RISK DISCLOSURE POLICY

Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) in Cyprus, ELIDI Securities Ltd (hereinafter the "Company") is required to disclose to its Clients the risks associated with the Investment Services offered and the relevant Financial Instruments.

1. Introduction

The Clients must be aware of the various risks they are subject to when dealing in the capital markets. The Clients should also obtain regular updates about the direction of global capital markets. It is possible, under various circumstances, to limit or constrain the risk involved in capital market transactions. However, it is not possible to eliminate all risks involved.

The Client must fully understand that investments made or other positions taken in Financial Instruments are at the Client's own risk.

1. General Risks

Every type of financial instrument has its own characteristics and entails different risks depending on the nature of each investment. The price or value of an investment will depend on fluctuations in the financial markets outside the Company's control (and outside the Client's control).

The Client should not carry out any Transaction in any financial instruments unless that Client is fully aware of their nature, the risks involved and the extent of his exposure to these risks. In case of uncertainty as to the meaning of any of the warnings described below, the Client must seek an independent legal or financial advice before taking any investment decision.

The Client should also be aware that:

- the value of any investment in financial instruments may fluctuate downwards or upwards and the investment may even become worthless;
- previous results do not constitute an indication of a possible future return;
- trading in financial instruments may trigger tax and/or any other duty;
- placing contingent orders, such as "stop-loss" orders, will not necessarily limit losses to the intended amounts, as it may be impossible to execute such orders under certain market conditions; and
- changes in the exchange rates, may negatively affect the value, price and/or performance of the financial instruments traded in a currency other than the Client's base currency (currency of the Client's country of residence).

Investing in some financial instruments and particularly derivatives entail the use of leverage. Leverage generally means the use of borrowed capital to multiply gains and losses. Trading in such financial instruments can amplify losses as well as gains with relatively small movement in the underlying market. High degrees of leverage can result to a quick loss of the entire capital or even expose the Client to an additional loss. For this reason, the Company suggests that the Client invests in derivatives only if the Client possesses the necessary knowledge and expertise to carry out such investments.

In some countries companies are permitted to effect over-the-counter transactions. The company with which the Client deals may be acting as the Client's counterparty to the Transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these Transactions may involve increased risks. Over-the-counter transactions may be less regulated or subject to a separate regulatory regime. By undertaking such Transactions, the Client confirms that it is aware of the applicable rules and attendant risks.

2. Risk Types

The Company informs the Clients that the below list of the types of risks is not exhaustive and includes only the most essential risks that the Client may run when concluding Transactions with financial instruments under the Agreement. The Client when conducting Transactions with financial instruments may be exposed to additional risks

2.1. Market Risk

The risk that the value of a portfolio will decrease due to the change in value of the market factors such as stock prices, interest rates, exchange rates and commodity prices. In case of a negative fluctuation in prices, investors in financial instruments run the risk of losing part or all of their invested capital.

2.2. Credit Risk

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations as they fall due.

2.3. Liquidity Risk

The risk of a counterparty although solvent, either does not have available sufficient financial resources to enable it to meet its current and prospective obligations as they fall due or can secure such resources only at excessive cost. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Liquidity risk also arises from the failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

2.4. Operational Risk

The risk of business operations failing due to human, electronic system error or from external events. Operational risk will change from industry to industry and is an important consideration to make when looking at potential investment decisions

2.5. Political Risk

The risk that an investment's returns could suffer as a result of adverse political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control. Investing in sovereign debt securities of developing countries, produces this risk. Due to political or diplomatic circumstances some developing countries that issue lower-quality debt securities may be unable or unwilling to make principal or interest repayments as they become due.

2.6. Currency Risk

The risk of negatively changing of financial instruments' value due to changing of the currency rate to other currencies.

2.7. Operations Risk

The risk of losses as a consequence of the mistaken or illegal actions of the employees of the organised markets, custodians, registrars, clearing organisations in course of settlement of transactions in securities or derivatives.

2.8. Legal and compliance Risk

The risk that can arise as a result of breaches or non-compliance with legislation, regulations, practices or ethical standards.

2.9. Emerging Markets Risk

In emerging markets there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more established markets.

