



NUMISMA

INTERNAL PROCEDURES MANUAL

September 2024

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The following documents constitute integral parts of the Manual:

Appendix A	Internal Procedures Manual Undertaking	
Appendix B	Market Abuse – Summary	
Appendix C	Business Continuity Plan	
Appendix D	AIF Management Procedures Manual	
Appendix E	Policy E1	Conflict of Interests Policy
	Policy E2	Benchmarks Policy
Appendix F	Register	Conflict Of Interests Register
Appendix G	Form	Financial Promotions Approval Form
Appendix H	Procedure	Financial Promotions Approval Procedure
Appendix I	Policy	Personal Account Dealing Policy
Appendix J	Form	Personal Account Dealing (PAD) Request Form
Appendix K	Form K1	Risk Register
	Form K2	Risk Assessment and Management of Clients
Appendix L	Form	Complaints Form
Appendix M	Procedure	Service Provider Evaluation Procedure and Table
Appendix N	Procedure	Own Funds Monitoring Procedure
Appendix O	Policy	Product Governance-Framework and Policy
Appendix P	Account Opening Pack (1 set, for ELGIN AMC)	
	PM1/IA1	Client Acceptance Procedures
	PM2/IA2	Client Categorisation
	PM3/IA3	Investor Questionnaire for Individuals
	PM4/IA4	Investor Questionnaire for Legal Entities
	PM6/IA6	Conflict of Interest Policy Summary
	PM7/IA7	Statement of Understanding – Acceptance of Risk Statement for Complex Assets
	PM8/IA8	Disclosure and Consent Form Grandmaster
	PM9/IA9	General Risk Information About Financial and Other Instruments And Their Particular Risks
	PM10/IA10	FATCA Reportable Persons Definition

	PM11/IA11	FATCA Declaration for Individuals
	PM12/IA12	FATCA Declaration for Legal Entities
	PM13/IA13	Management Agreement
	PM14/IA14	Investment Strategy Appendix
	PM15/IA15	Consents of Policies Received by Client
	PM16/IA16	Client Re-categorisation
	PM17	Policy to Act in the Best Interests of Clients
Appendix Q	Policy	CIF Record update Policy
Appendix R	Policy	Policy to act in the Best Interest of the client
Appendix S	Statement	SRD II Shareholders Policy Statement
Appendix T	Policy	Remuneration Policy
Appendix U	Policy	Sustainability Risks Policy
Appendix V	Policy	Greenwashing Risks Policy

1. INTRODUCTION

1.1 Purpose of the Manual

The purpose for the Internal Procedures Manual (“The Manual”) is to provide instructions, rules, practices and procedures for the proper conduct of business of Numisma Capital Limited (“The Company”).

The Manual is approved by the Company’s Board of Directors. The Directors are responsible for the adequacy of the provisions of the Manual, which should be adhered to by all directors, officers, employees and authorised representatives of the Company.

1.2 Regulatory Authority

The Company is regulated by the Cyprus Securities and Exchange Commission (“CySEC”) but also takes into consideration the international requirements and standards, and the legislation applicable as amended from time to time, such as:

- i. **Law 87(I)/2017**, the Investment Services and Activities and Regulated Markets Law of 2017,
- ii. **Directive DI144-2007-01**, the authorisation and operating conditions of the Cyprus Investment Firms,
- iii. **N. 188(I)/2007**, the Prevention and Suppression of Money Laundering Activities Law of 2007,
- iv. **Directive DI144-2007-08 of 2012, Directive DI144-2007-08(A) of 2016 and Directive DI144-2007-08(B) of 2012**, the prevention of money laundering and terrorist financing as amended,
- v. **Law 102(I)/2016**, the Market Abuse Law,

- vi. **Directive 2014/64/EU** the Markets in Financial Instruments Directive (“MiFID II Directive”),
- vii. **(EU) 600/2017** the Markets in Financial Instruments Regulation (“MiFIR Regulation”),
- viii. Part II of the **Company Law** – cap. 113, and

All other applicable legislation, directives and regulations as amended from time to time.

1.3 The Company’s Principles

The key Company’s principles are the following:

- To conduct its business with due skill, care and diligence, at the highest level of professionalism applicable to all groups and individuals engaged in or affected by the business,
- To observe the proper standards of market conduct, with regard to the traditions and practices of the markets in which the Company operates,
- To take reasonable care to organise and control its affairs responsibly and effectively, implementing adequate risk management systems,
- To maintain adequate and orderly records of its business and internal organisation,
- To administrate the financial resources with adequate prudence,
- To employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them,
- To establish, implement and maintain decision-making procedures and an

organisational structure which clearly and in documented manner specifies reporting lines and allocates functions and responsibilities,

- To pay due regard to the interest of its clients, to treat them fairly and to fulfil entirely its responsibilities towards them, maintaining with them a level of communication that is clear and not misleading,
- To take reasonable care to ensure the suitability of its advice and discretionary decisions for any client relying on its judgement,
- To strive for continuous improvement in all aspects of the way in which the Company operates and does business,
- To deal with its regulatory authority in an open and cooperative way.

1.4 Brief Presentation of the Company

The Company is authorised by CySEC as Cyprus Investment Firm (“CIF”). The services, activities and financial instruments for which authorisation has been approved are:

I. Investment Services:

1.1. Portfolio management,

1.2. Investment advice.

II. Ancillary Services:

2.1. Foreign exchange services where these are connected to the provision of investment services,

2.2. Investment Research.

III. Financial Instruments:

3.1. Transferable securities,

3.2. Money-market instruments,

3.3. Units in collective investment undertakings,

3.4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash,

3.5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event),

3.6. Options, futures, swaps and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/ and an MTF,

3.7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of Part III of the Third Appendix of Law 87(I)/2017 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognized clearing houses or are subject to regular margin calls,

3.8. Derivative instruments for the transfer of credit risk,

3.9. Financial contracts for differences,

3.10. Options, futures, swaps, forward rate agreements and other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or

other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than for the reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned above, which have the characteristics of other derivative financial instrument, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

The Company has been established to provide the above services to Retail and Professional clients and Eligible counterparties. The Company's clientele may include high net worth individuals, clients of private wealth management divisions of banks, clients of insurance, hedge funds, mutual funds, funds of funds and other institutional and corporate investors.

It is important to note that the Company does not offer Custodian Services and so it does not hold money or any other assets for clients. For the Service of Portfolio Management, the Company will enter into Investment Management Agreements (or Power of Attorney Agreements) with clients, where management is offered directly to their accounts held with independent financial institutions (or other custodians).

1.4.1 Numisma Services

The Company's objective is to achieve capital growth for its clients primarily through the provision of discretionary portfolio management services. The Company also offers investment advice services and a variety of related products and tools which allow clients to successfully manage and monitor their portfolios to achieve their investment objectives.

The Company's investment products include:

a. Portfolio Management of Funds

This product is aimed for professional and well-informed investors like collective investment schemes (Funds) which have a pre-defined strategy and return objective.

Investment decisions are based among others on proprietary algorithms which incorporate advanced mathematical techniques specifically designed to identify arbitrage opportunities in a variety of traded financial instruments. All algorithms have built-in risk-management functions and automatically calculate a variety of risk measures such as volatility, VAR, max drawdown, take-profit and stop-losses levels. One example of such a product is the “Global Equity Market Neutral Strategy” investing in global equity pairs and targeting 7% p.a. with volatility 5%.

b. Capital Management for Private Clients

This product is aimed for individuals (professional and retail) who delegate the management of their portfolio to Numisma. Every portfolio is micro-managed by a specialist manager within pre-determined parameters set by the Investment Committee of Numisma and in agreement with the client’s risk reward profile. A wide range of asset classes are used including Fixed Income, Equities, Hedge Funds, Commodities, and Real Estate (via REITs). Each underlying asset undergoes the rigorous due-diligence process to assess suitability, transparency, liquidity, performance vs. peers coupled with accounting and legal compliance prior to inclusion.

c. Investment Advisory Services

Numisma offers Investment Advice as a service to professional and retail clients who wish to keep control of their portfolio but require expert advice and suggestions before deciding on investments. This service may include:

- Advice on asset allocation;
- Guidance on individual asset classes,
- Provision of investment ideas and short-listing of ‘best- of-breed’ assets,
- Advice on risk management and other.

d. Other Products & Tools

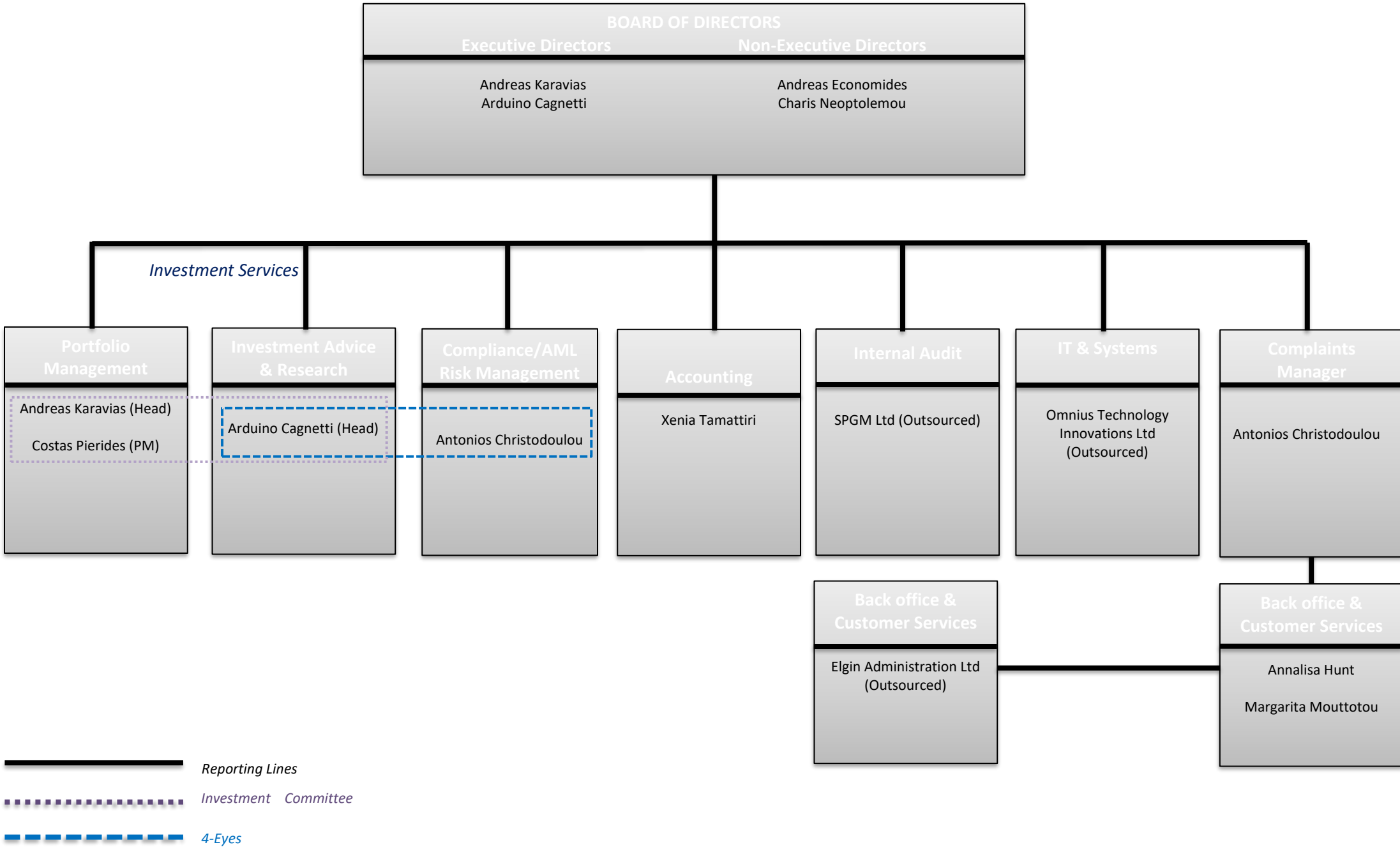
Numisma may offer a number of other products and tools relating to the core business of portfolio management and investment advice mentioned above. These products include:

- Foreign exchange services where these are connected to the provision of investment services (Ancillary Service),
- Investment Research (Ancillary Service),
- Software Tools and online applications to assist clients with the monitoring and management of their portfolios.

The Company recognizes that there is no “one-size-fits-all” in today’s investment marketplace and continuously works through R&D projects to enhance the range of products offered.

1.4.2 Company Structure

NUMISMA CAPITAL Ltd - Organisational Structure June 2024



1.5 Acknowledgement of the Manual

The Company ensures that all Directors, officers and employees are aware of the procedures which must be followed for the proper discharge of their responsibilities. The Compliance Officer will issue, when appropriate, further processes and procedures to relevant employees.

Strict compliance with the provisions of this Manual is obligatory and all Directors, officers and employees are required to read the Manual, complete and sign a copy of the Compliance Undertaking shown in Appendix A.

It is noted that failure to comply with the provisions of this Manual may result in civil, disciplinary or criminal sanctions against the Company and/or its Employees, as well as damage to the Company's reputation.

2. CONFLICTS OF INTEREST

The Company shall adopt, to the extent possible, the necessary measures in order to avoid any potential conflicts of interest or resolve any existing conflicts of interest between itself or persons associated with itself and its clients, or amongst its clients, and where this is not possible, to make provision in order for its clients to enjoy fair and proper treatment on the basis of objective and legal criteria.

The Compliance Function of the Company is responsible for developing and continuously updating the **Conflict of Interest Policy**, which should include:

- A record of services or activities that may give rise to detrimental conflicts of interest, and
- Specific procedures to be followed and the controls in place to monitor and manage those conflicts.

The following section describes the Conflict of Interest Policy, which can also be found as a stand-alone document.

2.1 Conflicts of Interest Policy

The purpose of the Conflict of Interest Policy of the Company is:

- To identify circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients,
- To specify procedures to be followed and measures to be adopted in order to manage such conflicts,
- To communicate this information to all those who are in the Company.

The policy includes arrangements designed to ensure that relevant persons, engaged in different business activities that may involve a conflict of interest, carry on those activities at a level of independence appropriate to the size and activities of the Company, and to the materiality of risk of damage to the interests of clients.

Where the Company is a member of a group, the policy shall also take into account any circumstances, of which the Company is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.

The Company shall take all reasonable steps to identify conflicts of interest between:

- The Company (including its managers, employees or any person directly or indirectly linked to them by control), and a client of the Company, or
- One client of the Company and another client.

With the purpose of identifying the types of conflict that arise in the course of providing a service and where there may be a material risk of damage to the interests of a client, the Company must take into account whether the Company, or a relevant person, or a person directly or indirectly linked by control to the Company:

- a. Is likely to make a financial gain, or avoid a financial loss, at the expense of the client,
- b. Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome,
- c. May have a financial or other incentive to favor the interest of another client, or group of clients, over the interests of the client,
- d. Carries on the same business as the client does,
- e. Receives or may receive from a person, other than the client, an inducement in relation to a service provided to the client, in the form of monies, goods or services other than the standard commission or fee for that service.
- f. Obtain a financial gain or avoid a financial loss by increasing the sustainability risks of the portfolios arising greenwashing in processes, systems and controls in the framework of environmental (E), social (S) or governance (G) risks (collectively, "ESG") for portfolios as per SFDR Regulation.

The Compliance Function is responsible for ensuring that Directors and the personnel are aware of the aspects of the Policy relevant to them. In the day-to-day administration of the conflicts of interest policy the Compliance Function will work with line management to identify and eliminate such conflicts. The Conflicts of Interest Register (separate document) will be used to record both the conflicts arising and the arrangements for controlling/mitigating them. The more serious conflicts will be reported to the Board of Directors for consideration.

Set out below are typical situations in which conflicts of interest may arise. The list is not exhaustive, and employees should only use it as guidance to identify and report conflicts.

a. **Remuneration of Company:**

A conflict of interest may arise when estimating the assets of each client to calculate management and performance fee to be paid to the Company. The Company will ensure

that all investment holding valuations are conducted in accordance with the relevant valuation policy and where possible on an arms-length basis by an independent fund administrator or custodian of good reputation.

b. Inappropriate influence/ inappropriate simultaneous or sequential involvement:

A conflict of interest may arise when relevant persons that carry out investment or ancillary services or activities are inappropriately influenced over the way they perform their duties. Similarly, a conflict of interest may arise when there is simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities which may impair the proper management of potential conflicts of interest.

The Company has clear and defined roles and reporting lines to ensure an adequate degree of independence. The Company ensures proper supervision and control by the line managers, Compliance Function and Board of Directors to prevent and limit any person from exercising inappropriate influence and to prevent and control any excessive involvement in separate activities. All relevant persons have a duty to report immediately to their line manager and to the Compliance Function any attempt to exercise inappropriate influence.

c. Personal Transactions:

A conflict of interest may arise where an employee uses information acquired in the course of the Company's activities for dealings in his or her personal account. The Company will ensure that its personnel abide by the personal account dealing rules set out in this Manual and the relating policy (stand-alone document).

