# Introduction

Revolut Trading Ltd (“**we**”, “**us**”, “**our**” or “**Revolut Trading**”) is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Revolut Trading provides a non-advised investment service in relation to financial instruments to retail clients, via the ‘Invest’ tab in the Revolut app (“**investment service**”).

# Objectives

Revolut Trading is subject to the Chapter 12 of the Financial Conduct Authority’s (“**FCA**”) Conduct of Business Sourcebook (“**COBS 12**”) in respect to the production and dissemination of investment research.

Revolut Trading produces independent investment research relating to listed shares, which is disseminated to customers via the Revolut app under the naming convention "Revolut Suggestion". For the avoidance of doubt, "Revolut Suggestions" are not provided for companies currently undergoing an Initial Public Offering ("**IPO**") prior to their listing.

To this end, Revolut Trading has established and implemented an Investment Research policy which is summarised in this Investment Research Disclosure (“**Disclosure**”).

Your agreement with us includes important information, including this Disclosure and our:

- Terms of Business Omnibus;
- Risk Disclosure;
- Best Execution Policy Disclosure;
- Conflicts of Interest Policy Summary;
- Client Assets Protection Summary;
- Ex-ante Costs and Charges Disclosure; and
- Complaints Handling Disclosure.

You must acknowledge that you have read and understood this Disclosure in addition to the remainder of the agreement.

## Methodology of Revolut Suggestions

Suggestions issued by Revolut Trading Limited are based on a proprietary research framework that incorporates both **quantitative** and **qualitative analyses**, including but not limited to:

- **Fundamental Analysis**: Using company earnings, valuation metrics and dividends to project an expected annual return. We source these data points from a third party provider, Factset UK Limited.
- **External Analyst Ratings**: External data from equity research analysts are also incorporated in our analysis to gauge the sentiment of the stock. We source these data points from a third party provider, Factset UK Limited.

The Fundamental Analysis of stocks are calculated by the Investment Research team at Revolut Ltd using a proprietary methodology, while External Analyst Ratings and their Price Targets are data points obtained from Factset UK Limited. These analyses are evaluated holistically to produce Revolut Suggestions.

## Revolut Suggestions Definitions

Suggestions provided by Revolut Trading Limited are categorised using a **three-tier rating system**:

- **Buy**: At the current price, our analysis suggests that the stock would likely outperform the market in a 12-month time horizon.
- **Hold**: The stock is likely to generate returns in-line with the market in a 12-month time horizon at its current valuation.
- **Sell**: The stock is likely to underperform the market in a 12-month time horizon at its current valuation.

## Risk Disclosure and Sensitivity

Revolut Suggestions, as well as any figures or statements about expected or target returns, are forecasts based on certain assumptions and market conditions that may change. Past performance and forecasts are not reliable indicators of future results. Changes to these assumptions can also significantly affect the suggestion or expected outcomes. Key risks to consider include:

- **Issuer and credit risk**. Revolut Suggestions rely on assumptions about the issuer's financial performance, including projected earnings. If the issuer faces financial difficulties, operational issues, changes in market demand, or other adverse conditions, actual earnings may differ from projections. This can also negatively affect the value of the issuer's securities and its ability to meet obligations to investors.
- **Dividends are not guaranteed**. Dividends are paid at the issuer's discretion and may be reduced or suspended. If dividends are lower than assumed, the potential return of the stock can be affected.
- **Changes in market and economic conditions**. Broader market movements, economic developments and sector-specific events can affect the value of stocks.
- **Political Risk**. Governments and administrative decisions may negatively impact issuers, potentially reducing the value of their stocks.
- **Changes in external analyst ratings**. External analyst ratings, which are used to gauge market sentiment, may change in response to new information or market developments. The actual company performance may also diverge from analysts' expectations.

Other risks may also arise that could affect the assumptions underlying Revolut Suggestions. For more details, please see our Risk Disclosure document.

## Conflicts of Interest

Revolut Trading Limited has implemented robust policies and procedures to avoid or appropriately manage any conflicts of interest related to the provision of Revolut Suggestions. These include:

- Separation of investment research and other functions within Revolut Trading Limited and the Revolut Group to prevent exchange of information where there is a risk of conflict of interest.
- Separation of reporting lines to ensure that the investment research team is independent from staff involved in trading, sales and other functions, where there

is a risk of conflict of interest.

- Revolut Trading Limited, the investment research function, and other relevant persons involved in the production of the investment research do not accept inducements from those with a material interest in the subject-matter of the investment research.
- Personal transactions of Research analysts are subject to additional compliance monitoring and controls.
- The investment research team's remuneration is not based upon or tied to specific investment transactions.
- Strict "quiet periods" for any company undergoing an IPO on our platform from the moment the UK Marketing Period opens until a specified period after secondary market trading commences.
- The investment research function operates independently from any commercial teams or third-party intermediaries involved in sourcing, negotiating, or facilitating IPO offerings on the Revolut app.

For more information, read our Conflicts of Interest Policy Summary.

## Disclaimers and Limitations

Revolut Suggestions do not take your personal circumstances into account and they are not investment advice or personal recommendations. They are intended for general informational purposes only and do not constitute an offer or solicitation to buy or sell any financial instrument. You must carefully consider your financial situation, review relevant documents and information or seek professional independent advice before entering into financial transactions or subscribing to new investment services.

Fundamental analysis data points and external analyst ratings are sourced from Factset UK Limited, an independent third party. Revolut Trading Limited does not make any representations, warranties or guarantees regarding the accuracy or completeness of third-party data used in the investment research.

## Distributions and Updates

Revolut Suggestions are disseminated via the Revolut app and prepared by a team of Investment Research Analysts. Each Revolut Suggestion includes a publication date, as well as a suggestion history, and may be reviewed or updated daily, or in response to material developments.