In certain areas, the laws and regulations governing investments in securities and other assets may not exist or may be subject to inconsistent or arbitrary interpretation

3. Financial Instruments

This paragraph describes the most common Financial Instruments available on the market. However, this list is not exhaustive and the Company and its Clients may also consider Financial Instruments other than described in this paragraph.

3.1. Equities or shares

Shares represent a share of ownership in a company. It is the unit in which the share capital of a company is divided in and which provides the shareholder with voting rights. Furthermore, the shareholder is entitled to receive a certain level of the company's earnings (dividend payments) that may arise from the company's operations. Dividends are not guaranteed and a company has the right to decide not to pay a dividend.

The investor may also buy company's shares so that he/she can make a profit from reselling them. However, the return of the investment is not guaranteed because the share's price depends on the company's performance, the evaluation of the market's performance, the existing national and international economic circumstances, the relevant risk of each sector and/or the specific risk for each company. Investing into shares may also entail a risk regarding the dividend payment as well as the potential capital loss. Moreover, trading shares on regulated markets does not guarantee the liquidity of these

3.2. Money market instruments

Money market instruments are usually debt securities which mature in one (1) year or less (treasury bills) and which are usually traded on local money markets. Risks related to this type of instruments are the liquidity risk, interest rate risk and credit spread risk.

3.3. Rights issue

A rights issue is a way to increase the share capital of a listed company by issuing rights to existing shareholders on a proportional basis. Rights are usually issued in organised markets and traded for a specific limited period of time. Rights are treated as high-risk financial instruments as they entail all main types of financial risks. If rights are not exercised until their expiration date, they lose their value.

3.4. Bonds

Bonds are debt securities which represent the issuer's debt towards the investor. When an investor buys a bond, the investor lends a certain amount of money to the bond issuer. Therefore, the bond constitutes a debt towards the lender which must be paid on a specific date specified in the bond documentation. If it is included in the terms of a bond, the borrower is also obliged to pay interest to the bond holder. The interest rate, the frequency of interest payment and the amount of the interest are specified in the bond documentation. Possible bonds' issuers can be the Government, banks, municipalities or companies.

The bond's yield is determined by the difference between the capital paid on the bond's issue date and the amount due at the maturity of the bond. High-yield bonds are bonds with speculative characteristics and which are rated with low credit rating by international credit rating agents. These bonds may carry a coupon that is relatively high to reflect the higher level of risk to investors.

The main risks faced by bond holders are risk of the default of the issuer, liquidity risk, credit spread risk and interest rate risk as the bond's price usually moves inversely to the direction of interest rates changes and/or the credit spreads.

Investments in non-investment-grade or "junk" bonds, which involve significant risk of default or price changes due to changes in the credit quality of the issuer because they are generally unsecured and may be subordinated to other creditors' claims. The value of "junk" bonds often fluctuates in response to company's political or economic developments and decline significantly over short periods of time or during periods of general or regional economic difficulty. During those times, "junk" bonds could become difficult to value or sell at a fair price. Credit ratings on "junk" bonds, if any, do not necessarily reflect their actual market risk.

3.5. Complex bonds

Structured/Complex bonds allow the investor to access other financial instruments, notably shares, through an initial investment in bonds. Common types of bonds that give access to the company's share capital are the following:

3.5.1. Convertible bonds

These bonds can be converted into shares of the issuing company upon request of the bond holder. The bond's maturity and conversion dates are specified in the bond's issue terms where the conversion ratio is defined and where it is specified that the bond issuer has the right to call the bond's early redemption. The bond holder's protection clauses are also described in detail in the bond's issue documentation.

3.5.2. Exchangeable bonds

These types of bonds allow the investor to exchange them with existing shares of a third company. Issuers of such bonds are companies holding shares in other companies.

3.5.3. Bonds redeemable in shares

Such bonds are only redeemable in shares on the issuer's option. The bond holder is exposed to the same risks inherent in shares. The risks entailed in all the above-mentioned instruments are related to their complex nature. For as long as they remain in the investor's possession, the investor is exposed to risks as well as to possible fluctuations and/or volatility of the principal shares' value. After the conversion, exchange or redemption of the bonds, the investors are exposed to risks similar to those of shares.

