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# ELIGIBLE COUNTERPARTY TERMS OF BUSINESS

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Effective Date 5 November 2018

# DEFINITIONS

**Business Day** means any day on which banks are open for business in the City of Dublin except Saturdays and Sundays.

**Cantor, we, us or our** means Cantor Fitzgerald Ireland Ltd.

**CAR or “Client Asset Regulations”** mean the relevant client assets sections of the MiFID Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(i)) (Investment Firms) Regulations 2017 and any other relevant legislation in relation to client assets, as may be amended or superseded from time to time.

**CCP** means central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb the loss. This reduces the amount of counterparty risk that market participants are exposed to.

**CBI** means the Central Bank of Ireland, the Financial Regulator in Ireland with responsibility for prudential regulation and supervision of MiFID Investment Firms (including conduct of business) authorised in Ireland and the provisions of MiFID relevant to the financial services market in Ireland.

**CFD** means Contracts for Difference, a type of Financial Instrument.

**Client Assets** means, collectively, your money or funds and your investments as defined in the CBI's Guidance on Client Assets Regulations.

**Complex Financial Instruments** means any financial instrument other than a non-complex instrument as defined by Regulation 33(9) of the European Union (Markets in Financial Instruments) Regulations 2017.

**Contract Note** means a document which confirms the details of your transaction and act as an invoice for that transaction.

**CPC** means the CBI's Consumer Protection Code which offers protection to consumers and this code can be found on the CBI's website [www.centralbank.ie](http://www.centralbank.ie).

**CSD** means Central Securities Depository, which is a financial institution that custodies securities and provides securities settlement services to one or more markets. When settling a transaction on your behalf Pershing Securities International Limited (“PSIL”) may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.

**Effective Date** means the date from which this Terms and Conditions Booklet, including related appendices, is effective, as noted on the front page of this Terms and Conditions Booklet.

**Eligible Counterparty** means an entity that is an investment firm, credit institution, insurance company, UCITS and its management company, pension fund and its management company, other financial institution authorised or regulated under the law of the European Union or under the national law of a Member State, national government and its corresponding offices including a public body that deals with public debt at a national level, central bank or supranational organisation.

**Financial Instrument** means any “financial instrument” or structured deposit as defined in the MiFID Regulations and any investment instrument as defined in the Investment Intermediaries Act 1995.

**Investment Objective** means three broad categories of Investment Objective: Capital Growth; Income or Income and Capital Growth.

**ISE** means the Irish Stock Exchange

**LEI** means Legal Entity Identifier, a 20-digit, alphanumeric code based on the ISO 17442 standard assigned to clearly and uniquely identify a legal entity (e.g. companies, charities and trusts) participating in financial transactions;

**LSE** means the London Stock Exchange.

**MiFID** means Markets in Financial Instruments Directive 2014/65/EC of the European Parliament and of the

Council of 15 May 2014 and Commissions Regulation (EC) No 600/2014 of 15 May 2014 and any applicable implementing EU Legislation, delegated acts (directives and regulations) technical standards and including without limitation the European Union (Markets in Financial Instruments) Regulations 2017 and any CBI regulations, notices, guidance notes, codes of conduct issued thereunder.

**MiFID Regulations** means the European Union (Markets in Financial Instruments) Regulations 2017.

**Netting** means the process under which PSIL and/or the counterparty, CCP, CSD or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.

**Non-Complex Financial Instruments** means any financial instrument as specified and defined by Regulation 33(9) of the European Union (Markets in Financial Instruments) Regulations 2017.

**PRIIP** means a packaged retail or insurance-based investment product as defined under the European Union Regulation No. 1286/2014 on key information documents for packaged retail and insurance-based investment products.

**Professional Client** as defined by MiFID Regulations means a client that has been categorised as a Professional Client

**PSIL** means Pershing Securities International Limited.

**Retail Client** means a client that has been categorised as a Retail Client by Cantor and who is not a Professional Client.

**SSI** means yours or Cantor's Standard Settlement Instructions.

**Terms** means this Terms and Conditions Booklet, including related appendices.

**Time shall be of the essence** in relation to any payment, delivery or other obligation you have to PSIL means that PSIL shall be entitled to terminate these Terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

**Transaction** means a contract in an investment or any other contractual arrangement or confirmation entered into between you and us, executed or arranged through us money not immediately required to settle an investment transaction.

**Uninvested money** means money not immediately required to settle an investment transaction.

The use of "you" and "your" in any of these Terms includes any joint account holder(s), personal representatives, permitted assignees, novates and successors. These Terms apply to the services as selected by and provided to you as set out herein.

# ELIGIBLE COUNTERPARTY TERMS OF BUSINESS

This agreement outlines the terms and conditions (the “Terms”) under which Cantor Fitzgerald Ireland Ltd (“Cantor”) is willing to transact with you in relation to the business covered by these Terms. Upon completion by you and acceptance by us, these Terms will constitute a contract, legally binding and enforceable.

Specific transactions may be subject to separate documentation (including ISDA Master Agreements, other master netting agreements or other facility documents), the terms of which shall prevail over the Terms to the extent of any inconsistency.

The Terms shall apply to all new and existing clients of Cantor from the Effective Date. For existing clients, the Terms shall supersede all previous agreements entered into between you and us.

These Terms should be read in conjunction with Cantor’s Conflicts of Interest Policy Summary and the Risk Disclosure Statement (all as provided to you in these Terms, receipt of which you have acknowledged), and together form the basis on which Cantor will transact with you.

## Regulatory status

Cantor’s registered office is 75 St. Stephen’s Green, Dublin 2. Cantor Fitzgerald Ireland Ltd is a Member Firm of the Irish Stock Exchange (“ISE”) and the London Stock Exchange (“LSE”).

Cantor is authorised by the Central Bank of Ireland (“the CBI”), P.O. Box 559, Dublin 1. Contact details for the CBI: Tel: +353 1 224 6000, Fax: + 353 1 671 6550. In addition, the CBI has the following public helpline: Lo-Call: 1890 777 777 or + 353 (0) 1 224 5800 and may also be contacted via the following email address: enquiries@centralbank.ie.

