
Checklist for Certificate Investors

This checklist is designed to help you in clarifying the most important points prior to purchasing a certificate. You should be able to answer “yes” to each of the following questions. Moreover, you should consult your financial, legal and tax advisors at length.

- Is the certificate’s underlying in line with your preferences?
- Does the certificate reflect your market expectations?
- Do you understand what requirements need to be met for you to earn a profit on the certificate?
- Do you know the main factors which could influence the value of the certificate?
- Are you aware that the performance of your investment also depends on whether you hold the certificate until redemption at maturity or sell it during the term?
- Are you aware of both the risks and rewards associated with an investment in certificates?
- Have you considered market scenarios which would result in a loss for you?
- Do you know whether your certificate bears the risk of total loss?
- Do you know who issued your certificate?
- Do you know what the term “issuer risk” actually entails for certificates?
- Do you know the advantages of diversification (risk distribution)?

- Do you know which fees may be charged at acquisition and for sale before maturity (front-end load, transaction costs, broker fee)?
- Have you read and understood the terms and conditions of the certificate and the risk factors?
- Do you know when and under what conditions your certificate is traded? Is it traded on exchange and if so, on which ones, or over-the-counter?
- Have you availed of information sources (prospectus, informational brochures, independent certificate ratings on the Internet, etc.)?
- Do you know what function the certificate has in your overall portfolio?
- Does the certificate match your investment strategy (term, availability, risk appetite)?
- Can you achieve your personal investment objective with this certificate?