3.5.4. Callable bonds

These types of bonds allow the issuer to repay early (partially or in full) the principal at a specific date before the bonds' stated maturity date. These bonds are subject to prepayment risk. The issuers of such fixed income instruments may not be willing or able to prepay the principal at the prescribed earlier date, thus prolonging the life of the instrument.

3.6. Warrants

Share warrants constitute an alternative way for an issuer to raise capital. Warrant holders have the right and not the obligation to buy a specific number of shares at an agreed-upon price (exercise price) at specific dates until their expiration. Share warrants do not offer a dividend or any other type of payment and if they are not exercised until their expiration date, they expire and they lose their value. Their trading price is directly linked to the share's performance and, usually, their price fluctuation is higher (as a percentage) than the share's price. Share warrants are treated as financial instruments of higher risk due to severe fluctuations to their value and the higher risks that they entail.

3.7. Derivatives

A derivative is a financial instrument whose value changes in response to the change in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices, a credit rating, or similar variable (the underlying) and that requires no initial net investment or little initial net investment relative to other types of contracts that have similar responses to changes in market conditions and that is settled at a future date.

Common types of derivatives are futures, options and swaps. While some off-exchange markets are highly liquid, transactions in off-exchange derivatives may involve greater risk than investing in on-exchange derivatives (including structured products) because there is no exchange market on which to close out an open position. It may be impossible to liquidate the existing position, to assess the value of the position arising from an over-the-counter transaction.

3.7.1. Options

Options are financial derivatives that offer the buyer the right but not the obligation to buy (call) or sell (put) an underlying instrument (i.e. share or other financial instrument agreed by the parties) at an agreed-upon price (exercise price) before (American-type option) or on (European-type option) specific future date.

The amount the option buyer must pay to the option seller called premium. This payment is made to the seller irrespective of whether the option is exercised or not. Therefore, the maximum risk for the buyer of the option is limited to the premium paid to the seller while the seller's potential risk is unlimited.

3.7.2. Contracts for Differences

Contracts for difference are transactions in relation to shares where it is not necessary for the parties to hold the shares themselves. These are short-term contracts following an agreement between the counterparties and they reflect the performance of a specific share or index. As in the case of shares, potential earnings or losses depend on the difference between the purchase price and the sale price of the financial instrument.

3.7.3. Swaps

In general, a swap is a contract in which two contracting parties swap currency flows or interest rate flows. Swaps are divided into categories based on their type: two most common types of swaps are currency swaps and interest rate swaps.

Currency swaps consist of a double transaction in currency during which one party sells to the other, in cash, an amount in currency and, as counterparty, buys an amount in a different currency. The parties are committed to redeem the amounts upon the expiry date of the contract, increased or decreased accordingly, based on the difference between the interest rates between the two investments, provided that the swaps have equivalent terms for each currency. The basic risk for this type of swaps is related with interest rates and exchange rates.

Interest rate swap. In this case the parties agree to pay, at specific time intervals, amounts that correspond to different interest rates on a given principal. The main risks concern interest rates and the counterparty risk.

3.7.4. Forwards, Futures

A forward is a contractual agreement to buy or sell when due a certain financial instrument (underlying asset) at a specified date and at a determined price (exercise price). A forward constitutes essentially a bilateral agreement between two parties who agreed to proceed to a certain buying and selling on a specific date in the future at a specified price.

A future is a pre-specified forward contract for which the exercise price is traded on the exchange. The exercise price depends on the current price of the underlying asset, interest rates, market expectations and other factors and may differ significantly compared to the current price of the underlying asset.

3.8. Mutual funds, Undertakings for collective investment in transferable securities (UCITS)

Undertakings for collective investment in transferable securities (UCITS) are specially constituted collective investment portfolios the sole object of which is the collective investment in transferable securities and/or other liquid financial instruments of capital raised from the public and which operate on the principle of risk-spreading. Their units are, at the request of investors, redeemed or repurchased, directly or indirectly, out of this undertaking's assets.

Mutual funds are divided into several categories depending on their investment policies and diversification rules: domestic or foreign funds, equity funds, mixed funds, bond funds or cash funds. Depending on the category, mutual funds may entail different risks but may have different performances. Any investment in mutual funds is, amongst others, related to market risk, interest rate risk, default risk and foreign exchange risk.

