rates declining. Which of the following products would you choose as being the best to hedge against declining interest rates?

- Interest rate swap.
- Foreign exchange (FX) option.
- Foreign exchange (FX) forward.
- Interest rate cap.
- I do not know the correct answer.

4.23 What is an interest rate cap option?

- Warrant.
- Upper limit on an interest rate.
- Security replacing a stock.
- I do not know the correct answer.

By signing this questionnaire, the Client confirms that the information given herein is true and complete, that they understood the contents of the Investment Questionnaire, completed it to the best of their knowledge and agrees to inform the Bank without undue delay of any material change in the data stated herein.

In [Place] [date] [date]

[Client organisation name]			
Signature:		Signature:	
Name:		Name:	
Position:		Position:	