The Company provides regular reporting on personal account holdings in order to prevent possible conflicts of interest (see section 2.2 on personal transactions and the Personal Account Dealing Policy of the Company).

d. Personal Interest in Funds:

The Company will ensure no conflict of interest arises with the Fund(s) ensuring no

personal interest of any employee/member of the Company prevails and/or has any negative consequences on the other investors in the Fund(s).

e. Inducements, fees, commissions, monetary and non-monetary benefits:

A conflict may arise where personnel receive inducements in connection with their services to the Company that can improperly influence their decisions. The Company takes reasonable steps to ensure that neither it nor its employees offer or give, or solicit or accept, in the course of business, any inducements which may lead to conflicts.

Due to the various relationships the Company may have with its clients and other entities, employees may not solicit gifts or gratuities nor give inducements, except in accordance with this Manual. The term “inducements” means gifts, entertainment and similar benefits which are offered to or given by employees. Gifts of an extraordinary or extravagant nature to an employee are to be declined or returned in order not to compromise the reputation of the employee or the Company. Gifts of nominal value or those that are customary in the industry, such as meals or entertainment may be appropriate. The Company prohibits any form of a loan by an employee to a client or by a client to an employee.

f. Investment Research:

A conflict may arise where analysts are not being objective and impartial when producing investment research. It is a fundamental responsibility of the Company to ensure that analysts producing research that is sent out to clients are free from the influence of conflicting business or personal interests in the production of research (see section 3.6).

g. Dealing, managing and allocating trades:

A conflict may arise when the Company aggregates orders for more than one client and there is a need to allocate the executed trades to many different accounts. In such a case the Company will ensure that the allocation of trades to each portfolio is performed in a fair manner and independent of the specific portfolio manager.

h. Greenwashing and sustainable risks:

A conflict may arise when the company invests on behalf of the clients in any investments not fulfilling the investment restrictions as defined in the Company's Internal Procedures Manual or other documents or it makes misleading or exaggerated claims about the environmental benefits of its products or services.

If needed the Company will put in place a transparent policy for order allocation, which will define the way that allocations are performed on a pro rata basis. The policy will ensure that all clients achieve the same average executed price.

The arrangements that are in place in order to manage conflicts are the following:

i. Governance:

- a. The Company has rigorous governance rules. Key business decisions are taken by the Board of Directors. The Compliance Function, working independently, reports directly to the Board of Directors,
- b. The Company has set out specific rules governing employee conduct in the standard employment terms and conditions, including rules regarding dealings in personal accounts, with the purpose of eliminate any possible conflict of interest,
- c. The Company has rigorous and clear reporting lines. An organisational chart is maintained by the Compliance Function.

Conflict of Interest Policy can be found as a standalone document **Policy E1 Conflict of Interests Policy**.

ii. Conflict of Interest Register:

As a mechanism for identifying, managing, monitoring and mitigating conflicts of

interest, the Compliance Function maintains a Conflicts of Interest Register. The Company keeps the register updated with the kinds of investment or ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an on-going service or activity, may arise. The register has also the purpose of identifying mitigating controls and responsibilities. All the persons involved in the activity of the Company must familiarise themselves with the contents of the Conflicts of Interest Register and with the terms of the Conflict of Interests Policy and apply them to their own activities within the Company. The Conflict of Interest Register can be found as a standalone document '**Appendix F' 'Register Conflict Of Interests Register'**

iii. Segregation of functions:

Duties and functions are segregated as appropriate to avoid conflicts of interests and meet the relevant legislation requiring segregation of functions. These duties are set out by the individual job descriptions and procedure manuals. The line managers will ensure these duties remain segregated as advised by the Compliance Function.

iv. Remuneration of Personnel Policy:

The Company does not consider, nor makes any differentiation on employees' when considering sustainability risks where applicable.

In the future the Company might at the discretion of the Directors consider the use of remuneration incentives depending on positive or negative impacts on Environmental, Social and or Governance.

The level of remuneration of the personnel in the Company is fixed unless decided differently by the BOD. When decided to consist elements of variable dependent on company's actual performance the Company ensures that its interests and employee interests are aligned with those of the Company's clients. Risk management and control procedures are in place to avoid too much risk may be taken with a client's portfolio in order to increase employees' personal gains. Further remuneration details can be found in the **Company's Employment Manual and Appendix T of this Manual.**

v. Disclosure of Personal Conflicts:

All employees and Directors are required to disclose any possible conflict of interest. Employees are obliged to disclose any conflicts of interest to their line manager who in turn must inform the Compliance Function. Directors will disclose any conflicts directly to the Compliance Function. The Compliance Function will record any conflict of interest in the appropriate register and will inform the Board of Directors of any action taken.

vi. Disclosure to Clients:

If the Company's arrangements to manage a conflict of interest are judged not sufficient to prevent, with reasonable confidence, the risk of damage to a client's interests, the Company shall disclose to the client, of the type and source of the conflict in a durable medium and in sufficient detail to enable the client to make an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

The disclosure to the client shall:

- a. Clearly state that the organisational and administrative arrangements established by the Company to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented,
- b. Include specific description of the conflicts of interest that arise in the provision of investment and ancillary services, taking into account the nature of the client to whom the disclosure is being made,
- c. Explain the general nature and sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks, in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise.

Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's conflicts of interest policy.

Other systems and controls in place to identify, limit and mitigate possible conflicts of interests include:

vii. Constant review and update of procedures and controls:

Systems and controls are documented in this Internal Procedures Manual. To ensure all procedures are up to date and fit for purpose they will be reviewed at least once a year by a reviewer appointed by the Board of Directors and the Manual shall be amended accordingly.

viii. Recruitment and Training:

When recruiting individuals, the Compliance officer will assess their fitness and suitability as well as technical and managerial ability. Suitable background checks will be performed, and references requested. The Compliance Function will ensure that appropriate training relevant to conflicts of interests is planned and given to all its members. For the detailed recruitment process please refer section 3.14.

ix. Internal Audit and Periodic Reviews:

The Compliance Function, by delegation if needed to the Internal Audit Department/Internal Auditor, oversees and executes a suitable audit program at least once a year to verify that systems and controls are being applied. The Compliance Function will verify compliance with the Policy on a monthly basis and report the findings formally to the Board of Directors.

x. Confidentiality:

The content of this Manual is strictly confidential. No portion of it can be copied, reproduced or shown to any person who is not a Director or an employee of the Company, a representative of a relevant legal or regulatory authority or a relevant professional advisor.

It is the responsibility of all the persons within the Company to report conflicts of interest through the appropriate channels to the Compliance Function. Failure to adhere to this policy can be taken to be a breach of an employee's contract.

2.2 Personal Account Dealing Policy – Personal Transactions

Personal Transactions is one key area which can lead to conflicts of interest. For this reason, the Company is required to establish adequate policies, rules and procedures governing personal transactions by its employees, managers, tied agents and other relevant persons. The following section describes the **Personal Account Dealing Policy** of the Company which can also be found as a stand-alone document **Appendix I Policy Personal Account Dealing Policy**.

“A personal transaction” means a trade in financial instruments executed by or on behalf of a relevant person, where at least one of the following criteria is met:

- The relevant person is acting outside the scope of the activities he carries out in that capacity,

- the trade is carried out for the account of any of the following persons:
 - the relevant person,
 - any person with whom he has a family relationship, or with whom he has close links, or
 - a person whose relationship with the relevant person is such that the relevant person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.

A "person with whom a relevant person has a family relationship" means any of the following:

- the spouse of the relevant person or any person that cohabits for at least one year with the relevant person,
- a dependent child or stepchild of the relevant person,
- any other relative of the relevant person, who at the date of the relevant personal transaction was a member of the household of that person for at least a year.

Any relevant person who is involved in activities that may give rise to a conflict of interest or who has access to confidential information or to other confidential information relating to clients or transactions with or for clients is prevented from engaging in the following activities:

- Entering into a personal transaction which meets at least one of the following criteria:
 - the person is prohibited from entering into it under the Market Abuse Law (For Definition of Market Abuse Law see appendix B),
 - it involves the misuse or improper disclosure of confidential information,
 - it conflicts or is likely to conflict with an obligation of the Company under the Law.
- Advising or procuring, other than in the proper course of his employment or contract for services any other person to enter into a transaction in financial instruments which, if it was a personal transaction, it would be covered by the paragraph above, or paragraph 28(2)(a) or (b) or paragraph 26(3) of the Directive for the Professional Competence of Investment Firms (D144-2007-02),
- Disclosing, other than in the normal course of his employment or contract for services, any information or opinion to any other person if the relevant person knows or reasonably ought to know, that as a result of that disclosure that other person will or would be likely to take any of the following steps:

- to enter into a transaction in financial instruments which if it was a personal transaction of the relevant person would be covered by the paragraph (a) above or paragraph 27(2)(a) or (b) or paragraph 26(3) of the Directive for the Professional Competence of the Investment Firms (D144-2007-02).
- To advise or procure another person to enter into such a transaction.

2.2.1 Personal Account Dealing Policy - Declaration

All relevant persons including employees, managers and tied agents are obliged to read the “Personal Account Dealing Policy” and sign the declaration on the last page. The Policy is given to them on commencement of service and must be followed at all times as a condition of employment. The signed declaration is returned to the Compliance Function as an indication that the person has read the policy and agrees to abide by the undertakings detailed therein. Any personal account dealing undertaken contrary to this Policy shall be considered to be a serious disciplinary offence and a breach of the terms of the individual’s employment.

Employees must ensure that they understand and abide by the personal transaction and outside business interest rules at all times. Breaches of the rules will be considered a very serious matter by the Company, which may:

- Require transactions to be reversed, or profits disgorged,
- Ban future personal transactions for a specified period of time,
- Instigate disciplinary proceedings against the relevant employee, or
- Terminate the employment of the relevant employee.

Breaches of these rules and any disciplinary action taken may also be notified to the Regulator whether or not the Company is required to do so.

2.2.2 Scope of the Personal Account Dealing Policy

This policy does not apply to:

- Personal transactions effected under a discretionary portfolio management service where there is no prior communication in connection with the transaction between the portfolio manager and the relevant person or other person for whose account the transaction is executed,
- Personal transactions in units in collective undertakings that comply with the conditions necessary to enjoy the rights conferred by the Open-Ended Undertakings for Collective Investment in Transferable Securities (UCITS) and Related Issues law or are subject to supervision under the law of a Member State which requires an equivalent level of risk spreading in their assets, where the relevant person and any other person for whose account the transactions are effected are not involved in the management of that undertaking.

2.2.3 Notification of Personal Transactions – Prior Authorization

As a part of the Personal Account Dealing Policy, the Directors, Senior Management and employees of the Company shall disclose through the PAD Request Form (**Appendix J Form Personal Account Dealing (PAD) Request Form**) the following information to the Compliance Officer:

- Opening and closing personal accounts at the Company or any other Investment Firm for own investment purposes,
- Qualifying Holding they may possess in the share capital of any Company in which the Company is also a shareholder,
- Financial instruments held.

Personal account deals which fall within the scope of this policy shall receive prior written authorisation from the Compliance Officer.

Requests to deal must be in writing, signed and dated by the individual seeking authorisation to deal. The signature is made against a statement to the effect that in undertaking the deal the individual is not in breach of the insider dealing legislation, and that the interests of clients are not prejudiced by his dealing. Once the request form has been completed and signed it should be submitted to the Compliance Officer for his consideration.

In considering whether or not to give his authorisation to the proposed deal, the Compliance Officer shall consider whether it is, or is likely to be, in breach of the insider dealing legislation, and whether the interests of clients are prejudiced by it being undertaken.

Approvals will be evidenced by the Compliance Officer's dated signature on the Personal Account Dealing Form. Approvals last only for one week following the date of approval. If the deal has not been undertaken within that time, the approval lapses and a fresh request must be made.

Approval for outside business interests will not be unreasonably withheld, but it must be clearly understood that any outside employment or business activity must not conflict or interfere with the Company's business in any way, it must not prejudice the interests of clients, and it must comply with the personal transaction restrictions mentioned above. After the approval of any outside business interest, employees are required to immediately notify the Compliance Department should they become aware of any actual or potential conflict of interest with the Company and its clients or between one client and another.

In the case of outsourcing arrangements, the Company ensures that the person to whom the activity is outsourced maintains a record of personal transactions entered into by any relevant person and provides that information to the Company promptly on request.

2.3 Marketing Communication and Financial Promotions

Marketing Communication and Financial Promotions can also lead to conflicts of interest if it includes inaccurate or misleading information about products, services and expectation of results. All information, including marketing communication and financial promotions, addressed by the Company to its clients or potential clients shall be fair, clear and not misleading, the marketing communications being identified as such. The Company shall keep records of marketing communication and financial promotions it makes and/or approves for at least five years.

The Company shall provide to its clients or potential clients appropriate information in comprehensible form about:

- The Company and its services,
- Financial instruments and proposed investment strategies, including appropriate guidance and warnings of the risk associated with investments in those instruments or in respect of particular investment strategies,
- Execution venues or Brokers used for Execution,
- Costs and associated charges.

The Company shall also ensure that all the information it addresses, or disseminates and is to be received by Clients or potential Clients, including marketing communications, satisfies the following conditions:

- Be accurate, and in particular shall not emphasise any potential benefits of an investment service or Instrument without also giving a fair and prominent indication of any relevant risks, including an explanation of leverage and its effect and the risk of losing the entire investment,
- Be sufficient for, and presented in a way that is likely to be understood by, the average

member of the group to whom it is directed, or by whom it is likely to be received,

- Not disguise, diminish or obscure important items, statements or warnings.
- Ensure that the material does not provide any statements, declarations, actions or communications that do not clearly and fairly reflect the underlying sustainability profile of the entity, the financial product or financial services it offers such might lead to a Greenwashing Risk. For additional information refer to **Appendix V Greenwashing Risks Policy**.

The purpose of the communication is that clients are able to understand the nature and risks of the investment service and the specific type of financial instrument that are being offered, so that, consequently, they can take investment decisions on an informed basis.

In order to provide the most accurate and efficient information to clients the staff is considered competent as per below and as per **Section 3.13**. to provide information via telephone should be aware of the following:

- No investment recommendations being made, or investment advice is provided by staff members unless considered to be competent as per applicable legislation and working under Investment Advice Department,
- All clients may be treated as retail and staff need not carry out client categorization prior to explaining the features of an investment product.

Staff involved in the promotion and sale of investment products to be able to give information on investment products provided that such information does not constitute investment advice must be assessed by the Company as having the necessary knowledge and competence to meet relevant regulatory and legal requirements and business ethics standards. For assessment purposes an acceptable qualification will be considered by the Company, Cy.S.E.C. basic exams and registration in the Public Register and a minimum experience of 6 months in a relevant position.

The company will issue on an annual basis or whenever is considered necessary, a list of

the persons holding the qualifications and experience to provide such information to clients and will ensure that such persons will continue to possess appropriate qualifications and maintain and update its knowledge and competence by undertaking continuous professional development or training for the appropriate qualification, as well as specific training relevant to its field.

Records will be held by the Company of the persons allowed to offer such services for a period of 5 years.

The Compliance Department will carry out on an annual basis a review to assess whether the list issued is in Compliance with the requirements set as per applicable legislation.

2.3.1 Approving Financial Promotions

The Company's Compliance Function is responsible for approving all Company Financial Promotions, including those made through third parties.

In approving Financial Promotions, the Compliance Function will take into consideration the applicable communication and financial promotion rules and will follow the company's Financial Promotion Approval Procedure (separate document). The Company's 'Financial Promotions Approval Form' (**Appendix G Form Financial Promotions Approval Form**) is to be used when approving Financial Promotions.

All Financial Promotions must be reviewed and approved by the Compliance Function before they are issued. For further information please refer to **Appendix H Procedure Financial Promotions Approval Procedure**.

2.4 Conflict of Interest in the Provision of Investment Services

The provision of Investment Services, including Portfolio Management, Investment Advice and Research Services may also give rise to various Conflicts of Interests. All employees and relevant persons involved in these departments must follow the Conflicts of Interest Policy, in particular:

- i. If a portfolio manager, an advisor, an analyst or other relevant person has knowledge of the likely timing or content of investment research which is not publicly available or available to clients and cannot readily be inferred from information that is so available, that person must not undertake personal transactions or trade on behalf of any other person, including the Company,
- ii. All relevant persons involved in the production of investment research must not undertake personal transactions in financial instruments to which the investment research relates, or in any related financial instrument, contrary to current recommendations, except in exceptional circumstances and with the prior approval of the Company's Compliance Function,
- iii. The Company itself, and all relevant persons involved in the provision of investment advice or research services may not accept inducements from those with a material interest in the subject matter of the investment advice or research,
- iv. The Company itself, financial analysts, and other relevant persons involved in the production of investment research will not promise issuers favorable research coverage, and
- v. In the case of investment research: issuers, relevant persons other than financial analysts, and any other persons will not, before the dissemination of investment research, be permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements made in that investment research, or for any other purpose other than verifying compliance with the Company's legal obligations, if the draft includes a recommendation or a target price.

The Company's personnel must also comply with the rule on personal transactions as described above (Section 2.2).