## Contact details

**Dublin:** 75 St. Stephens Green, Dublin 2.

Tel: +353 1 633 3800.

Bond Desk: +353 1 633 3882

Bond Desk Trade Support: +353 1 633 3812.

You may contact Cantor on any of the above numbers.

Alternatively, you may email any query to Cantor at ireland@cantor.com.

Please see our Privacy Notice on our website at [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie) for information in relation to how we collect personal information about you, how we use it

and how you can interact with us about it. Please note that this may change from time to time.

We will communicate with you in English.

You must ensure that Cantor can communicate with you when deemed necessary by Cantor. It is your responsibility to provide Cantor with the most up to date contact information and to provide Cantor with a valid current correspondence address at all times.

The provision by you of an e-mail address for the purposes of carrying on business with us acknowledges that we may communicate with you by means of electronic communications.

Markets in Financial Instruments Directive 2014/65/EC (“MiFID”) services are provided pursuant to Cantor’s MiFID authorisation and are accordingly not subject to the CBI’s Consumer Protection Code (“CPC”).

Cantor is subject, in relation to certain non-MiFID services, to the CBI’s CPC, which offers protection to consumers and this code can be found on the CBI’s website [www.centralbank.ie](http://www.centralbank.ie).

Cantor provides stockbroking and related investment services and is an authorised product producer.

## 1. Dealing Service – Eligible Counterparty

Under these Terms, Cantor will deal as principal and not as agent on your behalf, as an Eligible Counterparty, in relation to any of the Financial Instruments in accordance with these Terms and to the extent permitted by the MiFID Regulations. The services which we may provide to you under these Terms are general dealing services in Financial Instruments.

### Financial instruments

We will deal as principal in the below listed financial instruments and investment instruments as Eligible Counterparty in providing you with general dealing services. Financial instrument means any financial instrument as defined by the European Union (Markets in Financial Instruments) Regulation 2017 (“MiFID Regulations”) and any investment instrument as defined by the Investment Intermediaries Act 1995 (“Financial Instruments”).

### Non-complex Financial Instruments

Non-complex Financial Instruments include;

- (i) Shares admitted to trading on a regulated market, an equivalent third country market or a multi-lateral trading facility, where these are shares in companies (except shares in non-Undertakings for Collective Investment in Transferable Securities (“UCITS”) and shares that embed a derivative);
- (ii) Bonds and other forms of securitised debt admitted to trading on a regulated market, an equivalent third country market or a multi-lateral trading facility and money market instruments (except those that embed a derivative);
- (iii) Shares or units in UCITS (except structured UCITS);
- (iv) Structured deposits; and
- (v) Other non-complex financial instruments as may be determined by us from time to time.

### Complex Financial Instruments

Complex Financial Instruments include;

- (i) Warrants to subscribe for the investments at (i) and (ii) above.
- (ii) Options or futures on (i), (ii) and (iii) above, including options on an option.
- (iii) Other derivative instruments including contracts for differences and exchange traded options.
- (iv) Private equity, unlisted stock, unlisted debt notes and bonds and alternative investments.
- (v) Commodities.
- (vi) Certain investments in collective investment schemes including hedge funds.
- (vii) Shares or stock in Irish or foreign companies which are not listed on a regulated market or are highly illiquid.
- (viii) Any other Financial Instruments as may be determined by us from time to time.

As an Eligible Counterparty, and in accordance with MiFID Regulations, we are not obliged to undertake an appropriateness assessment.

### Short positions

A short position will arise if you contract to sell investments which you do not own, or do not have authority to sell or cannot deliver to the market by the agreed settlement date. With the exception of derivatives, we will not agree to sell any investments on your behalf if we reasonably believe that a sale may result in you incurring a short position. You agree you will not instruct us to deal when the transaction would mean that you incur a short position. If you do give such an instruction you will be in breach of your obligation under this Clause and we may without the need for prior communication with you buy the relevant investments to

cover our obligation to deliver the investments. You agree we may recover from you any reasonable expenses incurred by us in doing so.

Where specific terms apply to an investment you must consider these before investing.

## 2. Categorisation

In accordance with the MIFID Regulations and based on the information available to Cantor, we have categorised you as an Eligible Counterparty and you will be treated as such in respect of all business we may conduct with or for you under these Terms.

As an Eligible Counterparty we will proceed on the basis that there are no specific or general investment objectives to which we should have regard when dealing with you and in accordance with the MiFID Regulations, we are not obliged to undertake an appropriateness assessment.

In accordance with the MiFID Regulations, Eligible Counterparties receive a lower level of protection than Professional Clients and Retail Clients.

You have the right to request a different client categorisation as a Retail or Professional Client, meaning that certain additional rights and protections will be afforded to you. If you request to be categorised as a Professional Client, we may require you to enter into an updated agreement as a condition to any such recategorisation, in order to reflect (among other things) such additional rights and protections. Similarly, if you request to be categorised as an Eligible Counterparty but would otherwise be categorised as a Professional Client, we will only categorise you as an Eligible Counterparty if we are satisfied in our sole discretion that you meet the relevant criteria in accordance with the MiFID Regulations. If at any time we are not satisfied that you meet the relevant criteria, we may not be able to provide our services to you. You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation as an Eligible Counterparty. If you request to be categorised as a Retail Client, we may not be able to provide our services to you.

A Professional Client is not entitled to any compensation under the Investor Compensation Act and Cantor can make certain assumptions about a Professional Client when determining suitability and appropriateness that it cannot make for a Retail Client.

Cantor reserves the right to refuse any request for a change of categorisation.

### 3. Our charges

You will pay our and Pershing Securities International Limited (“PSIL”) charges as agreed with you from time to time or we may deduct such charges from any funds held by us on your behalf. Charges will include any applicable tax, duty and fees and all other liabilities, late settlements charges, costs and expenses payable in connection with Transactions effected on your behalf.

#### Payments to be free of charges:

Unless otherwise agreed, all monies payable by you to us in respect of any Transaction will be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law.

In that event, unless otherwise agreed in writing prior to the execution of any Transaction, you will pay such additional amounts as will result in the net amounts receivable by us (after taking account of such withholding or deduction) being equal to such amounts as would have been received by us had no such taxes or duties been required to be withheld or deducted.

