



TRADING POINT ASSET MANAGEMENT LIMITED

RISK DISCLOSURE

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1. INTRODUCTION

Trading Point Asset Management Limited is a Cypriot Investment Firm ("CIF") registered with the Registrar of Companies in Nicosia under the Number HE 328593, and regulated by the Cyprus Securities & Exchange Commission ("CySEC") under the License Number 256/14 (hereinafter, the "Company", "we", "us" and "our", as appropriate).

The Company is operating under the Cypriot Law L. 87(I)/2017 titled "Investment Services and Activities and Regulated Markets Law of 2017" which transposed the European Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (hereinafter "MiFID II"). This Notice, or more specifically this Risk Disclosure, is provided to you in accordance with the requirements of the above legislation because you consider to use or you already use the services of the Company to enter into transactions in financial instruments (hereinafter "supported financial instruments", "financial instruments" or "products").

This Notice cannot and does not disclose or explain all the risks and other significant aspects associated with our services and Company's financial instruments. Its purpose is to explain, in general terms, the nature of the risks particular to entering into transactions (i.e. trade) in the Financial Instruments provided by the Company. For a detailed explanation on how our services operate, you should read the following documents, which together with this Notice, form our agreement with you:

- (a) Terms and Conditions;
- (b) Order Execution Policy;
- (c) Summary of Conflicts of Interest Policy; and
- (d) Client Categorisation Policy.

You should consider the following points below before using our services.

2. RISKS ASSOCIATED WITH INVESTING WITH THE COMPANY

When considering whether you make any allocations to the Company you should be aware of the following:

- (a) The success of an investment through the use of algorithmic models is dependent upon the ability of these models to identify profitable investment opportunities and successfully place orders for execution with the Company's execution venues. The identification of attractive trading opportunities is difficult and involves a significant degree of uncertainty. Returns generated from algorithmic trading may not adequately compensate you for the business and financial risks you assume. You can lose all or a substantial amount of your investment.
- (b) Client accounts are subject to charges due to management and performance fees. Therefore, funds in client accounts may be subject to depletion if the algorithmic models do not produce substantial trading profits.
- (c) The Company, through its algorithmic models, may invest in highly illiquid markets or on foreign markets and may not be able to close or offset positions immediately upon request. In addition, you may have market exposure even after the Company has received a request for closure or liquidation.
- (d) The ability of the Company's algorithmic models to deliver positive performance can be adversely impacted by significant changes in market conditions such as increased volatility, price dislocations, material market events or news or trading halts, political rhetoric and central banks decisions. Although the Company has invested substantial resources in developing its algorithmic models, the Company does not represent, warrant or guarantee that the algorithms will always perform positively. There is a significant risk of loss in trading in

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financial instruments (CFD's being one of them). Past performance is no guarantee for future performance and it is possible that you do not recoup your original investment. Our investment strategy may be offered only to sophisticated investors who can accept the risks associated with such investment services.

- (e) Algorithmic trading depends on the availability of various services from third parties. These, for example, include providers of data services, computational services, and network connectivity. The operations of these third parties are beyond all of our reasonable control. Regardless of the reason for any failure by third parties, we will not have any liability for any such failure. Accurate and complete real-time price data is critical for the success of algorithmic trading. The systems of these data providers could experience failures, errors, and latency, which could result in missing, incorrect, or stale market data and the delay or halt of our trading.

3. ADDITIONAL RISKS

- (a) Although the Company has taken considerable efforts to be protected from cyber-attacks it might be possible for the Company's computers and networks to be subject to malicious "hacking" attacks and criminal activities designed to compromise our systems. Each of the various systems described above is subject to such attack. Any such attack could cause the system so attacked to function improperly or not at all and could result in the misappropriation of your intellectual property, the compromise of your personally identifiable information and personal financial information and can cause algorithmic models be misbehave, malfunction or behave erratically.
- (b) Any funds you deposit with us or is credited to your Account will be held in one or more segregated client bank accounts. The client bank accounts will be pooled accounts holding funds of other clients of ours and will not hold any of our own money. You shall have an ownership interest in your share of the balance in the relevant client bank account. However, in the event that a bank at which the client bank account is held has become insolvent or has otherwise failed and is unable to return the full amount of funds held in the client bank account, you may not receive all the funds to which you have an ownership interest.
- (c) In the event of insolvency of the Company, trading positions may be closed out.
- (d) You should be aware that trades in financial instruments may be or become subject to tax and/or any other duty, for example, because of changes in legislation or in your personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. You are responsible for any taxes and/or any other duties which may accrue in respect of your trades.

4. ONGOING REVIEW AND AMENDMENT OF RISK DISCLOSURE

The Company reserves the right to review and/or amend its Risk Disclosure, at its sole discretion, whenever it deems fit or appropriate.

5. OTHER INFORMATION

- (a) The Risk Disclosure is not part of our Terms and Conditions and are not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have, but for the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017).
- (b) We are members of the Investor Compensation Fund ("ICF"). You may be entitled to compensation from the ICF if we cannot meet our obligations. The maximum amount of compensation paid to a client, who will be deemed as eligible for compensation, is EUR 20.000. The said coverage applies to the total amount of claims by a client against an ICF member, irrespective of the number of accounts, the currency and the place of provision of the service. Further information about compensation arrangements is available at the website of the Cyprus Securities and Exchange Commission: <https://www.cysec.gov.cy/en-GB/complaints/tae/>
- (c) If there is anything in the Risk Disclosure you do not understand, please contact our Compliance Department: compliance@trading-point.com.

6. EFFECTIVE DATE

The effective date is **3 January 2018**.