3. INTERNAL GOVERNANCE

The Company has robust governance arrangements, as follows:

- The Company has implemented an organizational structure which clearly specifies reporting lines and responsibilities (**as shown in Section 1.4.2**). This includes a clear and appropriate distribution of significant responsibilities among senior management,
- The Compliance Function works independently and reports directly to the Board of Directors,
- The Board of Directors whenever necessary hold meetings with senior managers who report on all activities. Among the objectives of these meetings is the identification, measuring and controlling of risks,
- All key business decisions are taken by the Board of Directors.

3.1 Organizational Structure

The Directors and staff of the Company shall consist of:

- Board of Directors,
- Compliance, AML Compliance and Risk Management Function,
- Internal Auditor,
- Portfolio Management Function,
- Investment Advice and Research Function,
- Back Office and Customer Services.

The Company's Organisational Chart is shown in Section 1.4.2.

3.2 Persons who effectively direct the business

The Company's senior management and the members of the Board of Directors are responsible for ensuring that the Company complies with its obligations under the Law. They are responsible for assessing and periodically reviewing the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations under the Law and to take appropriate measures to address any deficiencies.

3.2.1 Board of Directors

The Board of Directors of the Company ("BOD") consists of two Executive Directors and two Non-Executive Directors headed by the Chairman. The Board is the management body of the Company, and it essentially exercises substantial control over the Company's activities and affairs.

The non-executive directors are persons of reputation, experienced and well known in the business community for their skills and abilities, who can assist the company to achieve its goals.

The chairman of the Board of Directors of the Company shall not exercise simultaneously, within the Company, the functions of a chief executive officer, unless justified by the Company and approved by the Cy.S.E.C.

The Chairman of the Board is primarily responsible for leading the Board and ensuring its effectiveness. He is responsible for setting the Board's agenda and ensuring the Directors receive information in an accurate, clear and timely manner. He is responsible for promoting effective decision-making and ensuring the performance of the BOD.

The major duties and responsibilities of the Company's BOD include the following:

- Formulating of the Company's strategy in terms of development of existing and

introducing the new services and activities of the Company and the Company's presence on the local and international financial markets,

- Approval of internal documents, policies and procedures of the Company, including the present Internal Procedures Manual and all other procedures regarding anti money laundering and terrorist financing, Risk Management Policy, Conflicts of Interest Policy, Personal Account Dealing Policy, Business Continuity Policy, terms and conditions of business relationships with the Company's Clients,
- Assessment and periodical review of the effectiveness of the policies, arrangements and procedures put in place to comply with the Company's obligations under the Law and applicable legislation and implementation of appropriate measures to address any deficiencies,
- Ensuring that the Company possesses the resources sufficient for carrying out its activities,
- Examination and investigations of the clients' complaints which relate to the breach of terms of any contract by the Company and adoption of appropriate measures,
- Supervision and control of the Internal Audit Function, appointment, dismissal and remuneration of the Company's Internal Auditors, continual review of the extent and cost-effectiveness of the audit work performed, as well as the independence and objectivity of the Auditors,
- Determination and approval of the general policy principles of the Company in relation to the prevention of money laundering and terrorist financing, appointment of Money Laundering Compliance Officer, supervision and control of the Company's performance in accordance with the requirements of legislation relating to prevention of money laundering and terrorist financing,
- Consideration and approval of annual reports of the Compliance and Risk Management function, Internal Audit, Annual Financial Statements of the Company accompanied by the reports of the External Audit.

The Board of Directors is responsible for ensuring that the Company complies with its obligations under the Legal Framework.

The remuneration of the BOD shall be comprised only of Fixed elements as the rest of the

company personnel unless otherwise approved through a Company resolution by the BOD. In case of such a change in the BOD salary then such change shall be approved by the AGM or an EGM called for this purpose.

The Remuneration policy as part of the IPM shall be approved at least every 4 years by the Company shareholders in the annual Company AGM or by calling an EGM and the Directors remuneration shall be approved annually by the Company shareholders.

3.2.1.1 Board Meetings

Meetings of the BOD are conducted on a regular basis, as necessary and at least yearly. Executive directors and senior managers report on all activities, and all decisions are taken by majority voting, where each Director has one vote.

The BOD has a formal schedule for its meetings specifying the matters to be discussed.

Matters on this schedule include, but are not limited to the following:

- Targets and strategic objectives of the Company,
- Annual budgets and business plans,
- Selection, appointment and dismissal of the members of the executive management of the Company,
- Adoption, monitoring and correction of internal regulations and Policies of the Company.
- Important transactions and unusual transactions,
- Related parties' transactions.

Meetings of the BOD are held following the relevant legislative requirements and each participating Director is expressly informed of the meeting and its agenda before it takes place. Minutes are kept during each meeting of the Board and are signed by the secretary and the Chairman of the Board. Copies of Resolutions of BOD are placed at disposal of each Director of the Company.

3.2.2 Senior Management

The Senior Management of the Company consists of three persons:

- **Andreas Karavias, PhD, FRM, BEng** who is the Head of the Portfolio Management Department and also an Executive Director,
- **Arduino Cagnetti, PhD, MBA, MSc** who is the Head of the Investment Advice & Research Department and also an Executive Director,
- **Antonis Christodoulou, FCCA** who is the Head of Compliance, AML Compliance and Risk Management Departments

All members of the Senior Management of the Company are appropriately qualified for their respective roles, with combined experience of over 30 years in the investment management and services industry.

The main duties and responsibilities of the Senior Management of the Company are as follows:

- To exercise the assessment, control, monitoring and supervision of the activities of the Company's Departments and employees in the course of performance of their daily functions,
- To assess and periodically review the effectiveness of adopted policies, arrangements and procedures for their compliance with the Company's obligations under the Law and applicable legislation and in order to take appropriate measures in case of any deficiencies,
- To allocate business and operational functions internally in the way to ensure that the Company at any time complies with its legal and regulatory obligations,

- To receive on a frequent basis, and at least annually, the written reports prepared by the Compliance Officer, Risk Management Department, Money Laundering Compliance Officer and Internal Audit Unit; contents and submission requirements of these reports are described in the relevant sections of the Manual,
- To set-up arrangements designed to ensure that the members of the BOD receive on a regular basis and at least annually written reports on the same matters,
- To ensure that the general management of the Company's operations is in accordance with the objectives set by the BOD,
- To ensure that the business is conducted in good faith in accordance with good business practices and the regulations of the Cyprus Securities and Exchange Commission (CySEC),
- To promote and market the Company's services to existing and prospective clients as long they have the qualifications and knowledge as per applicable legislation,
- To maintain relationships with regulatory authorities,
- To supervise staff of the Company,
- To fulfil any other duties and responsibilities as may be assigned to them by the BOD.

The Senior Management of the Company has responsibility for all marketing, due diligence, compliance, legal, HR aspects of the Company and any other duties assigned to them by the BOD. Antonis Christodoulou who is the Head of Compliance along with Arduino Cagnetti, who is an executive Director maintain the **"four-eye"** principle which is required for the smooth operation of the Company.

The Company is obliged to inform CySEC at least one month ahead before any change is made to the position of Senior Management.

3.3 Clients

3.3.1 General Procedures of Approval of new Clients and Compliance Checks

Operational functions related to the approval of new clients are distributed among the following Departments of the Company:

- Portfolio Management Department / Investment Advice Department,
- Back Office and Customer Services Department,
- Compliance, Anti Money Laundering and Risk Management Department.

Regarding compliance checks, each Department stated above is allocated its own functions and responsibilities, which are performed in a subsequent order.

Once a prospective client has shown interest for the provision of investment services by the Company, the request is transferred to the relevant Department of the Company (Portfolio Management / Investment Advice) depending on the type of services or activities concerned.

The relevant Department arranges meeting with the client to identify the client's needs and notifies the Back Office and Customer Services Department accordingly, in order to proceed with relevant Account Opening Documentation which includes the Client Questionnaire based on which the Company will categorise the type of client and his/her risk reward profile. Depending on the type of the client or counterparty, the Company will request different sets of documents to be submitted in the process of establishment of a business relationship (Know your Client - "KYC" Procedure).

Upon the receipt of documents from the client, the Back Office and Customer Services Department checks document completeness and hands them to the Compliance / AML Compliance department, who performs the compliance check of the documents submitted.

Based on the results of the inspection of documents, the Compliance / AML Compliance Department approves or disapproves the establishment of business relationship with the client and informs of his decision the Back Office and Customer Services Department and the relevant Department (Portfolio Management or Investment Advice).

The Back Office and Customer Services Department performs the necessary steps for opening the new client accounts, registering the new client details in internal systems. This Department is also responsible for the filing and archiving of all relevant information and documents submitted by the client in the process of establishing the business relationship.

Clients will not be accepted if:

- They refuse to provide the information required according to the Company's KYC procedures,
- They refuse to submit enough information for the performance of the suitability test,
- The documents submitted appear to be faulty at the examination stage,
- The client comes from one of the high risk and non-cooperative jurisdictions as identified by the FATF,
- The origin of wealth and/or source of funds cannot be easily verified,
- The client has negative information/reports on him or is under investigation,
- The client is on the list of people involved in terrorist financing or known to be involved in activity connected to money-laundering.

3.3.2 Clients Identification and Due Diligence Procedures

The Company must apply customer identification procedures and customer due diligence measures in the following cases:

- When establishing a business relationship,
- When carrying out occasional transactions amounting to EURO 15,000 or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked (It is important to note that the Company does not offer Custodian Services and so will not hold money or any other assets for clients),
- Where there is a suspicion of money laundering or terrorist financing, regardless of the amount of the transaction,
- When there are any doubts about the veracity or adequacy of previous customer identification data.

Customer identification procedures and customer due diligence measures shall comprise of:

- Identifying the customer and verifying the customer 's identity,
- Identifying the beneficial owner and taking risk-based and adequate measures to verify the identity on the basis of documents, data or information obtained. As regards all legal persons, the Company will arrange taking risk-based and adequate measures to understand the ownership and control structure of the customer,
- Obtaining information on the purpose and intended nature of the business relationship,
- Conducting on-going monitoring of the business relationship including scrutiny of

transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the information and data in the possession of the person engaged in financial or other business in relation to the customer, the business and risk profile, including where necessary, the source of funds and ensuring that the documents, data or information held are kept up-to-date.

For the purposes of the provisions relating to identification procedures and customer due diligence requirements, proof of identity shall be considered satisfactory where the person who examines the evidence is satisfied, in accordance with the procedures followed under the Law, that the customer is actually the person he claims to be.

The identification procedures and the client due diligence measures shall be applied also for the existing clients at appropriate times, depending on each client's level of the risk of being involved in money laundering or financing of terrorism offences.

The Back Office and Customer Services Department shall also ensure that the customer identification records remain updated with all relevant identification data and information throughout the business relationship. The Compliance Function shall check the adequacy of data and information of the customer's identity and economic profile, whenever one of the following events occurs:

- A material change in the customer's legal status or situation, such as:
 - change of directors/secretaries,
 - change of registered shareholder and/or beneficial owner,
 - change or registered office,
 - change of trustee,
 - change of corporate name and/or trading name,

- change of the principal trading partners and/or undertake new major business activities.
- A material change relating to the client relationship, such an application for opening a new account for the provision of a new investment service.

3.3.3 New Clients Categorization

Clients of the Company may be put in one of the following categories, depending on their experience and knowledge in the Investment sector:

- Retail clients,
- Professional clients, and
- Eligible Counterparties.

The assignment of a client category is based on the information provided by the client in the relevant initial application forms as well on the documents submitted by the client in the process of establishing a business relationship.

A **“Retail Client”** is a client who is not a professional client or an eligible counterparty.

A **“Professional Client”** is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risk that it is involved.

According to the law, in order to be considered a professional client, a customer should be included in one of the following categories:

- i. Entities authorised by a member state under a European Community Directive, entities authorised or regulated by a member state without reference to such Directive and

entities authorised or regulated by a non-Member state, carrying out the characteristic activities, which are required to be authorised or regulated to operate in the financial market, such as:

- Credit institutions;
 - IF(s),
 - Other authorised or regulated financial institutions,
 - Insurance undertakings,
 - Collective investments schemes and management companies of such schemes,
 - Pension funds and management companies of such funds,
 - Commodity and commodity derivative dealers,
 - Other institutional investors.
- ii. Large undertakings meeting two of the following size requirements, on a proportional basis:
- Balance sheet total at least 20,000,000 euro,
 - Net turnover at least 40,000,000 euro,
 - Own funds at least 2,000,000 euro.
- iii. National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank, the Internal

Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations.

- iv. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

The Company shall treat the following categories as “Eligible Counterparties”: Investment Funds (IFs), credit institutions, insurance undertakings, Undertakings for Collective Investment in Transferable Securities (“UCITS”) and their management companies, pension funds and their management companies and other financial institutions authorised by a member state or regulated under community legislation or the national law of a member state.

Prior to any provision of services, the Company shall inform its Clients which of the three categories (Retail, Professional or Eligible Counterparty) it deems them to belong based on the information provided. The Company should also inform them of the level of protection that that category receives. The clients’ written consent should be obtained in regard to the category they have been included, and this may be achieved through the relevant service agreement (e.g. Portfolio Management Agreement).

The Company may, either on its own initiative or at the request of the client concerned:

- Treat as a Professional or Retail client a client that might otherwise be classified as an Eligible counterparty,
- Treat as a Retail client a client that is considered a Professional client by the definition as it is described in the Law and applicable legislation.

The clients, which were initially classified by the Company as being Retail, may waive the benefit of the detailed rules of conduct applicable to this category and may apply for change of their initial Retail category only where the following procedure is followed:

- a. They must state in writing to the Company that they wish to be treated as Professional, either generally or in respect of a particular investment service or transaction, or

type of transaction or product,

- b. The Company must give them a clear written warning of the protections and investor compensation rights they may lose,
- c. They must state in writing, in a separate document from the Client Agreement, that they are aware of the consequences of losing such protections.

Before deciding to accept any request for a waiver, the Company must take all reasonable steps to ensure that the client requesting to be treated as a Professional client meets the relevant requirements stated in the law and applicable legislation.

In order for the company to treat a client as professional on request, certain criteria and procedures will be fulfilled, although these clients will not be presumed to possess market knowledge and experience comparable to the professional category. With the view of fulfilling the requirements, the respective client will provide an adequate assessment of the expertise, experience and knowledge, which is undertaken by the client, and which gives reasonable assurance that the client is capable of making its own investment decisions and understanding the risks involved.

In the course of the above assessment, as a minimum, two of the following criteria will be satisfied:

- The client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,
- The size of the client 's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds €500.000,
- The client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

The Company shall take appropriate action any time it becomes aware that the client no longer fulfils the initial conditions which had made him eligible for professional treatment. It is finally noted that clients if not categorized either as professional or eligible counterparties then are considered as retail clients.

3.3.3.1 Protection Rights of Clients

Where the Company treats the Client as a retail client, he/she/they will be entitled to more protections under the law than if the Client was entitled to be a professional client. In summary, the additional protections retail clients are entitled to are as follows:

- a. A retail client will be given more information / disclosures with regard to the Company, its services, its costs, commissions, fees and charges and the safeguarding of client financial instruments and client funds,
- b. The Company shall be entitled to assume that a professional client is able financially to bear any investment risks consistent with its investment objectives,
- c. Retail clients may be entitled to compensation under the Investor Compensation Fund. Where the Company treats the Client as an eligible counterparty, the Client will be entitled to fewer protections under the law than he/she/they would be entitled to as a professional client.

In particular, and in addition to the above:

- a. The Company is not required to assess the suitability or appropriateness of a service that it provides to the Client but can assume that the Client has the expertise to choose the most appropriate service for them and that they are able, financially, to bear any investment risks consistent with their investment objectives,
- b. The Company is not required to provide the Client with information about the Company, its services,

- c. The Company is not required to provide the Client with risk disclosures on the services that they select from the Company, and
- d. The Company is not required to provide reports to the Client on the management of their investments.

3.3.4 Termination Client Agreements

The Company reserves the right to immediately terminate the agreement should the client not conform to the company's policies and procedures. In order to terminate an agreement with a client, the Company shall follow the procedure stated below:

The Compliance Department must send an email to the Back Office and Customer Services Department regarding the termination of the agreement. The Back Office and Customer Services Department will then send an email to the dedicated client's email address, as per stated on the initial questionnaire filled by the client, in which it will be informing the client that the agreement with the Company has been terminated and that the Company is no longer the manager of his/her account as from the date of the agreement termination.

The clients' files and agreements must be kept in the Company's records for a period of 5 years as required by the applicable law.

3.3.5 Client Record Keeping

The Back Office and Customer Services Department shall keep records for a period of at least five years of the following documents and any other documents considered necessary:

- Evidential material of the customer identity,
- Relevant evidential material and detail of business relations and transactions, including documents for recording transactions in the accounting books,

- Relevant documents or correspondence with the customer and other persons with whom there is a business relationship,
- All Original forms signed for the Portfolio Management Agreement,
- Copies of all supporting Documentation required for opening an account,
- Record all purchases and sales of Clients' Assets processed by the Company,
- Record all receipts and payments of money belonging to clients which arise from transactions processed by the Company (It is important to note that the Company does not offer Custodian Services and so will not hold money or any other assets for clients),
- Any disclosures of the assets and liabilities of a Company's clients individually and collectively, to the extent that they are managed by the Company.