UCITS can take the form of common funds which are managed by a management company or variable capital investment companies which are managed internally and the function of safekeeping of the assets of UCITS is assigned to a Custodian. The assets of a UCITS are divided into registered units or fractions of units which represent the same percentage of assets of the UCITS and belong in their entirety to the unit-holders. Unit-holders have a share in profits as well as in losses and costs that may arise while managing and investing UCITS's assets.

The net value of a UCITS unit is calculated upon the total UCITS net asset value divided by the number of the existing units. Some of the UCITS' liabilities and expenses include the remuneration of the management company and the Custodian and other expenses and costs arising from the management and administration of a UCITS.

The issue price and the redemption price of a UCITS unit is possible to exceed or to fall short of the net unit value respectively, calculated in accordance with the issue and redemption commissions percentage respectively, according to the UCITS regulation, status or articles of incorporation.

3.9. Collective investment schemes

Collective investment schemes involve an arrangement that enables a number of investors to "pool" their assets and have these professionally managed by an independent fund manager. Investments typically include bonds and shares of listed companies but depending on the type of the scheme, they may include broader investments such as property.

The ability to liquidate certain schemes may be limited, depending on the terms of operation and the long time period of notice required for redemption during which the value of each unit may exhibit high volatility and possibly decrease. It is possible that there is no secondary market for such schemes and hence such an investment may be liquidated only through redemption.

3.10. Structured Products

Structured products are financial instruments in the form of securities or contracts which are adapted to the needs of the Client. These products are identified by one or more of the following characteristics:

- the performance is determined by the underlying instrument or a combination of underlying instruments (interest rates, equities, indices, etc.) or based on a formula
- a leveraged effect
- other characteristics agreed upon the parties such as terms on the redemption or the existence of a guarantee
- a product that does not allow a preliminary request for quote from different financial institutions
- a non-existent secondary market or a secondary which is not liquid

Every structured product has a different risk profile. Due to the large number of possible combinations, it is impossible to describe in detail every structured product's risk.

Before making any transaction in structured products, the Client has to be informed by the Company on the special characteristics of the product and the entailed risks in order for the Client to make informed investment decisions after accepting the terms and the special characteristics of the specific products.

3.11. Hedge Funds

Hedge funds are aggressively managed portfolios of investments that use advanced investment strategies such as leveraged, long, short and derivative positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark).

Hedge funds are considered an investment of higher risk than traditional funds and are suitable for more experienced investors, since they are not regulated and lack transparency. Hedge funds usually invest in risky or illiquid securities and although they target absolute returns, if they fail to manage risk, they may realise significant losses. Beyond the liquidity risk, hedge funds have the ability to leverage which means that a relative small fluctuation in the price of the underlying security may lead to a disproportionately larger fluctuation, favourable or unfavourable, to the value of the investment.

3.12. Foreign Exchange Trading

Engaging in foreign exchange (FX) trading (buying one currency in exchange for another) exposes the Client to the risk of adverse changes in exchange rates. Exchange rates can be volatile and are driven by a variety of factors affecting the economies of the jurisdictions whose currencies the Client is trading.

The "gearing" or "leverage" often obtainable in foreign exchange (FX) trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of the Client's investment, and this can work against the Client as well as in its favour. Some foreign exchange (FX) transactions have a contingent liability which means that the Client may be liable for margin to maintain its position and a loss may be sustained well in excess of the premium received.

The Client may sustain a total loss of any margin it deposits with the broker to establish or maintain a position. If the market moves against the Client, the Client may be called upon to pay substantial additional margin at short notice to maintain the position. If the Client fails to do so within the time required, the Client's position may be liquidated by the broker at a loss and the Client will be responsible for the resulting deficit.

The insolvency or default of the Client's broker/dealer, or that of any other dealers involved with a foreign exchange (FX) transaction, may lead to positions being liquidated or closed out without the Client's consent. In certain circumstances, the Client may not get back the actual assets which the Client lodged as collateral and the Client may have to accept any available payments in cash.

3.13. Exchange Traded Funds (ETFs)

Exchange Traded Funds ("ETFs") are securities that track an index, a commodity or a basket of assets like an index fund, but trade like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold. An investment in ETFs exposes investors to the same risks as the underlying securities plus the risk of loss of liquidity in this ETF.