Withholding/deduction: You acknowledge that we are entitled without notice to you to withhold or deduct tax amounts from any payments, dividends, interest or any other sums due from your account and make notifications and or disclosures required to be made to revenue authorities in respect of your account.

We will send you, at least annually, a statement detailing the total costs and charges applicable to your account during the relevant reporting period and illustrate the effect of those costs and charges on the value of your portfolio. A more detailed breakdown of these costs and charges will be available on request.

### 4. Settlement and Custody Relationship with Pershing Securities International Limited

Cantor has entered into an agreement with PSIL on behalf of Cantor and each of Cantor’s clients whereby PSIL has agreed to provide settlement, safe custody, nominee and associated services for clients whom Cantor introduces to PSIL. PSIL may itself or through one of its affiliates also provide additional services such as investment dealing services as Cantor may from time to time agree with PSIL.

PSIL is authorised and regulated by the CBI and is a member of the Irish and London Stock Exchanges. PSIL is incorporated in Ireland, company number 367098 and has its registered office at Riverside Two, Sir John Rogerson’s Quay, Grand Canal Dock, Dublin 2

(Telephone number: +353 1 900 7900; www.pershing.ie).

The current terms and conditions of PSIL and the principal terms of the agreement with them (“the Pershing Agreement”) are set out or summarised below.

By acceptance of these Terms, you agree that:

- (i) Cantor is authorised to enter into the Pershing Agreement on your behalf as your agent as summarised in these Terms;
- (ii) acceptance of these Terms will constitute the formation of a contract between you and Cantor and also between you and PSIL and that you will be bound by the terms of the Pershing Agreement and the terms and conditions of PSIL (as summarised in these Terms) accordingly;
- (iii) Cantor is authorised to give instructions and provide information, co-operation, assistance, data and documents concerning you to PSIL (on which PSIL shall be entitled to rely on any such instructions or information without further enquiry);
- (iv) PSIL is authorised to hold cash and investments for your account and to transfer cash or investments from your account to meet your settlement or other obligations to PSIL;

Under the Pershing Agreement you will remain a client of Cantor’s but will also become a client of PSIL for settlement and custody purposes only.

As set out in these Terms, Cantor retains responsibility for compliance and regulatory requirements regarding its own operations and the supervision and operation of your account and generally for Cantor’s ongoing relationship with you. In particular, Cantor remains responsible for approving the opening of accounts and compliance with anti-money laundering legislation and regulations. PSIL is not responsible to you for those matters and, in particular, PSIL neither provides investment advice nor gives advice or offers any opinion regarding the suitability or appropriateness of any transaction or order and relies on information provided to it by Cantor in respect of all such matters. PSIL does however retain responsibility for compliance and regulatory requirements with regard to Client Assets pursuant to the Client Asset Regulations, as amended, replaced or supplemented from time to time (the “Client Assets Regulations”). Client Assets are never held directly by Cantor except where they have been received as part of the settlement process.

PSIL shall (unless otherwise separately notified to you by them) adopt the same Eligible Counterparty classification in relation to you, as determined by Cantor, and rely on information provided to them by Cantor as to that classification. We will notify you in writing if there is any change in this position.

Where you are acting as agent on behalf of another (whether disclosed to Cantor or not) you will be, and at all times remain, liable to PSIL as principal in relation to any transactions which are to be performed under these Terms and PSIL will treat you as its client under the CBI's rules. You agree that you will be liable to PSIL jointly and severally with any such underlying person in respect of all obligations and liabilities arising from instructions given to PSIL.

PSIL shall open and maintain one or more account(s) on its books in your name in connection with the services to be provided by PSIL under these Terms. Any cash and investments delivered by you or held for your account shall be recorded in such account(s).

PSIL may, in its absolute discretion, cease to provide any services under these Terms and close any such account(s) maintained in your name, for example in the following circumstances:

- (a) if PSIL is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
- (b) if PSIL is not able to provide the services effectively or providing the services would materially adversely affect PSIL's operation;
- (c) where you are in material breach of these Terms or Cantor is in material breach of the Terms of the Pershing Agreement;
- (d) if providing the services to you or to Cantor in relation to your account will have a materially adverse effect on PSIL's reputation; or
- (e) if your liabilities in relation to your account, and amounts owing by you to PSIL, exceed or are likely to exceed the value of the cash and investments PSIL holds for you.

We will notify you if PSIL chooses to exercise this discretion and the reasons for its decision unless Cantor or PSIL are prevented from doing so by some legal or regulatory constraint.

You may at any time when there are no outstanding obligations owed by you to PSIL, give notice in writing to Cantor to stop receiving services from PSIL and close your accounts with PSIL.

If either you or PSIL decide to close your accounts with PSIL you will need to give instructions on the future custody of your money so that PSIL can transfer your money (after deducting amounts owed to it) to your new custodian.

In the absence of actual notice in writing to the contrary received from Cantor in sufficient time to prevent the processing of any instructions, PSIL shall be entitled to rely upon and act in accordance with any instruction which PSIL believes in good faith to have been given by

Cantor. PSIL reserves the right to take such action as it considers appropriate in the event that it has sought instructions from Cantor and Cantor has failed to respond within a reasonable time. PSIL will not be responsible for any delays or inaccuracies in the transmission of any instructions or other information due to any cause outside PSIL's reasonable control.

We will provide instructions to PSIL electronically or by telephone. We will agree with you the arrangements for the communication of any orders and instructions by you to us (see Clause X).

PSIL will only accept orders or instructions to make any payment where either:-

- (a) payment is directly connected to an investment (including, but not limited to, any sale or purchase amount, any dividend or income payment, any subscription amount and any associated tax payment or reclaim or other fee or charge); or
- (b) payment is to an account at a financial services provider (including any bank, broker, wealth manager, or financial wrapped products provider) in your name.

Further details of permitted payments can be obtained from us.

PSIL may, in its absolute discretion, refuse to accept any order or other instruction for your account(s). We will inform you if PSIL refuses to accept an instruction and the reasons for its decision unless we or PSIL are prevented from doing so because of any legal or regulatory constraint.