The five-year period is calculated following the carrying out of the transactions or the end of the business relationship.

The Back Office and Customer Services Department is responsible to ensure that all documents referred to in the paragraph above are made available rapidly and without delay to the Unit for Combating Money Laundering ("MOKAS") and the competent Supervisory Authorities for the purpose of discharging the duties imposed on the Company by the AML Law.

The documents / data relevant to on-going investigations shall be kept by the Company until MOKAS confirms that the investigation has been completed and that the case has been closed.

The retention of the documents / data, other than the original documents or their certified copy that are kept in a hard copy form, will be in electronic form.

3.3.6 Safeguarding of Clients' Assets

Although the Company will not hold client assets, it may help the Client arrange for the custody and control of its assets. The Company will ensure that the following procedure will be followed in regard to client assets:

- The client shall appoint a Prime Broker / Custodian who will be responsible for custody of the clients' assets, and where needed an Administrator who will be responsible for calculating the Net Asset Value ("NAV") on a regular basis,
- The Back Office and Customer Services Department will record all transactions and trading orders when handling client assets and will on a regular basis reconcile with the Administrator (where applicable) and Prime Broker or Custodian where necessary. Any dealing errors / abnormalities will be brought to the attention of the relevant manager who will ensure the client has not been disadvantaged in any manner. All discrepancies will be investigated,
- If applicable the Back Office and Customer Services Department will reconcile all cash and investment positions with the Prime Broker / Custodian and /or Administrator before the release of a NAV.

Records of internal controls will be kept ensuring that all transactions are within the scope of the authority granted by the Clients and within the restrictions that apply by the Law.

3.3.7 Complaints handling

All complaints must be submitted through the company's complaint form to the company's Customer Services Department and send it to the Complaints Manager.

Complaints shall be made via **Appendix L Form Complaints Form**.

The complaints will also be referred to the Compliance Function at all stages of the procedure from the receipt of the Complaint to the final filing of the complaint. Complaints received that relate to the Back Office and Customer Services Department or the Compliance Function will be communicated to the Senior Management of the Company

which will be then responsible for analysing and resolving the complaint. Any complaint received that relates to Senior Management will be communicated to the non-Executive members of the BOD. In any case, the BOD shall be informed in regard to all important complaints received, as well as the measures taken to resolve these.

The Back Office and Customer Services Department will deal with all complaints received by clients and the Head of the BackOffice Department will be the Complaints Manager responsible to ensure that the proper procedure is followed.

Once the complaint is received by the appropriate personnel, will be recorded through the relevant Complaint Form and given a unique number, for ease of reference.

The unique reference number must be consisted of ten digits as below:

- The first two digits are the code of the CIF, in our case it is NU,
- Following four digits define the year, and the last four digits denote the number of each complaint serial number (e.g. for 2015 - AA20150001, AA20150002, for 2016 - AA20160001, AA20160002),

The Company shall confirm, within five days, the receiving of the complaint to the complainant.

Once the unique reference number is communicated to the complainant, the Company shall inform the complainant that he should use the said reference number in all future contact with the Company, the Financial Ombudsman and/or the CySEC regarding the specific complaint.

The Company has to investigate the complaint and reply, within two months, to the complainant about the outcome/decision. It is provided that, during the investigation of the complaint, the Company has to inform the complainant of the handling process of his/hers complaint.

In the event that the Company is unable to respond within two months, it informs the

complainant of the reasons for the delay and indicates the period of time within which it is possible to complete the investigation. This period of time cannot exceed three months from the submission of the complaint.

Every month, the Compliance Officer is responsible for providing CySEC with information regarding the complaints the Company received and how these are being handled. In particular, the Company has to complete every month (reporting month) the form T144-002-01 and send it to the CySEC within five days after the reporting month. The 'Form' is to be sent in electronic form via the TRS.

In case the Company does not receive any complaint within the reporting month, it still has an obligation to send the 'Form'.

In the event where the Company has resolved and/or revised a complaint which was referred to the CySEC in a previous submission of the above mentioned 'Form', the CIF must complete all the fields of the 'Form' and select the 'U' from the column Record Type.

The complaint form, with the response given to the complainant, will be filed for future reference.

If the complainant is not satisfied with the company's response, he / she can escalate the complaint through the Commission, the Financial Ombudsman, ADR Mechanism, or the relevant Courts.

3.4 Portfolio Management Department

The Portfolio Management Department is responsible for managing the portfolios of the Company's Clients within the guidelines and restrictions set up by the Client agreement, the Investment Committee and any applicable law.

General Principles Governing the Portfolio Manager

The Portfolio Manager must:

- Act in a professional and ethical manner at all times,
- Act for the benefit of clients,
- Act with independence and objectivity,
- Act with skill, competence, and diligence,
- Communicate with clients in a timely and accurate manner,
- Uphold the applicable rules governing capital markets.

In transacting with any client, the Portfolio Manager must:

- Preserve the confidentiality of information communicated by clients within the scope of the Portfolio Manager - Client relationship. However, as may be required by law, the Portfolio Manager should report any suspected illegal activities by clients to the MLRO internally and from the MLRO to MOKAS,
- Refuse to participate in any business relationship or accept any gift that could reasonably be expected to affect his/her independence, objectivity, or loyalty to clients,
- Not act, or cause others to act, on material non-public information that could affect the value of an investment and must ensure such information is not used as the basis of an investment decision or action,
- Give priority to investments made on behalf of the client over those that benefit their own

interests,

- Maximize client portfolio value by seeking best execution for all client transactions,
- Establish policies to ensure fair and equitable trade among client accounts.

In managing client assets, the Portfolio Manager must:

- Use reasonable care and prudent judgment when managing such assets,
- Not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants,
- Deal fairly and objectively with all clients when providing investment information, making investment recommendations, or taking investment action,
- Have a reasonable and adequate basis for investment decisions and act only after undertaking due diligence to ensure there is sufficient knowledge about specific investments or strategies.

When managing a portfolio or pooled fund according to a specific mandate, strategy, or style the Portfolio Manager must:

- Only take investment actions that are consistent with the stated objectives, product governance and constraints of that portfolio,
- Abide by the guidelines and restrictions set up by the Investment Committee and any applicable law,
- Provide adequate disclosures and information so investors can consider whether any proposed changes in the investment style or strategy meet their investment needs.

When managing separate accounts, taking investment action on behalf of the client the Portfolio Manager must:

- Evaluate and understand the client's investment objectives, tolerance for risk, time horizon, liquidity needs, financial constraints, and any other unique circumstances that would affect investment policy,
- Ensure that investments are suitable to the client's and consistent with the Client Agreement.

The Portfolio Management department is also responsible for:

- Management oversight of all accounts,
- Explaining to the Clients the terms and conditions of the Company,
- Ensuring all agreements are countersigned by the client,
- Informing Clients on their portfolio performance,
- Drafting appropriate questionnaires for the establishment of the Client's investment profile and financial needs as well as of the Client's investment goals,
- Preventing and resolving conflict of interest situations between Clients and the Company.

Portfolio Managers are responsible for carrying out a consolidation of the placed positions (price, volume, nature) and the actual positions carried out by the custodian. If any deviations are identified, the Portfolio Manager will come in contact with the custodian to correct it. After the checks have been carried out by the Portfolio Managers, the back-office department is responsible for updating the client's online records and cross reference the internal online client's account with those of the custodian.

3.5 Investment Process and Action

Portfolio Managers are responsible for analysing the specific needs and circumstances of each client prior to entering into any Manager-Client Relationship. To this effect the Manager will organise a meeting with the client to determine the Investment Strategy suitable for the client.

3.5.1 Investment Proposal

The Portfolio Managers are responsible for preparing a proposal which should be approved and signed by the client as part of the Client agreement (Portfolio Management Agreement). In deciding the investment strategy, the Manager will take into account:

- the guidelines and restrictions set up by the Investment Committee and the applicable law,
- Any restrictions imposed due to applicable legislation such as SFDR.
- Any clients that pose a high risk to the company unless acceptance is decided by the BoD.
- Clients that are headquartered or have their principal activity in jurisdictions that subject to sanctions applicable to Cyprus.
- the client's:
 - Investment objectives,
 - Risk tolerance,
 - Financial situation,
 - Knowledge and experience,
 - Investment preferences – eventual restrictions and ethical considerations,

- Product Governance requirements.

Portfolio Managers must ensure that any recommendations they make are both suitable and appropriate. In order to do so, they must gather information and details about:

- The client's knowledge and experience in relation to the investments that will be considered in the investment strategy,
- The level of investment risk that the client can bear financially and whether that is consistent with their investment objectives.

The Portfolio Manager has the duty of explaining to the client his rights and the conditions, terms and charges reported in the contract for the provision of portfolio management services.

Once a suitable investment strategy is agreed by the client, the client will need to compile and sign the necessary documents for the opening of the account. The Portfolio Manager needs to ensure that all KYC and AML procedures are properly followed. Documents provided by the client will be reviewed by the Portfolio Manager and then checked for completeness by the Backoffice and Customer Relations Department and handed to the Compliance Function for review and approval.

In case of changes of any client details, either personal or for the management of the portfolio, the Portfolio Manager will notify the Backoffice and Customer Relations Department who in their turn will provide to update the system with the new client's details and notify accordingly either by email or by creating a system alert the Compliance Function of the Company.

The Portfolio Manager has the duty to actively and continuously monitor the client's portfolio and to make changes to the portfolio as appropriate to ensure it is suitable and meets the client's requirements. The Portfolio Manager will inform the client on a regular basis on the balance of his account, investment goals and objectives attained. The Manager will discuss (and if possible meet) with the client to review the performance and suitability of his portfolio when the Manager deems it necessary or the client requests such a meeting.

3.5.2 Best Execution Requirement

This policy shall be read in conjunction with the '**Appendix R' 'Policy to act in the Best Interest of the client'**.

It is noted that the Company is not licensed for direct Execution of orders with execution venues (e.g. stock markets) and uses licensed brokers when applying the portfolio management service. However, the Company has the duty to strive to treat clients equally and fairly at all times and to achieve the best possible result when deciding how to place orders with the available brokers for execution. All trading will be done in accordance with the applicable law in each market. The Company will use diligence in selecting a suitable broker for clients in order to:

- Provide, in the judgement of the Company, for best execution,
- Be able to safeguard the client's interests and maximize the client's portfolio value,
- Provide access to the range of financial instruments entailed in the service of portfolio management.

Accordingly, the Company will be selecting brokers that are authorised and regulated in EU Member State/s or recognised jurisdiction/s.

The Company, as provider of portfolio management, shall act in accordance with the best interests of its clients when placing orders. The following criteria must be taken into account:

- a. the characteristics of the client including the categorisation of the client as Retail, Professional or Eligible Counterparty,
- b. the characteristics of the client order,
- c. the characteristics of Instruments that are the subject of that order,

d. the characteristics of the execution venues to which that order can be directed.

The best possible result shall be determined in terms of the total consideration, representing the price of the Instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

The company shall monitor the effectiveness of its order execution arrangements with brokers in order to identify and, where appropriate, correct any deficiencies. In particular, it shall assess, on a regular basis, whether brokers provide the best possible result for the client or whether it needs to make changes to its execution arrangements. The Company will notify clients of any material changes to its order execution arrangements.

The Company has the duty to be transparent with clients about its execution arrangements and to demonstrate, at client requests, that it has executed their orders in accordance with client agreements. The Company shall review its best execution policy and arrangements at least annually. Such a review shall also be carried out whenever a material change occurs that affects the Company's ability to continue to obtain the best possible result for their clients.

The Company shall provide clients with the following details on their execution policy in good time prior to the provision of the service:

- a. the criteria and the factors by which the firm determines the relative importance of those factors to best execution,
- b. a list of the execution venues on which the firm places significant reliance in meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of client orders and specifying which execution venues are used for each class of financial instruments, for retail client orders, professional client orders and SFTs,
- c. a summary of the selection process for execution venues, execution strategies employed,

the procedures and process used to analyse the quality of execution obtained and how the firms monitor and verify that the best possible results were obtained for clients.

That information shall be provided in a durable medium, or by means of a website.

3.5.3 Transaction Reporting

As per Article 26(1) of MiFIR investment firms which execute transactions in financial instruments shall report complete and accurate details of such transactions to the competent authority as quickly as possible, and no later than the close of the following working day.

3.5.3.1 Reportable Financial instruments

According to article 26(2) of MIFIR, the obligation to report transactions applies to:

- i. financial instruments which are admitted or traded on a trading venue or for which a request for admission to trading has been made,
- ii. financial instruments where the underlying is a financial instrument traded on a trading venue and,
- iii. financial instruments where the underlying is an index, or a basket composed of financial instruments traded on a trading venue.

It is clarified that the reporting obligation applies to transactions in financial instruments referred to in point (i) – (iii) above, irrespective of whether or not such transactions are carried out at a trading venue.

It is further clarified that the Transaction Reporting obligation captures all transactions on OTC derivatives that the underlying is traded on an EU trading venue, as well as the transactions on financial instruments traded outside the EU but the underlying is traded

on an EU trading venue.

3.5.3.2 Meaning of execution of a transaction

An investment firm shall be deemed to have executed a transaction, where it provides any of the following services or performs any of the following activities that result in a transaction:

- (a) reception and transmission of orders in relation to one or more financial instruments,
- (b) execution of orders on behalf of clients,
- (c) dealing on own account,
- (d) making an investment decision in accordance with a discretionary mandate given by a client,
- (e) transfer of financial instruments to or from accounts.

2. An investment firm shall not be deemed to have executed a transaction where it has transmitted an order in accordance with Section Transmission of an order.

The term 'transaction' is defined under Article 2(1) of Regulation 2017/590 as the conclusion of an acquisition or disposal of a financial instrument referred to in Article 26(2) of MiFIR.

The term 'acquisition and disposal' is further clarified in article 2(2) and 2(3) of Regulation 2017/590, respectively.

The term 'acquisition' include the following:

- a. A purchase of a financial instrument
- b. Entering into a derivative contract

- c. An increase in the notional amount of a derivative contract.

A disposal includes the following:

- a. Sale of a financial instrument
- b. Closing out of a derivative contract
- c. A decrease in the notional amount of a derivative

Article 2(5) of Regulation 2017/590 specifies what should not constitute a transaction for the purposes of article 26 of MiFIR, including repurchase agreements, stock lending, derivative novation and the expiration or redemption of instruments resulting from mandatory events that don't involve an investment decision.

3.5.3.3 Transmission of an order

An investment firm transmitting an order (transmitting firm) shall be deemed to have transmitted that order only if the following conditions are met:

- (a) the order was received from its client or results from its decision to acquire or dispose of a specific financial instrument in accordance with a discretionary mandate provided to it by one or more clients,
- (b) the transmitting firm has transmitted the order details as defined by law to another investment firm (receiving firm),
- (c) the receiving firm is subject to Article 26(1) of Regulation (EU) No 600/2014 and agrees either to report the transaction resulting from the order concerned or to transmit the order details to another investment firm.

For the purposes of point (c) of the first subparagraph the agreement shall specify the time limit for the provision of the order details by the transmitting firm to the receiving firm and provide that the receiving firm shall verify whether the order details received contain obvious errors or omissions before submitting a transaction report or transmitting the order in accordance with applicable law.

The following order details shall be transmitted in accordance with above, insofar as pertinent to a given order:

- a. the identification code of the financial instrument,
- b. whether the order is for the acquisition or disposal of the financial instrument,
- c. the price and quantity indicated in the order,
- d. the designation and details of the client of the transmitting firm for the purposes of the order,
- e. the designation and details of the decision maker for the client where the investment decision is made under a power of representation,
- f. a designation to identify a short sale,
- g. a designation to identify a person or algorithm responsible for the investment decision within the transmitting firm,
- h. country of the branch of the investment firm supervising the person responsible for the investment decision and country of the investment firm's branch that received the order from the client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client,
- i. for an order in commodity derivatives, an indication whether the transaction is to reduce risk in an objectively measurable way in accordance with Article 57 of Directive 2014/65/EU,
- j. the code identifying the transmitting firm.

4. Where the order is aggregated for several clients, information referred to in above shall be transmitted for each client.

