

Risk Disclosure Policy

Novia Global Europe Limited

Contents

1. Introduction	3
2. Basic Investment Risk	3
2.1. Market Risk	3
2.2. Liquidity Risk	3
2.3. Credit Risk.....	3
2.4. Inflation Risk	4
2.5. Volatility Risk	4
2.6. Tax Risk	4
2.7. Settlement and Custody Risks	4
2.8. Foreign Market Risks	4
2.9. Emerging Market Risks	4
3. Financial Instruments Available for Investors and Their Related Risks	5
3.1. Exchange Traded Funds (ETFs)	5
3.2. Shares	5
3.3. Funds (Units in Collective Investment Undertakings).....	6

1. Introduction

This document provides a general overview of the main financial products and their associated risks. This notice does not intend to be exhaustive and there may be other risk factors, which the Client should take into account in relation to a particular investment on financial instrument. It is intended to give the Client information on, and a warning of the risks associated with them so that the Client is reasonably able to understand the nature and risks of the services and of the specific types of financial instruments being offered and, consequently, to take investment decisions on an informed basis.

Clients should not rely on the guidance contained in this document as investment advice based on investor's personal circumstances, nor as a recommendation to enter into any of the services or invest in any of the financial instruments listed below. We would strongly recommend that Clients seek independent legal or financial advice where it is unclear as to the meaning of any of the disclosures or risk warnings.

The Client hereby acknowledges and accepts that he/she is properly notified by Novia Global Europe Limited with respect to the risks listed herein and acknowledges and accepts that any one or more of these risks could lead to loss, which could in certain circumstances, far exceed the initial Clients' investments and capital deposited.

2. Basic Investment Risk

2.1. Market Risk

Market risk is referred to investment losses due to adverse movements in financial market prices.

Price Risk

The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition. These price movements may result from factors affecting individual companies, sectors or industries selected by the investor or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or longer periods. When the value of securities goes down, your investment decreases in value.

Currency Risk

Investors are exposed to currency risk when they hold securities denominated in a foreign currency and the underlying exchange rate depreciates. Generally, when the value of the local currency rises in value relative to a foreign currency, an investment in that country loses value because that currency is worth less in local currency terms. Devaluation of a currency by a country's government or banking authority also may have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

Interest Rate Risk

The risk that a change in interest rates will adversely affect the value of an investment. The value of fixed income securities generally moves in the opposite direction of interest rates (decreases when interest rates rise and increases when interest rates fall). The buyer of a fixed income security is exposed to the risk of a change in interest rates in the form of a price loss if the market interest rate rises.

This Policy is not intended to cover all eventualities and all circumstances that may be relevant to a particular order placed with NOVIA GLOBAL EUROPE LTD. It is designed to serve as appropriate disclosure of the principles underpinning the order execution and transmission process that NOVIA GLOBAL EUROPE LTD will follow for orders which a Client instructs it to execute or to pass for execution.

2.2. Liquidity Risk

A security is considered liquid by the extent to which it is possible for the investor to sell it at any time at fair market value. Sale of liquid securities may not cause noticeable price fluctuations irrespective of the volume. Narrow and illiquid markets can make it difficult to buy or sell securities. Liquidity risk is more evident in emerging markets (please refer to "Emerging Market Risks" below) which are substantially smaller, less liquid and more volatile than the securities markets in most developed markets. A few issuers represent a large percentage of market capitalization and trading volume. Due to these factors, it may be difficult for the investor to buy or sell some securities because of poor liquidity.

2.3. Credit Risk

Credit risk refers to the risk of losses due to the fact that debtors maybe unwilling or unable to fulfill their contractual obligations because of deteriorating credit quality or bankruptcy. Such defaults could result in losses for an investor. In addition, the credit quality of securities held by the investor may be lowered if an issuer's

financial condition changes. Lower credit quality may lead to greater volatility in the price of a security, affect liquidity and make it difficult for the investor to sell the security.

2.4. Inflation Risk

The risk that the investor will suffer a financial loss because of a fall in the value of money (i.e. inflation).

2.5. Volatility Risk

The higher the volatility of a security, the more extreme is the upward and downward price movements. Investing in higher risk countries entail volatility risk and higher potential of losses.

2.6. Tax Risk

Tax risk arises because of the uncertainty associated with tax laws. Changes in law may lead to changes in the tax treatment of capital gains and income from securities, in terms of both the amount and nature of taxes. Double taxation treaties between countries can have positive effects on the capital market prices. However, there is no guarantee that applicable double tax treaties, will remain in place or will not be changed.

2.7. Settlement and Custody Risks

Settlement risk is the risk that one party could be in the process of paying the counterparty while the counterparty is declaring bankruptcy.

With regard to the foreign custody, the securities are subject to the laws and market practices of the respective country where they are held in custody. If a custodian becomes insolvent, applicable local law determines the priority of claims.

Under the Markets in Financial Instruments Directive II (MiFID II), companies have to separate client assets from the Company's assets and keep the 'client assets' in segregated accounts with trust status to protect it in the event of insolvency. Custody risk is eliminated when client's assets are held separately from Novia Global Europe Limited assets at the same custodian.

Novia Global Europe Limited policy ensures that client's accounts are clearly specified in custodian's books as 'underlying clients of Novia Global Europe Limited'. For more information on provisions in relation to custody services under MiFID II, please refer to the Terms of Business.