You should direct all enquiries regarding your account to Cantor and not to PSIL.

Unless otherwise agreed with PSIL, Cantor shall be responsible for the execution of any transactions on your behalf. PSIL shall not owe you any duty of best execution under the CBI's rules or otherwise with respect to any such transactions executed by Cantor.

In some circumstances Cantor may transmit orders to an affiliate of PSIL, Pershing Securities Limited ("PSL") for it to execute for your account. In such circumstances, Cantor has agreed that Cantor, rather than you, shall be PSL's client for the purposes of the CBI's rules.

## **5. Settlement of Transactions and Payment of Fees**

All transactions will be due for settlement in accordance with market requirements (as shown on the relevant contract note or advice). These settlement terms will vary dependent upon the market and securities dealt in. The contract note will specify the settlement date. You undertake to ensure that all investments and other documents of title and/or transfer forms that are

required, and/or any relevant cash balance are delivered, transferred or paid to PSIL (or to PSIL's order) in reasonably sufficient time on or before the contractual settlement date to enable PSIL to settle the transaction and that all cash and investments held by, or transferred to PSIL will be and remain free from any lien, charge or encumbrance. All payments due to PSIL will be made without set-off, counterclaim or deduction.

You acknowledge that in settling transactions on your behalf, PSIL is acting as agent on your behalf and that PSIL will not be responsible for any default or failure on the part of the other party to the transaction (the "counterparty") to a transaction or of any depository or transfer agent and delivery or payment by the counterparty will be at your entire risk.

You acknowledge that you shall not have any rights in respect of any cash or investments that are due to be received pursuant to a transaction and that PSIL shall have no obligation to account to you for any such cash or investments until you have performed your obligations in relation to such transactions and PSIL, as your agent, has been able to settle the transaction. PSIL shall, without further notice to you, be entitled to sell or otherwise dispose of any such investments and apply any proceeds or any such cash received by PSIL under a relevant settlement in discharge or reduction of any of your obligations in relation to such transactions.

PSIL is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason PSIL does credit cash or investments to your account earlier than this and PSIL reasonably considers that irrevocable and unconditional settlement is unlikely to take place then PSIL will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.

In some cases, transactions will be subject to netting. "Netting" means the process under which PSIL and/or the counterparty, CCP, CSD or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.

"CCP" means central counterparty, which is typically an institution that acts as an intermediary between two market participants. The seller of a security sells to the central counterparty. The central counterparty simultaneously sells to the buyer. This means that if one party defaults then the central counterparty will absorb

the loss. This reduces the amount of counterparty risk that market participants are exposed to.

"CSD" means central securities depository, which is a financial institution that is custodian of securities and provides securities settlement services to one or more markets.

When settling a transaction on your behalf PSIL may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.

You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP, CSD or agreement with the counterparty. You acknowledge that if net settlement takes place then PSIL will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.

If any transactions is undertaken on your behalf on non-Irish or non-UK markets they shall be subject to the rules of the relevant overseas exchange, clearing system or depository and any terms of the foreign agent or custodian employed by PSIL, including but not limited to any right of reversal of any transaction (including any delivery or redelivery of any investment and any payment) on the part of any such entity or person.

Where transactions are due for settlement in a currency other than your base currency, in order to ensure that the foreign currency is available for settlement on the relevant settlement date, Cantor may obtain an exchange rate, and/or may execute any required foreign currency transaction, with PSIL. You should note that PSIL may act in a principal capacity in relation to any such foreign currency transaction, and/or may act in conjunction with a group company in this respect.

Time shall be of the essence with respect to any payment, delivery or other obligation of yours to PSIL.

"Time shall be of the essence" in relation to any payment, delivery or other obligation you have to PSIL means that PSIL shall be entitled to terminate these Terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.

### **Taxation**

You are responsible for the payment of all taxes, duties, costs and registration fees incurred in relation to your account and the provision of the service by Cantor.

There is no guarantee that the tax advantage promoted as part of any investment will remain in existence. Additionally, the levels and bases of taxation may change.



Cantor does not provide taxation advice and you should obtain all necessary taxation advice in respect of the operation of your account and any investment you make. Cantor will not have any liability in relation to any taxation arising on any investments or transactions made on your behalf.

You may be exempt from certain types of taxation. It is your responsibility to provide Cantor with all necessary information to verify or demonstrate that that you are exempt and to enable an exemption to be effected or obtained. Cantor will not provide advice on any exemptions and will have no liability to you in relation to the claiming or obtaining of any exemption and shall not be liable for any loss that may arise as a consequence of the non availability or failure to obtain any exemption.

From time to time either Cantor or PSIL will make deductions in respect of taxation due from investments made or transactions entered into for you, and make notifications or disclosures required to be made to revenue authorities on such investments and transactions or in respect of your account. Cantor and PSIL will use their reasonable efforts to make such deductions, notifications and disclosures correctly, but in no event shall Cantor or PSIL be responsible for or accept any liability in respect of any such deductions, notifications and disclosures or any actions taken by any revenue authority in respect of them.

## 6. Client Money

Your money will be held by PSIL as client money, in accordance with the Client Assets Regulations, which among other things, require PSIL to hold your money in a client bank account with one or more Qualifying Money Market Fund, Eligible Credit Institutions, Eligible Custodians or Relevant Party, as such terms are defined in the Client Assets Regulations, (collectively referred to in these Terms as "Eligible Third Party").

Your funds will be segregated from PSIL's own funds and will be held in an account designated as a Client Money account. The Eligible Third Party may hold your money with other clients' money in a pooled account and you hereby consent to such pooling. The effect of pooling is described in Clause X.

PSIL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Third Party (other than a central bank) where your money is deposited and for the arrangements for holding your money (such as which credit institutions are used and the amount of client money deposited with the credit institution) but provided PSIL has exercised the due skill care and diligence referred to above, PSIL shall not be responsible for any acts, omissions or default of any such Eligible Third Party.

If Cantor receives a client cheque or other payable order that is within scope of the Client Asset Regulations, Cantor immediately passes the cheque or other payable order to the client or PSIL as applicable and in accordance with the Client Asset Regulations.