3.5.3.4 Transaction Reporting when Investment Firm is considered as executing the transaction

Where the Company is considered as executing the transaction the following procedure shall be followed:

- The Portfolio Management Department shall forward all orders related to reportable Financial Instruments to the IT Department.
- IT Department shall prepared Transaction Report as per applicable legislation and shall include in the reports among others the following details:
 - the names and numbers of the financial instruments bought or sold,
 - the quantity,
 - the dates and times of execution,
 - the transaction prices,
 - a designation to identify the clients on whose behalf the investment firm has executed that transaction,
 - a designation to identify the persons and the computer algorithms within the investment firm responsible for the investment decision and the execution of the transaction,
 - a designation to identify the applicable waiver under which the trade has taken place, means of identifying the investment firms concerned, and
 - a designation to identify a short sale in respect of any shares and sovereign debt.
- The Transaction Report shall be forwarded to the Compliance Department for review,
- The Compliance Department shall submit the Transaction Report via the dedicated by the law transmission method to the regulator,

- When feedback is received this will be saved and retained as per the applicable Record Keeping Policy. Where feedback received with errors then the Transaction Report shall be considered as not submitted and steps shall be taken by the Compliance Department and IT Department to correct the report and resubmit it till feedback with no errors is received,
- As from initial Transaction Report certain fields will not be possible to be defined, the Portfolio Management Department will be held responsible to provide the Contract Note of the order when received to the IT Department,
- IT Department shall prepare another Transaction Report cancelling the previous one submitted. The cancellation report shall be forwarded to the Compliance Department for review and submission via the dedicated by the law transmission method,
- When Compliance Department receives feedback with no errors, the IT Department shall be notified so to proceed with the creation of a new Transaction Report containing all missing fields as per Contract Note and forward it to the Compliance Department for review and submission via the dedicated by the law transmission method.

3.5.3.5 Transaction Reporting when Investment Firm is considered as transmitting the order

As per applicable legislation the Company shall investigate whether the party receiving the order is considered as per applicable legislation as a Reportable Entity for Transaction Reporting purposes and whether the conditions set for the investment firm transmitting an order to be considered as the transmitting firm are fulfilled.

If conditions are not met then the procedure as set under Transaction Reporting when Investment Firm is considered as executing the transaction shall be followed.

If conditions set under Section 3.5.3.3. are satisfied then the Company shall proceed with the signing of an agreement containing all required by the law information with the receiving

entity so to make transaction reporting on the company's behalf.

The order transmission shall include at least the details required by the Transmission of an order section.

3.5.4 Performance and Valuation

The Portfolio manager must:

- Ensure that the performance information is fair, accurate, relevant, timely, and complete. Managers must not misrepresent the performance of individual portfolios or of the Company,
- Use fair market prices to value client holdings and apply, in good faith, methods to determine the value of any securities for which not readily available, independent, third-party market quotation is available.

3.5.5 Client Disclosure Requirements

The Portfolio Manager shall provide appropriate information, in a comprehensible form to its clients or potential clients in order to ensure they are reasonably able to understand:

- The nature and risks of the Investment Service to be provided by the Company,
- The specific type of Instrument that is being offered, and consequently to take investment decisions on an informed basis.
- The fact that the Company does not have sustainable investments as its objectives and that it does not take into consideration any adverse impacts of sustainable risks.

This information should be provided and should include details of:

- The Company and its services,
- The Instruments and proposed investment strategies. This should include appropriate guidance on, and warnings of the risks associated with investments in those Instruments or in respect of particular investment strategies,
- The costs and associated charges,
- The fees, commissions or any monetary benefits transferred back to them as per section 3.5.4.3.

In relation to any payment or benefit received from or paid to third parties, the Company shall disclose to the client the following information:

- a. Prior to the provision of the relevant investment or ancillary service, the Company shall disclose to the client information on the payment or benefit concerned.
Minor non-monetary benefits may be described in a generic way. Other non-monetary benefits received or paid by the Company in connection with the investment service provided to a client shall be priced and disclosed separately,
- b. Where the Company is unable to ascertain on an ex-ante basis the amount of any payment or benefit to be received or paid, and instead disclosed to the client the method of calculating that amount, the Company shall also provide its clients with information of the exact amount of the payment or benefit received or paid on an ex-post basis, and

At least once a year, as long as on-going inducements are received by the Company in relation to the investment services provided to the relevant clients, the Company shall inform its clients on an individual basis about the actual amount of payments or benefits received or paid.

The existence, nature and amount of the payment or benefit or, where the amount cannot be ascertained, the method of calculating that amount, must be clearly disclosed to the client, in a manner that is comprehensive, accurate and understandable, prior to the provision of

the relevant investment or ancillary service.

Where applicable, the Company shall also inform the client of mechanisms for transferring to the client the fee, commission, monetary or non-monetary benefit received in relation to the provision of the investment or ancillary service.

Disclosure of minor non-monetary benefits shall be made prior to the provision of the relevant investment or ancillary services to clients.

Retail Clients or potential Retail Clients should also be provided with the following general information, where relevant:

- a. the name and address of the Company, and the contact details necessary to enable clients to communicate effectively with the Company,
- b. the languages in which the client may communicate with the Company, and receive documents and other information from the Company,
- c. the methods of communication to be used between the Company and the client including, where relevant, those for the sending and reception of orders,
- d. a statement of the fact that the Company is licensed by CySEC, together with the address of CySEC,
- e. the nature, frequency and timing of the reports on the performance of the service to be provided by the Company to the client,
- f. a description, which may be provided in summary form, of the conflicts of interest policy maintained by the Company,
on request of the client, further details of that conflicts of interest policy in a durable medium or by means of a website.

The following information shall also be provided, to Retail Clients or potential Retail Clients in good time before the provision of investment services or ancillary services by the

Company:

- a. information on the method and frequency of valuation of the Instruments in the client portfolio,
- b. details of any delegation of the discretionary management of all or part of the Instruments or money in the client's portfolio,
- c. a specification of any benchmark against which the performance of the client portfolio will be compared to enable the client to assess the Company's performance,
- d. the types of Instruments that may be included in the client's portfolio and types of transaction that may be carried out in such Instruments, including any limits,
- e. the management objectives, the level of risk to be reflected in the Company's exercise of discretion, and any specific constraints on that discretion.
- f. Any precontractual disclosures required by the Sustainable Finance Disclosure Regulation.

The Company shall provide to clients or potential clients in good time before the provision of investment services or ancillary services a general description of the nature and risks of financial instruments, taking into account, in particular, the client's categorisation as either a retail client, professional client or eligible counterparty.

That description shall explain the nature of the specific type of instrument concerned, the functioning and performance of the financial instrument in different market conditions, including both positive and negative conditions, as well as the risks particular to that specific type of instrument in sufficient detail to enable the client to take investment decisions on an informed basis.

The description of risks shall include, where relevant to the specific type of instrument concerned and the status and level of knowledge of the client, the following elements:

- a. The risks associated with that type of financial instrument including an explanation of leverage and its effects and the risk of losing the entire investment including the risks associated with insolvency of the issuer or related events, such as bail in,
- b. The volatility of the price of such instruments and any limitations on the available market for such instruments,
- c. Information on impediments or restrictions for disinvestment, for example as may be the case for illiquid financial instruments or financial instruments with a fixed investment term, including an illustration of the possible exit methods and consequences of any exit, possible constraints and the estimated time frame for the sale of the financial instrument before recovering the initial costs of the transaction in that type of financial instruments,
- d. The fact that an investor might assume, as a result of transactions in such instruments, financial commitments and other additional obligations, including contingent liabilities, additional to the cost of acquiring the instruments,
- e. Any margin requirements or similar obligations applicable to instruments of that type.

Where any of the information contains an indication of past performance of a financial instrument, a financial index or an investment service, the company shall ensure that the following conditions are satisfied:

- a. Where the indication relies on figures denominated in a currency other than that of the Member State in which the retail client or potential retail client is resident, the currency is clearly stated, together with a warning that the return may increase or decrease as a result of currency fluctuations,
- b. Where the indication is based on gross performance, the effect of commissions, fees or other charges are disclosed.

3.5.5.1 Periodic statement

When providing the service of portfolio management to clients, the Portfolio Managers shall

provide to each client a periodic statement in a durable medium of the portfolio management activities carried out on behalf of that client unless such a statement is provided by another person. The periodic statement shall be provided once every three months, except in the following cases:

- Where the agreement between the Company and a client for a portfolio management service authorises a leveraged portfolio, the periodic statement must be provided at least once a month,
- Where the client elects to receive information about executed transactions on a transaction-by-transaction basis, the Company shall provide promptly to the client, on the execution of a transaction by the portfolio manager, the periodic statement must be provided at least once every 12 months,
- Where the Company provides its clients with access to an online system, which qualifies as a durable medium, where up-to-date valuations of the client's portfolio can be accessed and where the client can easily access the information required for the periodic statement content and the firm has evidence that the client has accessed a valuation of their portfolio at least once during the relevant quarter,

Our Company provides all clients with their own username and password to have 24/7 online access to their accounts from where they can extract different forms of statements including transaction and valuation statements. Also, since the Company does not hold clients' funds or financial instruments, the custodians provide such statements on a quarterly basis.

The periodic statement shall provide a fair and balanced review of the activities undertaken and of the performance of the portfolio during the reporting period and shall include, where relevant, the following information:

- The name of the investment firm,
- The name or other designation of the client's account,

- A statement of the contents and the valuation of the portfolio, including details of each financial instrument held, its market value, or fair value if market value is unavailable and the cash balance at the beginning and at the end of the reporting period, and the performance of the portfolio during the reporting period,
- The total amount of fees and charges incurred during the reporting period, itemising at least total management fees and total costs associated with execution, and including, where relevant, a statement that a more detailed breakdown will be provided on request,
- A comparison of performance during the period covered by the statement with the investment performance benchmark (if any) agreed between the investment firm and the client,
- The total amount of dividends, interest and other payments received during the reporting period in relation to the client's portfolio,
- Information about any fees, commissions or any monetary benefits transferred to the clients,
- For each transaction executed during the period, the following information shall be provided:
 - the trading day,
 - the trading time,
 - the type of the order,
 - the venue identification,
 - the instrument identification,
 - the buy/sell indicator,

- the nature of the order if other than buy/sell,
- the quantity,
- the unit price,
- total consideration.

The Company has the duty to ensure that the periodic statements are prominent, truthful, accurate, complete, and understandable and are presented in a durable medium or by means of a website.

3.5.5.2 Portfolio depreciation

The Portfolio Managers are responsible to inform the client where the overall value of the portfolio, as evaluated at the beginning of each reporting period (three month period after the managing of the portfolio started), depreciates by 10 % and thereafter at multiples of 10 %, no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

Where cash is added to a portfolio after the reporting period has started, the current value of the portfolio shall be increased by the amount of client money transferred in, but the invested value at the beginning of the reporting period remain unaffected.

In cases of retail client's accounts that include positions in leveraged financial instruments or contingent liability transactions, the Company shall inform the client where the initial value of each instrument depreciates by 10 %. The Company can assess the 10 % depreciation on an aggregated basis, such as the overall value of the clients' portfolio, if the following requirements are met:

- The client should give his express consent to assess the 10% depreciation on an aggregated basis, and

- The client should have the capacity to terminate it at any time.

3.5.5.3 Cost and Charges

The Company shall not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to clients unless qualify as acceptable minor non-monetary benefits as below.

The following benefits shall qualify as acceptable minor non-monetary benefits only if they are:

- information or documentation relating to a financial instrument or an investment service, is generic in nature or personalised to reflect the circumstances of an individual client,
- written material from a third party that is commissioned and paid for by an corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any IFs wishing to receive it or to the general public,
- participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service,
- hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned below, and
- other minor non-monetary benefits which a Member States deems capable of enhancing the quality of service provided to a client and, having regard to the total level of benefits provided by one entity or group of entities, are of a scale and nature that are unlikely to impair compliance with an IF's duty to act in the best interest of the client.

Acceptable minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Company's behavior in any way that is detrimental to the interests of the relevant client. Disclosure of minor non-monetary benefits shall be made prior to the provision of the relevant investment or ancillary services to clients

Fees, commissions or non-monetary benefits should only be paid or received where justified by the provision of an additional or higher-level service to the client. All fees, commissions and any monetary benefits paid or provided by a third party must be returned in full to the client as soon as possible after receipt of those payments by the Company. The Company should not be allowed to offset any third-party payments from the fees due by the client to the Company.

A fee, commission or non-monetary benefit should only be paid or received by the Company were justified by the provision of an additional or higher-level service to the relevant client. That may include the provision of investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers, or the provision of non-independent advice combined with either an offer to the client, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the client has invested or with another ongoing service that is likely to be of value to the client.

The value of the above-mentioned quality enhancements that the Company provides to the clients receiving the relevant service has to be proportional to the inducements received by the Company.

The Company shall ensure that the information about all costs and charges, including costs and charges in connection with the investment service and the financial instrument, which are not caused by the occurrence of underlying market risk, shall be aggregated to allow the client to understand the overall cost as well as the cumulative effect on return of the investment, and if the client so requests, an itemised breakdown of the costs shall be provided.

Where applicable, such information shall be provided to the client on a regular basis, at least annually, during the life of the investment. Such information may be provided in a standardised format.

Transactions costs and ongoing charges on financial instruments should also be included in the required aggregation of costs and charges and should be estimated using reasonable assumptions, accompanied by an explanation that such estimations are based on assumptions and may deviate from costs and charges that will actually be incurred.

The Company is allowed to provide clients or prospective clients with separate figures comprising aggregated initial costs and charges, aggregated on-going costs and charges and aggregated exit costs.

For ex-ante and ex-post disclosure of information on costs and charges to clients, the Company shall aggregate the following:

- a. All costs and associated charges charged by the Company or other parties where the client has been directed to such other parties, for the investment services and ancillary services provided to the client, and
- b. all costs and associated charges associated with the management of the financial instruments.

For the purposes of point (a), third party payments received by Company in connection with the investment service provided to a client shall be itemised separately and the aggregated costs and charges shall be totaled and expressed both as a cash amount and as a percentage.

Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, the Company shall provide an indication of the currency involved and the applicable currency conversion rates and costs. The Company shall also inform about the arrangements for payment or other performance.

The Company shall provide its clients with an illustration showing the cumulative effect of costs on return when providing investment services. Such an illustration shall be provided both on an ex-ante and ex-post basis. The Company shall ensure that the illustration meets the following requirements:

- a. The illustration shows the effect of the overall costs and charges on the return of the

investment,

- b. The illustration shows any anticipated spikes or fluctuations in the costs, and
- c. The illustration is accompanied by a description of the illustration.

The Company may provide such aggregated information on costs and charges of the investment services and the financial instruments together with the periodic reporting to clients.

Where the Company recommends or markets to its clients the services provided by another firm, shall aggregate the cost and charges of its services together with the cost and charges of the services provided by the other firm and shall take into account the costs and charges associated to the provision of other investment or ancillary services by other firms where it has directed the client to these other firms.

Fees, commissions or non-monetary benefits paid or provided by a person on behalf of the client should be allowed only as far as the person is aware that such payments have been made on that person's behalf and that the amount and frequency of any payment is agreed between the client and the Company and not determined by a third party.

The payment or benefit which enables or is necessary for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which by its nature cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients, is not subject to the requirements of this section.

3.6 Investment Advice & Research Department

Investment advice is provided explicitly to clients who have a signed agreement with the Company for the provision of this service. Investment advice is provided taking into consideration:

- the guidelines set up by the Investment Committee and other variables as per Section 3.5.1,
- the client's:
 - Investment objectives,
 - Risk tolerance,
 - Financial situation,
 - Knowledge and experience,
 - Product Governance.

A recommendation shall not be considered a personal recommendation if it is issued exclusively to the public.

When providing services of Investment Advice and Research, the Company will abide by the same guidelines established for the Portfolio Management function in order to ensure that any advice or recommendation is suitable and appropriate for the client.

The Company should undertake a suitability assessment not only in relation to when recommendations to buy a financial instrument are made but for all decisions whether to trade including whether or not to buy, hold or sell an investment.

The Conflict of Interest Policy is taken into consideration for the provision of Investment Advice to clients. Investment Advice and Research can be provided to clients in a durable means or by email. The designated investment advisor has the duty to ensure that information is communicated promptly and fairly to all clients.

Investment advice is always based on the research and analysis reports prepared by the relevant department of the Company and given in accordance with the guidelines and restrictions set up by the Investment Committee.

Competent Advisors have the duty to ensure that clients are always aware of the risks associated with the advice given.

3.6.1 Provision of Independent investment advice

When offering independent investment advice services, the Company shall comply with the following obligations:

- a. The investment advisors shall assess a sufficient range of financial instruments available on the market which must be sufficiently diverse with regard to their type and issuers or product providers to ensure that the client's investment objectives can be suitably met and must not be limited to financial instruments issued or provided by:
 - i. The Company itself or by entities having close links with the Company, or
 - ii. Other entities with which the Company has such close legal or economic relationships, such as contractual relationships, as to pose a risk of impairing the independent basis of the advice provided,
- b. The investment advisors shall assess and compare a sufficient range of financial instruments available on the market so that:
 - i. The number and variety of financial instruments considered is proportionate to the scope of investment advice services offered,
 - ii. The number and variety of financial instruments considered is adequately representative of financial instruments available on the market,
 - iii. The quantity of financial instruments issued by the Company itself or by entities closely linked to the Company itself is proportionate to the total amount of financial instruments considered, and
 - iv. Criteria for selecting the various financial instruments include all relevant aspects such as risks, costs and complexity as well as the characteristics of the Company's clients and ensure that the selection of the instruments that may be recommended is not biased.

Where such a comparison is not possible due to the business model or the specific scope of the

service provided, the Company shall not present itself as independent.

When providing the service of investment advice on an independent basis, fees, commissions or non-monetary benefits paid or provided by a person on behalf of the client should be allowed only as far as the person is aware that such payments have been made on that person's behalf and that the amount and frequency of any payment is agreed between the client and the Company and not determined by a third party.