2.8. Foreign Market Risks

Foreign markets will involve different risks from the Cyprus market. In some cases the risks will be greater. The potential for profit or loss from transactions in foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

2.9. Emerging Market Risks

Investments in emerging markets may involve certain risks not found in investments in developed markets. Emerging markets are usually smaller, less liquid and more volatile than developed markets and there is often substantially less information publicly available about these investments. In addition, there may be greater risks arising from political, social and economic uncertainties and from possible changes in currency exchange rates. Accounting, corporate governance and financial reporting standards that prevail in certain of these countries are often not equivalent to those in countries with more developed markets. Tax and legal regimes may be subject to uncertainty and to significant and unpredictable changes and repatriation of investments and profits may be restricted by exchange controls.

There may also be less well-developed regulation of markets, issuers and intermediates. Markets may lack the liquidity of those in developed countries, leading to difficulty in valuing assets. Instability in such markets has previously led to and may continue to lead to investor losses. Settlement of transactions carried out on such markets may be lengthier and less secure than in developed markets. Investing in Emerging markets involves risks, including but not limited to the following:

- ◆ Event risk: On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster), which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of instruments in, or which relate to, that country. Furthermore, the value of instruments and any income derived there from can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which the instruments are issued or traded.
- ◆ Political risk: Many emerging markets countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry,

trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leaves them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all-political reforms, a backlash against foreign investment, and possibly even a turn away from a market-oriented economy. For investors, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the value of instruments linked to those countries.

- ◆ Economic risk: The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices play key roles in economic development yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign investors. Furthermore, many emerging markets countries lack a strong infrastructure, and banks and other financial institutions may not be well developed or well regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of Instruments linked to a particular market.

3. Financial Instruments Available for Investors and Their Related Risks

3.1. Exchange Traded Funds (ETFs)

ETFs are organized as either open-end investment companies or unit investment trusts ("UITs"). Each ETF must prepare and make available to prospective investors a prospectus and statement of additional information that contains detailed information about the ETF's investment objectives, investment strategies, specific risks and fees and expenses as well as other information. ETFs are comprised of baskets of stocks, bonds or other assets. Unlike mutual funds that always trade at exactly at its stated "net asset value" (NAV), may trade below or above their NAV because you can buy and sell ETFs intraday, like any other stock shares. Depending on the investment strategy and objective an ETF is exposed to all the risks mentioned in Section 2.

3.2. Shares

Shares represent a part ownership in a company. As such, the owner of a share participates in the fortune of the company. If the company does well, the shares are likely to rise in price, but if the company does poorly, the share price is likely to fall. Holders of ordinary shares are the last to be paid in the event of a company becoming insolvent. However, ordinary shareholders also have the potential for returns, in the form of dividends or share price appreciation, provided the company does well and is perceived to be continuing to do well. In extreme cases a company can become insolvent, and you may lose all the value of your investment. Share prices are based on supply and demand forces which in many cases depend on perceptions of the companies' future prospects by the market. If in general, market sentiment is pessimistic about a company and their future prospects, the share price will likely fall and therefore, if you sell at that point or if price does not recover, you get back less than you put in.

The value of your investments and the level of any income from them can go down as well as up. You may not get back the full amount you have invested. You should also remember that past performance of shares is not an indication of how those Investments might perform in the future.

Certain investments may not be readily realisable. You may have difficulty selling these investments at a reasonable price, and in some circumstances, it may be difficult to sell them at any price.

Foreign markets will involve different risks from EEA markets, and in some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign-denominated contracts will also be affected by fluctuations in foreign exchange rates.

Shares are subject to several significant risks that can impact their value and the returns they offer to investors. Market risk affects shares broadly due to economic downturns, interest rate changes, and global events that can

drive prices up or down unpredictably. Additionally, liquidity risk poses challenges, particularly with shares that may be difficult to buy or sell quickly without significantly impacting their price. Inflation risk can erode the real value of a share's returns, particularly when rising prices diminish purchasing power. Foreign exchange risk also impacts shares in companies with international operations, as currency fluctuations can reduce foreign revenue and earnings. Finally, business risk, which is specific to individual companies, can lead to volatility in share prices due to factors such as management decisions, operational disruptions, or industry challenges.

3.3. Funds (Units in Collective Investment Undertakings)

Units in Collective Investment Undertakings (CIUs) represent ownership interests in investment funds that pool capital from multiple investors to achieve diversified investment objectives. These undertakings are structured to enable investors to collectively invest in a variety of asset classes, including equities, bonds, real estate, and other financial instruments, while benefiting from professional management and strategic allocation of resources. CIUs can take various forms, such as mutual funds, unit trusts, and investment companies, each regulated to ensure transparency, investor protection, and adherence to specific operational guidelines. By purchasing units in a CIU, investors gain access to a diversified portfolio, which can reduce individual investment risk while allowing for participation in broader market opportunities.

Units in Collective Investment Undertakings (CIUs) are subject to various risks, including market risk, which results from fluctuations in asset prices that can adversely impact the value of the investments held by the CIUs. Liquidity risk is also a crucial factor, as it refers to the potential difficulty in selling assets quickly without significantly affecting their market price, particularly during periods of market volatility. Exchange rate risk is relevant for CIUs that invest in foreign assets, as changes in currency exchange rates can affect the value of these investments when converted to the CIU's base currency. Furthermore, credit risk arises for CIUs that hold debt instruments, as there is a possibility that issuers may default on their obligations, resulting in potential losses for the fund. Interest rate risk is particularly significant for CIUs invested in fixed-income securities, where fluctuations in interest rates can inversely affect bond prices and the overall value of the fund. Lastly, concentration risk occurs when a CIU has a high exposure to specific assets, sectors, or geographic regions, making it more susceptible to adverse events affecting those particular investments, despite regulations promoting diversification. Effective risk management practices are essential to protect investors and ensure compliance with regulatory standards.