PSIL may hold your money in a different currency from the currency of receipt where PSIL does not hold a client account denominated in the currency of receipt and it is unduly burdensome for PSIL to open such account. You acknowledge that you shall bear the exchange risk in relation to any currency which is so held by PSIL on your behalf. Client money in a foreign currency may be held with an Eligible Third Party in the country of origin, including countries outside Ireland. This may arise where you have undertaken a Transaction in a Financial Instrument which is, or may be, denominated in that currency or is registered or tradable in that country, or where such Financial Instrument is held in that country. PSIL may hold an equivalent amount in Euros or Sterling protected in an account with an Eligible Third Party within Ireland. Please refer to Clause X below in relation to the consequences of client money being held overseas.

Currency exposures can arise in respect of Transactions and it is your responsibility to ensure that all necessary currency designations are correctly set up for your account for all investments. Cantor shall have no liability in respect of any loss in respect of currency holdings. Cantor has no obligation to notify you of currency exposures or profit or loss movements.

PSIL is part of the BNY Mellon group of companies and may use a group bank to hold client money on your behalf subject to any requirements regarding such use in the Client Assets Regulations.

Further details on how your money is held is provided via our Client Assets Key Information Document ("CAKID") which is held on our website at [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie).

## 7. Custody of Investments

Acceptance of these Terms confirms the appointment of PSIL as your custodian and provides authority for PSIL to hold your investment in safe custody, to transfer securities from your account to meet Transactions affected for your account, acceptance of offers, or other matters covered by these Terms.

Where you have elected to use the safe custody services of PSIL, your investments will not be registered in your own name. Documents of title to your investments shall be held in physical or dematerialised form by PSIL or an Eligible Third Party. Your investments will be held in a safe custody account designated as a Client Asset account and will be

registered either in the name of a nominee company owned by PSIL, a member of PSIL's group, an exchange which is a regulated market or an Eligible Third Party, in accordance with the Client Assets Regulations.

PSIL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Third Party and the arrangements for holding and safekeeping of your investments. In exercising such due skill and care, PSIL undertakes an initial due diligence of such Eligible Third Parties which is then repeated on an annual basis. Such due diligence includes, but is not limited to, credit risk review, the review of the legal and regulatory framework in the country where such Eligible Third Party is appointed to act for PSIL and a review of the service provided to PSIL. Notwithstanding the foregoing, PSIL shall not be responsible for any acts, omissions or default of any such Eligible Third Party save where such a default is caused by fraud, wilful default, or negligence on the part of PSIL or its nominee company.

PSIL may use the services of any custodian, securities depository, clearing or settlement system, any participant in such a system or any associate of PSIL, (each an "Third Party Custody Providers") to provide custody services in relation to your investments. PSIL may also appoint sub-custodians (including sub-custodians overseas) being eligible custodians, to hold investments for your account on such terms as PSIL considers appropriate.

PSIL may use any intermediate brokers or settlement agents (including non Irish brokers) or a Third Party Custody Provider in relation to Transactions effected hereunder and passes money or investments held for your account to such brokers or settlement agents.

Although PSIL will seek to ensure that adequate arrangements are made to safeguard your ownership rights, especially in the event of its own insolvency, your investments may be at risk if an Eligible Third Party becomes insolvent.

Cantor does not accept liability or responsibility for the acts or omissions of the custodians or for the safe custody obligations of any third party (including any Eligible Third Party).

In the event that you instruct Cantor in writing that investments purchased through Cantor and PSIL be held in certificated form in your name or be registered in the name of some other person whom you specify (other than PSIL, Cantor, their agents or nominees), you will bear the risk and responsibility for the holding and registration of such investments. PSIL shall, where it has agreed to do so, administer any such investments in accordance with the provisions of these Terms.

You consent to the fact that your investments may be registered either in the name of an eligible nominee wholly owned by PSIL, a member of PSIL's group, an exchange which is a regulated market, or an Eligible Third Party, in accordance with the CBI's rules. Additionally, you consent to the fact that overseas investments may be registered or recorded in the name of an Eligible Third Party or in the name of PSIL, in one or more jurisdictions outside of Ireland where, due to legal requirements or the nature of market practice in the jurisdictions concerned, it is not in your best interests or it is not feasible to do otherwise. Please refer to Clause 8 below in relation to the consequences of your investments being held overseas.

When your investments (including any money held in connection with the settlement of transactions) are held by an Eligible Third Party, such Eligible Third Party may have rights against your investments, arising out the operation of local law, local regulatory rules, or market practice which may include:

- (a) security rights over them including but not limited to a mortgage or charge;
- (b) rights to withhold or retain them, such as by way of a lien;
- (c) other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
- (d) rights to be paid any or all of the proceeds of a transaction involving the asset.

PSIL has agreed with Eligible Third Parties that such rights as set out in this Clause 7 are limited to those in respect of debts arising out of (i) properly incurred charges and liabilities arising from the safekeeping, administration and provision of services (including the settlement of transactions as set out in Clause 5) with respect to the investments held by the Eligible Third Party; or (ii) arise under the rules of a CSD, CCP or local settlement system.

Please note the details provided in Clauses 8 and 9 as well as the consequences of your default as set out in Clause 12, which may cause an Eligible Third Party to exercise their rights as set out in this Clause 7. Eligible Third Party reserve or create such rights as part of agreeing to settle and/or hold your assets on behalf of PSIL or as part of the settlement process for Transactions Cantor has entered into on your behalf. You hereby consent to such security rights being created by or granted to the Eligible Third Party.

Your investments will be segregated from investments belonging to PSIL. Investments registered or recorded in the name of an Eligible Third Party may be pooled with those of one or more of PSIL's or Cantor's other clients. The effect of pooling is described in Clause 9 below.

PSIL may use a wide range of Eligible Third Parties globally to hold your investments. Where PSIL uses another group company, the details of such group company are as follows: The Bank of New York Mellon whose registered address is at 225 Liberty Street, New York, New York 10286, USA ([www.bnymellon.com](http://www.bnymellon.com)).