Cases which would satisfy that requirement include where a client pays a firm's invoice directly or it is paid by an independent third party who has no connection with the Company regarding the investment service provided to the client and is acting only on the instructions of the client and cases where the client negotiates a fee for a service provided by a Company and pays that fee.

Where the investment advice is provided on an independent basis the Company shall not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to clients. Any fees, commissions and any monetary benefits paid or provided by a third party to the Company must be returned in full to the client as soon as possible after receipt of those payments by the Company and the Company should not be allowed to offset any third-party payments from the fees due by the client to the firm.

The client should be accurately and periodically informed about all fees, commissions and benefits the Company has received in connection with the investment service provided to the client and transferred to him.

Minor non-monetary benefits that are capable of enhancing the quality of service provided to a client and are of a scale and nature such that they could not be judged to impair compliance with the company's duty to act in the best interest of the client must be clearly disclosed prior to the provision of the relevant investment to the clients in a generic way and are excluded from this point.

The following benefits shall qualify as acceptable minor non-monetary benefits only if they are:

- a. information or documentation relating to a financial instrument or an investment service, is generic in nature or personalised to reflect the circumstances of an individual

client,

- b. written material from a third party that is commissioned and paid for by an corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any IFs wishing to receive it or to the general public,
- c. participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service,
- d. hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under point (c), and
- e. other minor non-monetary benefits which a Member States deems capable of enhancing the quality of service provided to a client and, having regard to the total level of benefits provided by one entity or group of entities, are of a scale and nature that are unlikely to impair compliance with an IF's duty to act in the best interest of the client.

Acceptable minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Company's behavior in any way that is detrimental to the interests of the relevant client.

3.6.2 Provision of Independent investment advice focused on certain categories

When the Company provides investment advice on an independent basis which is focused on certain categories or a specified range of financial instruments it complies with the following requirements:

- a. The Company shall market itself in a way that is intended only to attract clients with a

preference for those categories or range of financial instruments,

- b. The Company shall require clients to indicate that they are only interested in investing in the specified category or range of financial instruments, and
- c. Prior to the provision of the service, the Company shall ensure that its service is appropriate for each new client on the basis that its business model matches the client's needs and objectives, and the range of financial instruments that are suitable for the client.

Where this is not the case the Company shall not provide such a service to the client.

3.6.3 Provision of both independent and not-independent investment advice

When the Company is offering both independent and not-independent investment advice, following obligations shall apply:

- a. In good time before the provision of its services, the company shall inform the client, in a durable medium, whether the advice will be independent or non-independent to ensure that clients are not likely to be confused about the type of advice they are receiving and that are given the type of advice that is appropriate for them,
- b. The company shall ensure that both types of advice services and advisers providing them are clearly separated from each other; the Company shall not allow a natural person to provide both independent and non-independent advice.

3.6.4 Qualifications for the provision of the Investment Advice Service

Investment advice shall be provided only by authorised and qualified employees of the department. Employees of the department will be assessed by the Company if they have the necessary knowledge and competence to meet relevant regulatory and legal requirements and

business ethics standards. For assessment purposes acceptable qualification will be considered by the Company, Cy.S.E.C. advanced exams and registration in the Public Register and a minimum experience of 12 months in a relevant position.

For assessment purposes the Company will use certain parameters as those defined in ESMA Guidelines for the assessment of knowledge and Competence. The company will issue on an annual basis or whenever is considered necessary, a list of the persons holding the qualifications and experience to provide Investment advice services to clients and will ensure that such persons will continue to possess appropriate qualifications and maintain and update its knowledge and competence by undertaking continuous professional development or training for the appropriate qualification, as well as specific training relevant to its field.

Where a member of staff has not acquired the appropriate qualification or the appropriate experience to provide the relevant services or both, this staff member can only provide the relevant services under the supervision of a person holding appropriate qualification and knowledge (Competent Supervisor). The level and intensity of supervision should reflect the relevant qualification and experience of the staff member being supervised and this could include, where appropriate, supervision during clients meeting and other forms of communication such as telephone calls and e-mails.

In such a case the supervisor will take the responsibility for the provision of the relevant services when the staff member under supervision is providing relevant services to a client, as if the supervisor is providing the relevant services to the client, including signing-off the suitability report where advice is being provided.

The person that provides the services under supervision cannot provide those relevant services for a period exceeding 4 years or any other period defined by the regulator unless within the timeframe is assessed as competent by the Company, fulfils requirements as stated above and his/her name appear on the list of authorised/competent persons circulated by the Company. Records will be held by the Company of the persons allowed to offer such services for a period of 5 years. The Compliance Department will carry out on an annual basis a review to assess whether the list issued is in Compliance with the requirements set as per applicable legislation.

The Company must ensure and demonstrate to the Cy.S.E.C. upon its request, that natural

persons giving investment advice or information about financial instruments, investment services or ancillary services to clients on behalf of the Company, possess the necessary knowledge and competence to fulfil their obligations.

3.6.5 Disclosures to clients when offering investment advice

When offering investment advice services, the investment advisors shall ensure that the following information are provided to clients in good time before the provision of the investment advice:

- a. Declaration whether or not the investment advice is provided on an independent basis,
- b. Explanation of the reasoning of the advice provided to them,
- c. A suitability report in a durable medium specifying the advice given and how that advice meets the preferences, objectives and other characteristics of the retail client,
- d. Information about all cost and associated charges,
- e. whether the advice is based on a broad or on a more restricted analysis of different types of financial instruments,
- f. whether the range is limited to financial instruments issued or provided by entities having close links with the company or any other legal or economic relations (to pose a risk of impairing the independent basis of the advice provided),
- g. whether the company will provide the client with a periodic assessment of the suitability of the financial instruments recommended to that client.
- h. The fact that the company does not take into consideration any sustainability risks on the investment decision procedure nor its negative impacts.

Where any of the information contains an indication of past performance of a financial instrument, a financial index or an investment service, the company shall ensure that the following conditions are satisfied:

- a. where the indication relies on figures denominated in a currency other than that of the Member State in which the retail client or potential retail client is resident, the currency is clearly stated, together with a warning that the return may increase or decrease as a result of currency fluctuations,
- c. where the indication is based on gross performance, the effect of commissions, fees or other charges are disclosed.

3.6.6 Disclosures to clients regarding costs and charges

The investment advisors shall provide to the clients' information about costs and charges on a regular basis and at least annually, during the life of the investment.

The clients shall be provided with information relating to both investment and ancillary services, including the cost of advice, where relevant, the cost of the financial instrument recommended or marketed to the client and how the client may pay for it, also encompassing any third-party payments.

The information about all costs and charges, which are not caused by the occurrence of underlying market risk, shall be aggregated to allow the client to understand the overall cost as well as the cumulative effect on return of the investment, and where the client so requests, an itemised breakdown shall be provided.

Section 3.5.4.3 "Cost and Charges" also applies for the investment advice service.

3.6.7 Disclosures to clients when they decide to proceed against the Company's advice

In situations where the client insists on proceeding with the transaction at his own initiative, against the Company's advice, that client should be clearly informed of the fact that the course of action that he wishes to undertake is not suitable for him, including a clear explanation of the potential risks he would incur into by doing so.

3.6.8 Suitability report

When providing investment advice regardless of whether or not the advice is followed by a transaction and irrespective of the specific recommendation given, including the advice not to buy, hold or sell a financial instrument., the investment advisors shall, before the transaction is made, provide the client with a statement on suitability in a durable medium specifying the advice given and how that advice meets the preferences, objectives and other characteristics of the retail client called suitability report.

The suitability report has to be provided to the client before the transaction is made and it cannot be sent together with the report that is due when carrying out an order on behalf of a client, which has to be provided after the order was carried out.

The suitability report should contain at least the following:

- a. The date and time of the day when the advice was given to the client,
- b. An outline of the advice given,
- c. Explanation on how the advice provided is suitable for the retail client, including how it meets the client's objectives and personal circumstances with reference to the investment term required, client's knowledge and experience and client's attitude to risk and capacity for loss,
- d. a statement that informs the client as to whether a periodic review of suitability will be performed and how.

The responsibility to undertake the suitability assessment and to provide an accurate suitability report to the client lies with the Board of Directors who should ensure safeguards are in place, so the client does not incur a loss out as a result of the report presenting in an inaccurate or unfair manner the personal recommendation.

The suitability report shall be provided to the client in a durable medium including in an electronic form. Websites and other media in electronic form are not excluded and thus the suitability report can be made available to the client in a secured area of the Company's website, specifically dedicated to that client, with the client receiving a notification via e-mail or through any other means of communication, of the availability of the document on the website.

Where the agreement to buy or sell a financial instrument is concluded using a means of distance communication, which prevents the prior delivery of the suitability statement, the Company may provide the written statement on suitability in a durable medium immediately after the client is bound by any agreement, provided both the following conditions are met:

- a. The client has consented to receiving the suitability statement, without undue delay, after the conclusion of the transaction, and
- b. The investment advisors have given the client the option of delaying the transaction in order to receive the statement on suitability in advance.

In determining when the suitability report is provided to clients, the investment advisors should take into account, having regard to the urgency of the situation, the client's need for sufficient time to read and understand it before taking an investment decision.

A client is likely to require more time to review information given on a complex or unfamiliar product or service, or a product or service a client has no experience with than a client considering a simpler or more familiar product or service, or where the client has relevant prior experience.

3.6.9 Record Keeping

The Company shall keep all of the suitability reports and a record of the date and time when

the suitability report was provided to the clients, as well as records of the steps of their interaction with clients. The records maintained shall be able to demonstrate whether the transaction executed was indeed originated by the client's initiative or by the Company's initiative.

The Compliance Function shall ensure that the above records are maintained by the Company for a period of at least five years.

Also, the Company shall keep each item of investment research issued in a durable medium for a 5 year period.

3.6.10 Periodic assessment

Whenever the investment advisors decide necessary, a periodic assessment of suitability of recommendations shall be provided to the clients and it shall contain at least the following information:

- a. The frequency and extent of the periodic assessment and where relevant, the conditions that trigger that assessment,
- b. The extent to which the information previously collected will be subject to reassessment, and
- c. The way in which an updated recommendation will be communicated to the client.

3.7 Investment Committee

The Company has set up an Investment Committee which shall have the responsibility for developing the investment strategies and investment approaches to be followed by the Portfolio Management and Advisory Departments, setting guidelines and restrictions to be followed.

Main duties and Responsibilities of the Investment Committee:

- a. To review the investment policies and strategies of the Company,
- b. To review the procedures which the Company utilizes in determining that funds are invested in accordance with policies and limits approved by the Investment Committee from time to time,
- c. To establish and review benchmarks for the different risk profiles,
- d. To set up guidelines on tactical deviations: position size, maximum drawdown and profit taking,
- e. To set up guidelines on investment instruments: volume, size, expense ratio, currency risk and track record,
- f. To establish and review the due diligence process of complex instruments,
- g. To issue rules for stock selection as may be applicable,
- h. To evaluate the investment performance based on a comparison of actual returns and benchmarks,
- i. To examine the frequency and methods of providing information to the Company's clients,
- j. To review and comment on any marketing material, published articles and presentations,
- k. To evaluate its own performance annually.

To perform any other responsibilities delegated to the Investment Committee by the Board of Directors from time to time.

The two primary outputs of the Investment Committee will be:

- a. New investment strategies, and
- b. Alterations to existing investment strategies.

The Investment Committee will develop and establish guidelines for new investment strategies, each with its own risk and return profiles. The Investment Committee will alter existing investment strategies with tactical asset allocation decisions and individual securities weighting decisions on a regular basis to capture investment opportunities as they may occur. The guidelines should be designed to allow for sufficient flexibility for Portfolio Managers and Advisors to:

- a. exploit investment opportunities as they may occur,
- b. ensure strategies are suitable to each client and tailored to each client specific circumstances while at the same time setting forth reasonable risk control parameters to ensure prudence and care in the execution of the investment strategies.

The Investment Committee shall consist of no fewer than three (3) and no more than eleven (11) members among which:

- The Head of the Portfolio Management Department,
- The Head of the Investment Advice Department.

The Composition of the Investment Committee shall be decided annually by the Board of Directors of the Company. The Board of Directors shall designate one member of the Investment Committee as its Chairperson. The members of the Investment Committee shall be professionals with a relevant background in investments.

A majority of the Investment Committee members shall constitute a quorum for the transaction of business. The Investment Committee may act and take decisions only upon approval of a majority of members of the Committee.

The Investment Committee shall meet at such times as it deems necessary to fulfil its responsibilities and at least twice a year to examine the economic conditions and other relevant matters that are likely to affect the investment strategy of the company. Extraordinary meetings could be arranged at any time by any member of the committee.

The decisions shall be made by a majority vote and minutes for all meetings must be kept in writing, and on file.

Any member of the Investment Committee can make recommendations for changing the investment strategy, but since all decisions to change the investment strategy must be made on fundamental research and analysis, these recommendations may require additional external research and analysis before a decision is reached.

Minutes of meetings and resolutions of the Investment Committee must be filed by the Company.

The Investment Committee, after each meeting, submits the minutes of the Committee's meetings and reports formally to the Board on the matters set out in these terms of reference and makes appropriate recommendations. Recommendations to the Board should also be made when cause for concern or scope for improvement is revealed while exercising its activities.

3.8 Compliance and AML Compliance Function

The Company has established and maintains a permanent Compliance and Anti Money Laundering (AML) Compliance Function ("Compliance Function") which operates independently, and which has the following responsibilities:

- to monitor and assess through periodical risk tests the adequacy and effectiveness of the measures and procedures put in place to detect any risk of failure by the Company to comply with its obligations under the Law.

- to follow new regulations and any changes to the CySEC rules, advising on their effect on the Company's operations and ensuring that this Manual is kept up to date,
- to evaluate and approve clients within authorized approved levels,
- to prepare and maintain the conflict of interest policy,
- to approve / disapprove personal transactions,
- to keep records for all its activities performed,
- to advise and assist the relevant persons responsible for carrying out investment services and activities to comply with the Company's obligations,
- to provide regulatory and compliance advice to the Senior Management and the BOD of the Company,
- to prepare and submit the regular written compliance reports to the BOD,
- to monitor and review on a regular basis the register of clients' complaints,
- to ensure that employees of the Company attend training sessions on compliance with applicable laws, rules and regulations.
- to ensure that the Company complies with its continuous obligations towards the regulator (including timely submission of monthly prevention statements regarding the prevention of money laundering and terrorist financing; notifications regarding changes in the Company's structure, services, personnel, procedures, documents; payments of fees and contributions; submission and execution of other documents, reports and actions required by the Law and applicable legislation).

The list of required information to be notified to CySEC and items that have to be authorized by the Commission is available in Circular CI144- 2008-22.

In order to enable the compliance function to discharge its responsibilities effectively, properly and independently, the Company has ensured that the following conditions are satisfied on a continuous basis:

- The compliance function must have the necessary authority, resources, expertise and access to all relevant information,
- A Compliance Officer must be appointed and must be responsible for the compliance function and for any reporting as to compliance required by the legal requirements,
- The relevant persons involved in the compliance function must not be involved in the performance of services or activities they monitor,
- The method of determining the remuneration of the relevant persons involved in the compliance function must not compromise their objectivity and must not be likely to do so.

The appointment of the Compliance Officer will be the responsibility of the BOD.

The Compliance Function is also responsible for the preparation of the Company's Risk Management Manual regarding Anti-Money Laundering and Terrorist Financing and its regular update. Please refer to the relevant manual for further details on Money Laundering.

The objective of the Compliance Function is to build a compliance culture throughout the Company. Any person in doubt regarding the application of any rule, whether it is imposed by the Company or by CySEC, should consult the Compliance Function.

As a matter of general policy, the Compliance Function will not be involved in the performance of services or activities that are monitored by it.

Any instances of non-compliance should be investigated and can ultimately lead to the dismissal of members of staff.

3.8.1 Reporting to BOD and Filing of Documents

The Compliance Function is responsible for the preparation of a written report directly to the Board of Directors on at least an annual basis. The report will include an evaluation of the adequacy and effectiveness of the compliance measures and procedures put in place to minimise the risk of failure for the Company. The Company shall submit to CySEC the minutes of these meetings within twenty days from the date the meeting was held, attached to the relevant reports.

The Compliance Officer's correspondence with CySEC, together with any attachments (e.g. reports) must be filed by the Compliance Officer in a relevant file. A fax, mail or any other type of confirmation must be filed with each document as evidence of submission to CySEC. Records of the Compliance Officer's activities should be made and kept in the Compliance Officer's files.

3.9 Risk Management Function

Risk Management and Compliance functions might be performed by the same person since the Company has made necessary arrangements to ensure that the independent functioning of each function will not be jeopardized.

The Company shall implement and maintain adequate risk management procedures which identify the risks relating to the Company's activities, processes and systems, and where appropriate, set the level of risk tolerated by the Company. The Company shall adopt effective arrangements, processes and systems, in light of that level of risk tolerance, where applicable.