All instructions regarding the administration of investments held by or to the order of PSIL on your behalf should be made in writing to Cantor, for onward transmission to PSIL.

Cantor does not accept from, or send instructions to third parties, unless a valid power of attorney has been established for this purpose.

PSIL will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing in relation to investments held by or to the order of PSIL. Cantor will be responsible for instructing PSIL to:

- (i) Exercise conversion and subscription rights;
- (ii) Deal with rights issues, takeovers or other offers or capital reorganisations;
- (iii) Exercise voting rights.

PSIL will account to you promptly for all dividends, interest payments and other rights accruing to you and will pay these to you in accordance with the instructions you provide to Cantor. The consequences of a failure on your part to provide instructions to Cantor by the stated time once notification has been given are entirely your own responsibility.

All dividends/corporate actions will be applied in Euro unless otherwise specified at the time of opening your account.

All dividends paid on Irish and UK equities held in PSIL's nominee company will be net of Dividend Withholding Tax (DWT), if relevant, unless you have claimed DWT exemption by completing and returning to Cantor, a valid DWT exemption form. Clients eligible for DWT exemption would include: companies, pension schemes, charities, non-resident individuals, etc. DWT exemption forms can be obtained by contacting Cantor's Client Services Department.

All dividends paid on foreign equities are paid net of DWT charged at the underlying tax rate of the relevant country and net of DWT at the underlying tax rate in Ireland.

PSIL or any eligible nominee or custodian may, if required to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from dividend or interest payments received. You shall reimburse PSIL any costs incurred by PSIL or any eligible nominee or custodian in complying with its obligations to apply withholdings or deductions.

Some companies provide benefits to shareholders relating to the nature of their business, including the provision of annual reports and the re-investment of dividends into the company's securities. These benefits will not necessarily be available to you automatically, where your investments are registered in the name of a nominee company. Should you wish to receive these additional benefits, you should make the necessary arrangements with Cantor.

As your investments are held on a pooled basis, from time to time various amounts may arise in relation to your investments (for example, following certain corporate actions) that would not otherwise have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts. PSIL reserves the right to refuse to hold any investments on your behalf but PSIL will advise of its decision to do so and the reasons for such decision unless precluded from doing so owing to any legal or regulatory constraints.

Cantor does not provide safe custody arrangements for the holding of share certificates in client's own names. Where the firm receives share certificates either from clients or on behalf of clients as a result of share transactions the firm immediately passes them to the client or relevant settlement agent. In such cases the firm maintains a log of all receipts and dispatch of share certificates.

Further details on how your investments are held is provided via our CAKID which is held on our website at [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie).

## **8. Holding or Transfer of Client Assets outside Ireland**

You acknowledge that PSIL may hold your Client Assets with, or undertake a Transaction for you which require PSIL to pass your assets to, an Eligible Third Party located outside Ireland. In such circumstances the legal and regulatory regime applying to such Eligible Third Party and your rights in relation to the Client Assets held in such manner may be different to that which would apply if such client assets were held by an Eligible Third Party in Ireland. In the event of a default or failure of that Eligible Third Party the Client Assets may be treated differently from the position which would apply if the Client Assets were held by an Eligible Third Party in Ireland.

Where you undertake transactions in investments in Jurisdictions outside Ireland or the EEA, such investments, by their nature may require, in order to effect settlement of your transaction, that the investment is held in a country that may not impose specific regulation covering the safekeeping of investments. Subject to PSIL, satisfying itself that the arrangements

for the holding of your investment in such market by the Eligible Third Party it appointed are adequate (based on the due diligence referred to in Clause 7), PSIL will deposit such investment with such Eligible Third Party notwithstanding the risks outlined in this Clause 8.

You hereby consent, by accepting these Terms, to your Client Assets being held or passed to an Eligible Third Party outside Ireland as described above.

## 9. Pooling of Your Client Assets

Your assets may be held by PSIL or Eligible Third Parties with other Clients' Assets as part of a common pool so you do not have a claim against specific assets; your claim is against the Client Assets' pool in general.

In the case of any such pooled client account PSIL will:

- (i) ensure that such account is in the name of PSIL, is designated as a client account and that PSIL is entitled to issue instructions in respect of such accounts;
- (ii) obtain from the Eligible Third Party with whom the Client Assets are lodged, acknowledgement that the account is a client account containing Client Assets; and
- (iii) comply with the Client Assets Regulations regarding Client Assets, which include requirements to reconcile client accounts daily, in the case of client funds by the end of the following business day and at least monthly in the case of investments within ten business days of the date to which the reconciliation relates and the requirement to ensure that the amount of Client Assets, which PSIL holds on your behalf is at least equal to the amount which PSIL should be holding for you.

PSIL shall keep a record of your entitlement to your investments in situations where PSIL or an Eligible Third Party have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of Cantor, of PSIL or of the Eligible Third Party. In such a situation you should note the following effects and by accepting these Terms you expressly acknowledge and accept the following:

- (a) your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
- (b) in the course of settlement of transactions from the omnibus account (due to the nature of such holding and the operation of settlements into and from an omnibus account) circumstances could arise whereby your assets as held in the pool are used to satisfy the transaction of another client whose assets are also held in the omnibus account. You

hereby consent to such use. You should note that PSIL has in place systems and controls to reduce the occurrence of such events and to mitigate the risk to you from such circumstances as required under the Client Assets Regulations;

- (c) if there is an irreconcilable shortfall following any loss by, or default of, PSIL or the Eligible Third Party then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other investors;
- (d) sometimes PSIL will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances PSIL may, in accordance with the Client Assets Regulations, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
- (e) if a share issue or other corporate event favoured the small investor (as defined by the issuer making the issue or creating the corporate event) your actual allocation may be less than it would be if your investments were registered in your own name; and
- (f) sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.

You hereby consent, by accepting these Terms, to the holding of your Client Assets in a pooled account as described above.

## 10. Collateral and Margin Arrangements

PSIL will hold Client Assets deposited as collateral separately from other Client Assets already retained by PSIL on your behalf, or may pass them to an Eligible Third Party.