The Risk Management Department has the following responsibilities:

- to prepare and maintain a Risk Register (separate **document Appendix K Form K1 Risk Register**), where risks are identified and procedures/measures are introduced

to mitigate these,

- to prepare and maintain the General Risk Information document provided to the Clients, in the Account Opening Pack,
- to prepare, at least once a year or more frequently if there are significant changes in the business of the Company or in the relevant regulations, a complete risk assessment using the Risk Register and present it to the Board of Directors for approval. The risk assessment must include identifications and descriptions of risks, measures for managing them and responsibilities for dealing with the risks within the Company,
- to ensure that relevant controls are put in place to evaluate the effectiveness and the practical implementation of measures to mitigate and manage risks and eventually propose to the Board of Directors possible areas of improvement.

3.9.1 Main Sources of risk

An indicative list of risks, which the Risk Manager considers when filling in the Risk Register are:

a. Operational and Business Risk

The Operational and Business risk category includes risks arising from changes in the Company business and risks arising from external events or from an ineffective or failed internal system, function, people or procedure.

Example of this type of risk include outsourcing risk associated with key service providers (i.e. IT and trading systems), loss of key individuals, internal disputes and litigations, rogue traders, poor business decisions, loss of crucial investors and regulatory breaches.

b. Credit and Counterparty Risk:

Credit and Counterparty risk arises from the possibility of failure of counterparties or debtors. The Board of Directors is responsible for the overseeing of exhaustive due diligence processes on key counterparties. The Risk Management Department is responsible for the monitoring and management of credit risk, for assessing the risk of default of major counterparties and for limiting the exposure of capital to single counterparties. The Risk Management Department informs the Board of Directors of actions and measures to be taken to mitigate such risks. The Compliance Function is responsible for monitoring the Company's capital adequacy and for reporting to the Board of Directors whenever an increase in the Company's capital is required. (To assist in the monitoring, the Company has created a simple Procedure (separate document) titled "Own Funds Monitoring Procedure").

c. Investment and Market Risk

Market and investment related risks associated with the overall investment strategy or with a specific position. Includes risks associated with lack of diversification in investment and excessive leverage. The Risk Management Department has the responsibility of constant monitoring and enforcing of the risk management procedures associated to market and investment risk. The Risk Managements Department has the responsibility of reporting to the Board of Directors any case of breach or excessive risk exposure.

d. Sustainability Risks

Is the risk of selecting investments where if an environmental, social or governance event or condition, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

e. Greenwashing Risk

Is the risk where sustainability related statements, declarations, actions or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product or financial services. This practice may be misleading to consumers, investors, or other market participants.

How the Company manages Greenwashing Risk:

The Company understands the importance of transparency and provision of clear and transparent information to the investors of the Funds under its management so specifically has implemented the procedure specified in Appendix V for managing Greenwashing Risk.

3.9.2 Reporting to BOD

The Risk Manager prepares and presents the annual risk management report to the Board of Directors. The minutes of this meeting attached to the relevant risk management reports should be submitted to CySEC within twenty (20) days from the day of the meeting.

The Board of Directors will assess the strategies and measures taken to manage and mitigate the risks, taking into account:

- The adequacy and effectiveness of the risk management procedures,
- The practical implementation and compliance by the Company and its employees with the measures put in place to monitor, manage risks and mitigate risks,

3.10 Internal audit

The Company shall establish and maintain an internal audit function which is separate and independent from the other functions and activities of the Company, and which has the following responsibilities:

- To establish, implement and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the Company's systems, internal control mechanisms and arrangements,
- To issue recommendations based on the result of work carried out in accordance with the point above,

- To verify compliance with the recommendations provided,
- To report in relation to internal audit matters at least annually to the Company's BOD and Senior Management.

The principal objective of the Internal Auditor shall be to provide assistance to the members of the Company, and in particular, the BOD, so that it may efficiently practice its responsibilities.

The main scope of the Internal Auditor's work shall be the evaluation of the adequacy and effectiveness of the Company's internal control systems, as well as the prevention and administration of risk connected to its operation in order to ensure:

- the Company's legitimate operation,
- the safeguarding of the procedures and guidelines set by the management of the Company.

The Internal Auditor shall review and evaluate the adequacy and effectiveness of the Company's system of internal controls and the quality of operating performance when compared with established standards on an ongoing basis. The recommendations that the Internal Auditor makes to the BOD regarding the internal controls and the management of the various risks that are associated with the operations aim to secure a controlled environment in the Company.

The Company's Internal Audit function will be outsourced to an organisation which has the relevant experience. Internal Audit reviews will take place, at least on an annual basis (or more often if there are significant changes to the business or the structure of the Company).

The internal auditors will liaise directly with the Senior Management, the BOD and the Audit Committee if applicable when deemed appropriate by them. The reporting requirement of the internal auditors will be to report to the Senior Management whenever needed of the findings of their work and suggest corrective actions to improve the Company's internal control system.

The primary objectives of the Internal Audit Function are to provide independent and risk-

based internal audits of risk management processes and internal controls and to ensure that the Compliance Risk-Based Monitoring Plan is performed in the same cycle of, and methodology for, the audit plan.

The work of the internal auditors will include detailed review of the internal procedures of the Company and assessment of the adherence to these procedures by all personnel of the Company based on the existing Policies and Procedures. Additionally, they will be responsible to review and test the higher risk areas in full or on a rotational plan ensuring that all have been tested at least once by the end of each year.

Secondly, the Internal Audit Function develops, facilitates, supervises, improves and advises on policies, standards and procedures to ensure that they are efficient and reflect leading practices (for example, identifying opportunities for process improvement / efficiency, reducing costs and maximising revenue). More specifically, the Internal Auditor provides project assistance on internal control matters independently and as a service to the business and Senior Management.

Unless important issues arise from the internal auditors' work, all reports must be communicated to the BOD at least once per year, which will list all weaknesses identified and actions taken by management to rectify these, during the year. This report must be presented to the BOD and discussed.

All actions decided as well as the fact that the report has been reviewed by the BOD must be documented in the Company's Board minutes.

The Company shall submit to CySEC the minutes of the meetings of the BOD, during which the reports have been discussed. These minutes are submitted to CySEC within twenty days of the date of the relevant meeting, attached to the written reports.

The Internal Auditor program will include (indicatively):

- Review of information systems and related internal controls,
- Review of the implementation of corporate policies, plans and procedures,

- Special investigations,

- Scrutiny of the existence and proper application of adequate procedures for the location and prevention of practices consisting of:
 - Legalization of the proceeds of criminal activities (money laundering),

 - Market manipulation of the stock exchange value of financial instruments,

 - Insider trading.

- Scrutiny of the existence and due application of rules for the proper operation of the Company, particularly in respect of the following:
 - The fullness, accuracy and validity of data and information, whether of a stock exchange, accounting, or financial nature,

 - The protection of confidentiality,

 - The legitimate keeping of the Company's books.

- Exercise of scrutiny over the consistent realization of Company's business strategy through the efficient use of all available resources,

- Scrutiny of the Company's compliance with the recommendations made in the course of supervisory controls (internal controls, external auditors, supervisory authorities, tax authorities, etc),

- Review and assess on a continuous basis of the Company's internal audit mechanisms for the identification of weaknesses and provide recommendations for improvement to the BOD,

- To provide overview and independent assurance of the Business continuity / disaster response and data protection arrangements,
- The security of the Company's assets.

The reports on each internal audit assignment will include:

- Summary of the objectives and scope of the work and conclusions reached,
- Recommendations which are appropriate and relevant,
- Acknowledgements regarding the action taken, or proposed, by the management.

Employees should keep the Internal Audit promptly informed of all new business developments, key issues arising and business performance problems (including immediate notification of any instances where there has been an immediate breach of the relevant rules). Employees should provide unfettered access to information, people, and records to the Internal Audit, who will obtain the necessary approvals and operate always in line with the confidentiality duties and data protection legislation.

3.10.1 Types of Internal Audit

a. Financial Audit

The purpose of financial audits shall be to confirm the accuracy and objectivity of the information that appears on the financial statements of the Company (balance sheet, profit and loss, etc), in the Management Accounts and the regulatory filings with CySEC (capital adequacy ratio, etc).

This shall be achieved through checking the reliability of the accounting system and the adequacy of the internal control system which comprise an inseparable element. The existence and appropriate valuation of the Company's assets, and in parallel, the procedures

safeguarding the said assets are verified.

b. Operations Audit

These shall be inseparable from the Financial Audits. Their purposes include:

- Estimating compliance of the Company's personnel to the instructions of the BOD and the prescriptions of legal framework,
- Confirming the effectiveness, efficiency and suitability of the operating procedures of the Company,
- Inspecting the organizational structure of the Company, the accompanying operation procedures and the operational policies, paying particular attention to how the profitability of the Company is affected.

c. Information Systems Audit

The purpose of these audits shall be the assessment of the reliability of the information systems with respect to the following:

- the accuracy and completeness of data and reports,
- the prompt production of data and reports,
- the controlled access rights to the databases, software and to the computer rooms by authorized persons,
- the continuous operation of information systems,
- the safe keeping of data.

3.10.2 Internal Audit Documentation

The internal audit reports must be filed by the Internal Auditor, and a copy must be kept by the Compliance Function of the Company.

The Internal Auditor of the Company shall be responsible for keeping:

- A record, where all documents and particulars collected within the context of the audits performed shall be kept,
- All information relating to the audits performed and, in particular, the subject matter, the duration and the outcome of such audit, the proposals made to the applicant's Board and the decisions and measures taken by the Company's competent bodies shall be orderly kept,

3.11 Handling confidential information

Confidentiality of all data is of utmost importance to the Company. All personnel are required to sign confidentiality agreements according to which they may not disclose any confidential information to third parties, unless required by law to do so. Access to data stored on electronic devices is restricted by passwords and each user has access to the information relevant only for carrying out their work. Furthermore, information stored in hard copies has physical access restrictions, such as fobs which allow access only to the relevant personnel.

3.12 Accounting policies and procedures

The Company has established implements and maintains accounting policies and procedures that enable it, at the request of the CySEC, to deliver in a timely manner financial reports which reflect a true and fair view of its financial position, and which comply with all applicable accounting standards and rules.

The Company uses an industry standard accounting package to maintain its accounting

records. The management will prepare regular management accounts to monitor the Company's financial position and to verify compliance with CySEC Capital Adequacy Requirements.

3.13 Training of Staff

The Company is committed to ensure that members of the senior management and employees:

- are competent, and maintain competence for the work they do,
- are appropriately supervised, and
- are evaluated on a regular basis to assess the level of competency.

The objective of the Company is to keep a level of competence appropriate to the nature of the Company's business.

No member of the senior management or employee will be permitted to undertake Portfolio Management, Investment Advice, Investment Research activities, regarding Company's products or activities unless he or she has formally been assessed as competent to undertake these activities or engages in the activities while under appropriate supervision. Also, no member of the senior management or employee will be permitted provide information to clients or potential clients unless assessed and considered as competent and their names are included in the relating list circulated from time to time by the company.

The Company will only permit an employee to oversee an activity if he or she is considered competent to apply the knowledge and skills necessary without more supervision.

The Compliance Function maintains a written record of how each employee or member of the senior management was assessed as competent, explaining the criteria applied when the competence decision was arrived at. These records are formally reviewed on an annual basis and take into account:

- The individual's technical knowledge and skills,
- The individual's performance on the day-to-day application of his/her role,
- Changes in the business / market / legislation, etc. relevant to his/her role and how he/she has kept up to date,
- Requirements set by applicable legislation.

The Compliance Function is responsible for identifying whether any training and development for an employee or member of the senior management is needed.

The Compliance Function maintains the above records for a period of at least five years after the resignation of the employee or member of the senior management from the Company. These records include both the initial competence assessment and the on-going review of how members of personnel/Directors have remained competent.

3.14 Employment and evaluation procedures

When employing new personnel, the company will ensure that the person to be employed has all the quantitative and qualitative characteristics for the position. In more detail it will ensure that the candidate for the position has the academic background required, the certifications from the local competence authorities as well as the required experience when deemed necessary. In addition, great attention will be given to the character of each applicant making sure that the person is capable of performing their duties with integrity, competence and in an ethical manner.

The interviews will be carried out by the Head of the Department for which the position will be related and one other senior manager unless the law defines differently.

Regarding the evaluation process, members of the Senior Management will be responsible for carrying out an annual performance review for all the employees of the company if this is

considered necessary. Depending on the position of each employee such report will address both quantitative performance measurements (i.e. performance of funds under management in relation to the benchmarks in the case of portfolio managers) and qualitative characteristics for each employee (i.e. character, teamwork, trustworthiness etc).

In instances where the assessment is poor or negative, and/or upon determining that the actions of a particular Staff member are contrary to the provisions of any Law the Company will take actions against that Staff member in order to ensure that such behavior is not repeated (e.g. implement its warning process, impose sanctions and/or dismiss the Staff member who have acted in such manner). Detailed procedure is defined in Company's Employer's Manual.

Over and above the procedure defined in Company's Employer Manual the Company in cases where a Staff member has been dismissed for a serious violation of regulatory requirements, information of such dismissal (along with all relevant facts) should be provided to the CySEC, which it will take actions (ranging from announcements naming the said Staff member, imposition of an administrative sanction, sending the case to the General Attorney for possible criminal violations, temporary prohibition of professional activity, discourage other CIFs from engaging that individual services).

4. INFORMATION SYSTEMS

4.1 Systems and procedures

The Company has systems and procedures that are adequate to safeguard the security, integrity and confidentiality of information.

Physical measures include controlled access to areas of the company. All doors are locked, and access is only permitted to relevant personnel. Electronic measures include separate passwords for each employee, with restricted access to the software and server to areas which are only of relevance to the employee.

4.2 IT Systems Department

The uninterrupted operation of the Company relies to a large extent on the existence and continuous operation of its IT systems (computers, email servers etc).

The IT services company or individual which will be responsible for the following:

- Supervising and guarantying the effective and unhindered operation of electronic systems of (equipment and programs) the Company,
- Evaluation of effectiveness of existing electronic systems and their possibilities of their continuing appropriateness. Submission of proposals to the board, in regard to upgrades/renewals of electronic programs and equipment,
- Training and support of the users of electronic systems, depending on the needs,
- Control and confirmation of correctness, of all new electronic registrations,
- The IT Systems Manager (from the outsourced company or individual) in cooperation with the company's employee's checks that all backups have been taken properly, checks if the connections between the servers are in good situation and that the network works smoothly, as well as the connections with the other systems,
- Ensures that antivirus systems are up to date and that the software is updated daily in order to protect the network from any virus or other harmful software,
- The IT Systems Manager acts as an administrator to the network, and he is responsible for providing access codes to the users, limiting their access only to those operations that are required to perform their duties,
- Perform technical maintenance of equipment for its account throughout the period of

provision of the services,

- Ensure confidentiality of the client's data,
- Supervise and guarantee the effective operation of electronic equipment and programs,
- Check for proper running of the electronic equipment and programs 24/7.

4.3 Business Continuity Policy (BCP)

The Company has a business continuity policy ("**BCP**" '**Appendix C Business Continuity Plan**') which ensures, in the case of an interruption to its systems and procedures, the preservation of essential data and functions and the maintenance of investment services and activities, or, where that is not possible, the timely recovery of such data and functions and the timely resumption of its investment services and activities.

The Company's BCP takes into account:

- Resource requirements such as people, systems and other assets, and arrangements for obtaining these resources,
- The recovery priorities for the Company's operations,
- Communication arrangements for internal and external concerned parties (including the CySEC, clients and the press),
- Escalation and innovation plans that outline the processes for implementing the plan, together with relevant contact information,
- Processes to validate the integrity of information affected by the disruption, and

- Testing of the BCP in an appropriate and proportionate manner to evaluate the adequacy and effectiveness of the plan and take appropriate measures to address any deficiencies.

The Company's BCP outlines the Company's policy in this context. All systems are protected by usernames and passwords where all users are required to change their passwords on a regular basis. All files and laptops are locked away at the end of each day.

The Board of Directors, or an appropriate delegate, will update the BCP whenever there is a material change to the Company's operations, structure, business, location or regulations.

The Company's BCP is shown in Appendix C of the Manual.

5. OUTSOURCING

5.1 Conditions for outsourcing critical or important operational functions

Where activities are outsourced, the Company complies with the following conditions:

- The outsourcing does not result in the delegation by senior management of its responsibility regarding the compliance,
- The relationship and obligations of the Company towards its clients under the Law are not altered,
- The conditions with which the Company must comply in order to be authorized in accordance with the Law, and to remain so, are not being undermined,
- None of the other conditions subject to which the Company's authorization was granted is being removed or modified.

Upon assessment of operational and business expediency of outsourcing, the Board of

Directors of the Company passes a relevant resolution. The notification to the commission is sent in accordance with the provisions of the Law.