Collateral held will not be registered (where applicable) in your own name but will be registered in accordance with Clause 7. Collateral belonging to you will be held separately from collateral belonging to PSIL.

Circumstances may arise where PSIL is required to deposit your collateral with, pledge, charge or grant a security arrangement over the collateral to an Eligible Third Party. Such circumstances may include (but not exhaustively) where you have entered into a margined or contingent liability transaction, and where cover for any margin calls is required. You hereby consent to PSIL depositing your collateral with, or pledging, charging or granting a security arrangement over such collateral to, an Eligible Third Party where this is

required for the purposes of any relevant transaction or arrangement.

You hereby acknowledge and agree that where investments that have been pledged or transferred to an Eligible Third Party, and have been used for the purposes of covering margin calls or other such liabilities, you may not receive back the same investments, and may receive back different investments or a cash equivalent amount.

In the event of your default, it may be necessary to sell any investments held by PSIL as collateral to meet any liabilities arising on your account. Any part of the proceeds of the sale of the investments held as collateral, or any money held by PSIL which is to be used as collateral, which exceeds the amount owed by you to PSIL, will be pooled with money or investments of other clients. The effect of pooling is described in Clause 9.

Cantor is responsible for maintaining appropriate arrangements with PSIL at all times for the communication of margin calls. If PSIL is unable to contact Cantor having taken all reasonable steps to do so, or either you or Cantor fail to comply with any obligations to provide margin to PSIL, PSIL may, without further notice, take such steps and exercise such rights as it considers necessary to protect its position. Such steps may include, without limitation, closing out or liquidating transactions or positions, invoicing back or otherwise settling early any transaction or selling or realising any collateral or other property held on your behalf, or terminating its relationship with you. Without prejudice to any other rights or remedies (including its right to do so earlier) PSIL will, in any event, close out transactions or positions in relation to which any margin call remains outstanding for 5 business days.

In accordance with the Client Asset Regulations, PSIL confirms that it shall not:

- (i) use your investments held by PSIL as security for PSIL's own obligations;
- (ii) use your funds (client money) held by PSIL as security for PSIL's own obligations; or
- (iii) use your investments and/or funds (including those deposited as collateral) as security for the obligations of another client or another person;

Unless you have provided your prior written consent and (in the case of sub-clause (iii) above) an appropriate legally binding agreement has been put in place to cover such use.

In the event that you wish to enter into securities financing transactions with PSIL, a separate agreement setting out terms for securities financing transactions will be executed with you.

## **11. Receipt of Your Orders and Instructions, Telephone Recordings and Other Communications**

We are entitled to act on any instructions you may provide to us and we shall be under no obligation to confirm instructions in writing.

We reserve the right to require that instructions can only be given in a particular way. Where we consider that we require instructions in writing from you, you agree to provide such instructions within the timeframe prescribed.

If any instructions are received by us orally we may ask you to confirm such instructions in writing. However, we shall be authorised to follow instructions notwithstanding your failure to confirm them in writing.

We can only cancel your instructions if we have not yet acted upon them. We may, but shall not be obliged to, accept instructions to enter into a Transaction. If we decline to enter into a proposed Transaction, we shall not be obliged to give a reason but we shall notify you promptly.

Cantor does not accept from, or send instructions to, third parties, unless a valid original power of attorney has been provided by you and accepted by Cantor for this purpose. Whilst there is a power of attorney in force, Cantor will only accept investment instructions from the power of attorney. It is your obligation to notify Cantor in writing, by email or telephone, if a power of attorney has been rescinded.

All instructions issued to Cantor by you will be on an execution only basis, and Cantor understands that no such instruction will be issued unless you are acting either on your own behalf as principal, or on the authorised instruction of your client(s), and if so, have full authority to both issue the instruction to transact, and also to issue the relevant, timely and correct instruction to the relevant clearer or settlement agent to ensure prompt settlement within the terms of each executed Transaction. Cantor will hold you liable for the delivery of any monies or securities required to be delivered as a result of the instruction, and for any loss arising to Cantor as a result of delays or other issues caused by the absence of any such required authority. By entering into these Terms you specifically accept this liability.

All telephone conversations, including those held by mobile phone, and any electronic communications are recorded to confirm accuracy of instructions received and for legal, regulatory and training and quality control purposes. Cantor may ask you security questions to verify your identity and if you are not in a position to answer the questions Cantor may not be able to act on your instructions.

In accordance with regulatory requirements, Cantor will retain all telephone records (including mobile) and any electronic communications for a period minimum of five years and, where requested by a regulator such as the CBI, for a period of up to seven years.

Cantor shall be entitled to rely on instructions, which we reasonably believe to be from you, your agent or any lawfully appointed attorney on your account (whether verbal or written) and which we have accepted in good faith without further enquiry. Our voice records will be accepted by you as conclusive evidence of the instructions, orders or conversations recorded. Our recordings shall be and remain our sole property. The recordings may also be used as evidence in any proceedings involving Cantor.

For the avoidance of doubt, we do not accept responsibility for any losses arising from delays or non-receipt of orders by Cantor. It is your responsibility to contact Cantor immediately, when you observe that an order has not been executed or rejected within a reasonable timeframe.

It is your responsibility to ensure that the instruction is lawful and does not amount to insider dealing, market manipulation or is a breach of any securities law or other law or regulation.

If you are a legal entity, we will require you to provide us with an LEI before a transaction can be executed.

The hours of business for which we provide telephone dealing services will be published on our website [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie).

## 12. Confirmations of Transactions

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Save where you are made aware to the contrary, we shall send you trade confirmations via an electronic platform.

We shall send you confirmations of the details of the Transactions at the end of the trading day for any Transactions that we have executed on your behalf on that trading day. It is your responsibility to inform us of any non-receipt of a confirmation, or whether any confirmations are incorrect before settlement. Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within one Business Day of despatch to you or we notify you of an error in the confirmation within the same period.