The Company exercises due skill, care and diligence when entering into the arrangement for outsourcing various functions. The Company satisfies itself that the following conditions are met by the service providers:

- They have the ability, capacity, and any authorization required by law to perform the work reliably and professionally,
- They carry out their work effectively, and to this end the Company has established methods for assessing the standard of performance of the service provider,
- They properly supervise the carrying out of the work and adequately manage the risks associated with the outsourcing,
- Appropriate action is being taken if it appears that the service provider may not be carrying out the work effectively and in compliance with applicable laws and regulatory requirements,
- The Company retains the necessary expertise to supervise the work and manages the risks associated with the outsourcing,
- The service provider discloses to the Company any development that may have a material impact on its ability to carry out the compliance Function and in accordance with applicable laws and regulatory requirements,
- The Company is able to terminate the arrangement for outsourcing where necessary without detriment to the continuity and quality of its provision of services to clients.

The Company also undertakes that:

- The service provider cooperates with the Commission in connection with the Compliance Function,
- The Company, its auditors and the relevant competent authorities have effective access to data related to the outsourced service, as well as to the business premises of the service provider,
- The service provider protects any confidential information relating to the Company and its clients,
- The Company and the service provider establish, implement and maintain a contingency plan for disaster recovery and periodic testing of backup facilities, where that is necessary having regard to the outsourced service,
- The respective rights and obligations of the Company and of the service provider are clearly allocated and set out in a written agreement.

In accordance with the Company's policy, outsourcing must not:

- Add operational risk,
- Jeopardize internal controls,
- Delegate responsibility or change client relationship,
- Hinder the compliance monitoring, or
- Prevent continued compliance with the threshold conditions.

The Company does not outsource any of its portfolio management or investment advice activities and as such there is no operational risk to be taken into account within this sphere.

5.2 Service providers located in third countries

The Company does not currently outsource services to service providers located in third countries. The Company will take into account that prior notification is required from CySEC in order to outsource services to a service provider located in a third country.

5.3 Evaluation Procedures of Outsourced Services

The Company is responsible for carrying out an annual performance review to all service providers to ensure that contracts are maintained and exist. The evaluation must address both quantitative performance measurements (i.e. whether services were offered as per agreement, quality of services etc.) and qualitative characteristics (i.e. availability, time of response, trustworthiness, character of service provider's employees etc.). To assist in the evaluation process, the Company has created a simple evaluation Procedure (separate document) titled '**Appendix M' 'Service Provider Evaluation Procedure and Table'**.

6. RECORD KEEPING

The Company has in place arrangements which ensure that records of all services provided, and transactions undertaken by the Company are kept. These records are sufficient to enable the regulator to monitor Company compliance with the requirements under Company regulation and in particular its compliance with all its obligations with respect to clients or potential clients.

The relevant records include (but not restricted to) organisational charts, business risk assessments including responsibilities, Board of Directors minutes and job descriptions.

In line with good practice, these records are maintained for five years from the date of origin, and where superseded by a more up to date record (e.g. where job responsibilities are materially changed over time), a clear and consistent version-controlled record retention process must be observed.

The records for the agreements setting out the rights and obligations of the Company and the clients shall be retained for a period of at least 5(five years). The responsibility of maintaining these records has been allocated to the Compliance Function.

The Company maintains all records for a period of at least five years. Records are kept electronically (and where necessary in hard copy) and are easily accessible for future reference by CySEC.

All directors and employees are responsible within their area for ensuring that records are not deleted or destroyed. If in doubt, requests to delete records must be made to the Compliance Function.

Refer to the following sections of this Manual for additional information on each one of the following records keeping obligation:

- Section 2.3 marketing record keeping obligations,
- Section 2.4.1.3 for record keeping obligations regarding conflict of interest,
- Section 3.3.4 regarding Termination of Client Agreements,
- Section 3.3.5 regarding client record keeping obligations,
- Section 3.6 regarding investment advice clients' records,
- Section 3.6.4. regarding Qualifications for the provision of Investment Advice Service,
- Section 3.6.9 regarding investment advice suitability reports,
- Section 3.10.2 for record keeping obligations regarding Internal Audit,

- Section 3.12 regarding accounting records,
- Section 3.13 regarding employees' records.

7. INTRODUCERS ACCEPTANCE AND EVALUATION PROCEDURE

The Company has an introducers acceptance and evaluation procedure in place which ensures that any introducing broker associated with the Company is in compliance with all the requirements of the Law.

7.1 Acceptance Procedure

Before accepting an introducing broker, the following procedure must be followed:

- Gather due diligence documentation as per below list of required documents,
- Ensure that the introducer's documents were received and that they are in compliance with the company's requirements,
- Sign Introducer's agreement,
- Give access to Zeus and provide with email address,
- List his/her name in CySEC's portal.

7.1.1 List of Required Documents for Natural Person

The following documents must be collected when the introducing broker is a natural person:

- Certified copy of passport is required for Introducers not residing in Cyprus. The photograph, personal details, signature, issue date, expiry date, place, issuance date and serial number must be clearly visible,
- If the introducer is residing in Cyprus, the Company can accept a certified copy of driving license, or a national identity card, instead of a certified copy of passport,
- Certified Copy of a recent utility bill, local authority tax bill or a bank statement. The Company won't be accepting utility bills that were issued more than six months before,
- Clear Criminal record.

7.1.2 List of Required Documents for Legal Entities

The following documents must be collected when the introducing broker is a legal entity:

- A certificate of incorporation,
- A certificate of good standing. This document needs to be recent and thus the Company won't be accepting certificates of good standing that were issued more than twelve months before,
- A certificate of registered office,
- A certificate of directors and secretary,
- A certificate of shareholders,
- The memorandum and articles of association,

For trusts

- A copy of the trust deed/agreement concluded between the nominee shareholder and the beneficial owner is required when the registered shareholder act as nominees of the beneficial owner, by virtue of which the registration of the shares on the nominee shareholder's name on behalf of the Beneficial Owner has been agreed.
- Corporate documents to ascertain the legal substance of the trust
- Documents to identify the trustor
- Documents to verify the identity of the trustee
- Documents to verify the identity of the beneficial owners
- Documents to ascertain the source and origin of funds

For each Director of the legal entity, as per the certificate of Directors, the following documents are required:

- A certified copy of passport, when Director is not residing in Cyprus. The photograph, personal details, signature, issue date, expiry date, place, issuance date and serial number must be clearly visible,
- If the Director is residing in Cyprus, the Company can accept a certified copy of driving license, or a national identity card, instead of a certified copy of passport,
- A certified copy of a recent utility bill, local authority tax bill or a bank statement. The Company won't be accepting utility bills that were issued more than six months before.

For each beneficial owner of the legal entity the following documents are required:

- A certified copy of passport, when the beneficial owner is not residing in Cyprus. The photograph, personal details, signature, issue date, expiry date, place, issuance date and serial number must be clearly visible,
- If the beneficial owner is residing in Cyprus, the Company can accept a certified copy of driving license, or a national identity card, instead of a certified copy of passport,
- A certified copy of a recent utility bill, local authority tax bill or a bank statement. The Company won't be accepting utility bills that were issued more than six months before.

7.1.3 Remarks

- Copies of documents may be certified as true copies if the Client is from the EEA or an approved country and apostilled if the Client is from any other jurisdiction,
- Certified (True) Copy means that the person certifying the copy of the document has had sight of the original document at certification and is in a position to certify that the copy is a true and complete copy of the original document. The Company recognises such certifications when made by independent reputable sources. Such sources must be operating in the EEA or an approved country and indicatively include the introducer's Bank, the introducer's Legal Counsel, a solicitor/lawyer or public accountant regulated by a professional body (membership number required). The Company requires that the certification process includes the authenticator stating his name, capacity/position, signature, date and official seal on the documents being certified,
- Documents should be apostilled in accordance with the provisions of the relevant Hague Convention,
- The Company may always and at any time return requesting further information, clarifications and documentation.

7.2 Ongoing Evaluation Procedure

- Carry out spot checks on introducer's due diligence documents,
- Carry out spot checks on introducer's social media and other online sites to ensure compliance with signed agreement,
- Fill in the document "Introducer's Review",
- The above document is reviewed by the Compliance Officer.

7.3 Termination Procedure

- If the Introducer is in breach of the agreement, the Compliance Officer may decide to recommend the enactment of the termination procedure.
- The Compliance Officer must inform the directors about the facts and his recommendation.
- The recommendation must be approved by at least one director,
- The Compliance Officer must inform the introducer via email, post, or fax about the breach identified, the date of the termination and any other relating matter, following terms of the signed agreement,
- The IT department must be informed in order to block all the introducer Company's emails and any other access which has been given to him regarding company's data,
- Make necessary adjustments to CySEC's portal.

APPENDIX A - Internal Procedures Manual Undertaking

All directors and employees are required to acknowledge that they have received, read and understood the manual by signing and dating this undertaking and returning it to the Compliance Officer.

I confirm receipt of the Company's Internal Procedures Manual ("the Manual") including all accompanying documents (Policies and Forms) listed on page 3 and I hereby agree:

1. To conform with the rules and regulations of the Cyprus Securities and Exchange Commission (CySEC),
2. To observe and comply with all the procedures set out in the Company's Internal Procedures Manual and, in case of any doubt concerning the Manual, to consult the Compliance Officer,
3. To comply and co-operate fully with all the requirements or requests made or enforced by or on behalf of CySEC, including, but not limited to, any eventual inspection, investigation or proceeding,
4. That this undertaking extends to any amended or additional requirement that will be subsequently given to me in writing by the Company on this subject.

I also understand and acknowledge that any breach of the above may be treated as serious misconduct and may lead to my dismissal from the company.

Signature: _____

Name: _____

Position: _____

Date: _____

APPENDIX B - Market Abuse Law Summary

Market abuse means both the prohibited use of inside information and the practice of market manipulation.

Inside Information

"Inside information" means information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers (i.e. persons who issue one or more financial instruments) or to one or more financial instruments, including information regarding any takeover offer for a company, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments; being information which a reasonable investor would be likely to use as part of the basis of his investment decisions.

For the purposes of this definition, information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to do so and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments or related derivative financial instruments; for persons charged with the execution of orders concerning financial instruments, inside information shall also mean information conveyed by a client and related to the client's pending orders, which is of a precise nature, which relates directly or indirectly to one or more issuer or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments; being information which a reasonable investor would be likely to use as part of the basis of his investment decisions.

No person shall use inside information to trade in any financial instrument admitted to a regulated market or in any other way to acquire or dispose of, or attempt to acquire or dispose of such financial instrument, whether for his own account or for the account of a third party, either directly or indirectly, if he/she is in possession of information related to such financial instrument by virtue of:

- a. His/her membership of the administrative, management or supervisory bodies of the issuer,
- b. His/her holding in the capital of the issuer,
- c. His/her having access to the information through the exercise of his employment, profession or duties, or
- d. His/her criminal activities.

Any person who possesses inside information by virtue of any of the reasons listed in (a) to (d) above shall be prohibited from:

- i. disclosing inside information to any other person unless such disclosure is made in the normal course of the exercise of his employment, profession or duties, whether or not he knows or has reasonable cause to believe that such person or any other person will make use of the information for the purpose of dealing,
- ii. recommending or inducing another person, on the basis of inside information, to acquire or dispose of financial instruments to which that information relates, irrespective of whether or not the other person knew that information,
- iii. counselling or procuring any other person to deal, on a regulated market in those financial instruments.

The use of the practice known as "front running", including "front running" in commodity derivatives is prohibited.

Market Manipulation

A regulated market is manipulated by disseminating false, exaggerated or misleading information, spreading false rumors, or putting into effect simulated or artificial operations or transactions or orders.

A person shall be deemed to have committed market manipulation if he is responsible for transactions or orders to trade:

- i. Which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of financial instruments, or
- ii. Which secure, by a person, or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level: Provided that no market manipulation shall be deemed to have been committed where the person who entered into the transactions or issued the orders to trade establishes that his reasons for so doing are legitimate and that these transactions or orders to trade conform to accepted market practices on the regulated market concerned,
- iii. Transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance,
- iv. Dissemination of information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to financial instruments, including the dissemination of rumors and false or misleading news, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading.

Without prejudice to the generality of the points above, the following conduct shall be deemed to amount to market manipulation:

- a. conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument which has the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions,
- b. the buying or selling of financial instruments at the close of the market with the effect of misleading investors acting on the basis of closing prices,
- c. taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, or indirectly about its issuer, while having

previously taken positions on that financial instrument and profiting subsequently from the impact of the opinions voiced on the price of that instrument, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way, or

- d. engaging in any activity so as to otherwise manipulate the financial instruments market by the employment of artificial devices, fictitious transaction or other deceptive or manipulative conduct including new patterns of activity which may arise from time to time that in practice constitute market manipulation.

In the case of doubt as to whether particular conduct constitutes Market Abuse, the Compliance Officer should be consulted prior to dealing.

APPENDIX C - The Company's Business Continuity Plan (BCP)

This business continuity plan outlines the measures taken to mitigate the risk of Significant Business Disruption (SBD) to the Company and the course of action for resuming normal operations, in case such an event occurs.

The main objective of the BCP is to outline the procedures for:

- Safeguarding members of staff and Company property,
- Recovering and resuming normal operations as quickly as possible,

1. Preventive Measures Taken to Mitigate the threat of SBDs

There are two kinds of SBDs that may affect the Company:

- Internal: affect only the Company's ability to do business and communicate, such as a fire in the offices, computer crime or a major system breakdown,
- External: prevent the operation of the markets or a number of counterparties, such as a terrorist attack, earthquake, flood, flu epidemic or a wide-scale, regional disruption.

The Company relies heavily on IT systems and thus the main preventive measure taken to mitigate risk is the regular backup of all important electronic data and files. All Company data, files and e-mails are stored on-line. All data and programs can safely and quickly be restored remotely from any location in the event of a failure.

The main SBD events and measures taken to mitigate risk are:

a. Fire

In order to prevent and react to a fire a number of measures have been taken:

- The building is equipped with a fire alarm system and hand-held fire extinguishers,
- Detailed instructions for dealing with fire are present in the Fire Alarm Plan documentation,
- Staff is required to undergo training and demonstrate proficiency in periodic, unscheduled fire drills.

b. Computer Crime

Computer crime is a main threat for a Company that relies heavily on IT systems. The main countermeasures to prevent and react to computer crime events are:

- All systems are protected by a firewall and up to date antivirus,
- All systems are protected by usernames and passwords and all users are required to change their passwords on a regular basis. Invalid access attempts to systems will be monitored through systems logs,
- All systems are backed up on a daily basis. Critical data backups are kept off site.

c. Theft

All files and laptops are locked away at the end of each day. All visitors are signed both in and out of the building. The building has alarm/security systems.

d. External event: Terrorist attack, Earthquake, Flood, Flu epidemic, etc

There can be no preventative measures for such extreme events. In case such a disaster occurs, the members of the Board of Director, after communicating with the relevant government body (police, fire department, civil defence etc) will determine if it is safe to conduct the business from the usual Company's office. If this is deemed unsafe, operations will be resumed from the house of one of the directors after installing the backup from the off-site location. All directors are aware of the procedure to access the off-site online backup.

In case of a situation the Board of Directors will determine to the employees if unsafe to work from office facilities and the period they have to work from home. To make this possible the Company has established online backups of all documents/folders needed on its online drive and the employees have limited access to these folders in accordance with their job position and seniority.

All reporting will be taking place via email or telephone calls and if any additional information or clarification is required their contact person shall be the Heads of the Departments.

The business's main telephone numbers shall be redirected to the mobile phone of the secretary which will be responsible for redirecting the telephone calls to the mobile phones of the appropriate employees/seniors /Directors.

Also, in case of epidemic situations all social activities of the Company or any meetings shall be restricted if such is considered necessary by the Board of Directors.

If the Board of Directors decides not to fully close the offices of the company but to work only with limited number of employees, the number shall not exceed the 20% of the Company's personnel.

2. Procedure following an SBD

Immediately following an SBD, a planned sequence of events begins:

a. Coordination of the BCP

The person responsible (PER) for putting the BCP into act is Andreas Karavias. In case the PER is not available, the most senior member of the management / Board of Directors available will put the BCP into operation.

b. Recovery procedure

The PER will oversee the following sequence of recovery operations:

- If the Company's office is accessible, protect and preserve computer equipment. Remove all storage media (hard drives, CDs, memory sticks) to a safe place away from the disaster site,
- Survey the office and estimate the personnel, material and amount of time required to put it back into working order,
- Start repairing and rebuilding the site as soon as it is deemed safe,
- Assess whether to resume operations from alternative offices if the damage is severe,
- Place orders as soon as possible for new equipment if resources/material cannot be salvaged,
- Assemble salvaged and new components,
- Perform data recovery procedures:
 - Recall backup data from off-site storage,
 - Give priority to restore the operating systems for each terminal/computer,
 - Next, restore data and programs needed for the Company to resume normal operations.

c. Communication with third parties

In the event of an SBD, the PER will ensure that the Company can as soon as possible establish communications with the relevant stakeholders and third parties, including employees, investors, service providers and regulators. The means of communication will depend on the SBD and will include fax, phone, e-mail, letter and courier.

3. Training of Staff

All employees, members of the management and the Board of Directors will be informed of their duties in case of an SBD. At least on an annual basis, the Company will test its ability to restore systems from the off-site online backup. A copy of the BCP will be kept at any time at the Company's registered offices.

4. Updates and Annual Review

The Company will review this BCP annually and update it whenever there is a material change to our operations, structure, business or location.