## 13. Applicable Regulations

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All Transactions will be subject to the Regulations and the rules, customs, orders and procedures of any Regulated Market, OTF, MTF or any other exchange or clearing house as are in force from time to time through

which the Transactions are executed and/or cleared, and to all other applicable law, rules and regulations as are in force from time to time (collectively, the "Applicable Regulations") so that:

- if there is any conflict between the provisions of these Terms and any Applicable Regulations the latter will prevail;
- we may take or omit to take any action we consider fit in order to comply with any of the Applicable Regulations. For the avoidance of doubt, we shall not be required by you to do anything that would, in our opinion, infringe any Applicable Regulations to which we are subject; and
- all Applicable Regulations and whatever we do or do not do in order to comply with them will be binding on you.

## 14. Master Documentation and other Agreements

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Each Transaction may also be subject to the terms of any other agreement between us pursuant to which we are executing that Transaction including any ISDA Master Agreement or other master netting agreement, mandate or other facility document. The terms of such agreements shall take priority over these Terms, but shall not take priority over any Applicable Regulations.

## 15. Best Execution

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As an Eligible Counterparty, we do not owe the duty of best execution.

## 16. Regulatory Reporting

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We will provide details of all your Transactions which we are required to report to national competent authorities or make public in accordance with the MiFID Regulations. You acknowledge and agree that we are required to disclose such Transaction related information and that all such information held by us shall be our sole and exclusive property.

You agree to provide us with all information we may reasonably require for the purpose of complying with our obligations under Applicable Regulations and acknowledge that we reserve the right not to enter into any Transactions with you until we are in receipt of such information.

Where you receive and transmit an order relating to a Financial Instrument to us, we shall be under no obligation (unless expressly agreed otherwise) to report the transaction resulting from the order concerned or transmit the order details to another investment firm in accordance with the MiFID Regulations.

We and you shall, before concluding outside the rules of a Trading Venue any Transaction in a Financial Instrument between you and us (whether acting as, or on behalf of, the buyer or seller thereof), confirm to each other whether each is a Systematic Internaliser in respect of the relevant Financial Instrument.

For the avoidance of doubt, where we undertake foreign exchange transactions with you which have a settlement date greater than the trade date plus two days, then such transaction may be subject to certain post-trade transparency reporting requirements. Where you believe that such transaction should not be subject to such post-trade transparency reporting requirements for any reason, then you must advise us at the time of execution in order that such transaction can be correctly classified as such.

You agree to inform us if you are aware or become aware of any change to the information provided to us under this Clause 8.

## 17. Default Rights and Remedies

If you fail to pay cash or investments (as relevant) when due to meet any settlement obligations or if you otherwise fail to meet any of your other obligations to Cantor or PSIL then you should be aware that there will be certain consequences as a result of such failure, as further described in the remainder of this Clause 17.

You will not have a right to title or interest in any cash or investments received for your account. Neither Cantor nor PSIL will have any obligation to deliver or account to you for any such cash or investments and Cantor and PSIL will be entitled to retain any such cash or investments until such time that you have met your payment or delivery obligations.

In the event of Cantor or PSIL not receiving either cash or investments when due or in the event of you not taking all such steps as may be necessary to secure the due and prompt execution and settlement of any such Transaction (or if Cantor or PSIL reasonably considers that you have not or are unlikely to perform your obligations under these Terms) Cantor or PSIL may cancel, close out, terminate or reverse all or any contracts and sell, charge, pledge or otherwise dispose of any investment held for you, at whatever price and in whatever manner Cantor or PSIL see fit in Cantor's or PSIL's absolute discretion, (without being responsible for any loss or diminution in price), and may enter into any other transaction, or do, or not do anything (including the setting-off or application of client or other monies held for you) which would, or could have the effect of reducing, or eliminating any liability under any transaction, position or commitment undertaken for you.

For the avoidance of doubt, any asset held for you can be realised in order to discharge any obligation you have to Cantor or PSIL, including any investment held in safekeeping by PSIL, and investments held in the course of settlement. Cantor or PSIL reserves the right to take any such action required to reduce or eliminate any liability arising on your account without prior recourse to you.

Neither PSIL nor Cantor shall be liable to you in respect of any choice made by PSIL or Cantor in selecting the investments sold. The proceeds of sale (net of costs) will be applied in or towards the discharge of your liabilities and PSIL or Cantor will account to you for any balance. In the event that such proceeds are insufficient to cover the whole of your liabilities, you will remain liable for the balance.

You hereby authorise Cantor and PSIL to set-off, transfer or apply (without prior notice) any indebtedness, liabilities or obligations of Cantor or PSIL to you in or towards the satisfaction of any indebtedness, liabilities or obligations or any sum that is due from you to Cantor or PSIL in any respect whatsoever (whether or not expressed in the same currency and including, without limitation, any payment of fees or charges due to Cantor or PSIL and payments pursuant to any indemnity).

In exercising any right or remedy pursuant to these Terms:

- a) Cantor and PSIL shall have the right at any time without notice to combine and/or consolidate all or any of your accounts maintained with Cantor or PSIL or any connected company in such manner as Cantor or PSIL may determine, subject to any restrictions under the Client Assets Regulations; and
- b) Cantor and PSIL are authorised to effect such currency conversions and enter into such foreign exchange transactions with, or on behalf of you, at such rates and in such manner as PSIL may, in its absolute discretion, determine.

You acknowledge and accept that in exercising any right or remedy pursuant to these Terms, Cantor and PSIL will be acting on their own behalf rather than executing your orders.

If you fail to pay Cantor or PSIL any amount when it is due, we reserve the right to charge interest on the overdue amount at a rate which fairly reflects the increased risk for us but not exceeding 3% above the prevailing base rate. Such interest will accrue daily until Cantor and PSIL receive full payment.

Cantor and PSIL or their agents, as appropriate, shall be entitled to full reimbursement of any costs or reasonable expenses that they incur in exercising any default rights or remedies. You hereby irrevocably and unconditionally appoint Cantor and PSIL as your agents to execute or

procure the execution of any documentation for the purposes set out above.

## 18. Liability and Indemnity

Neither Cantor, PSIL nor their respective directors, employees or agents shall be liable for any loss or damage suffered by you as a direct or indirect result of the provision by Cantor or PSIL of its services or the exercise of their rights hereunder, save that nothing in these Terms shall exclude or restrict liability of PSIL or Cantor resulting from the negligence, fraud or wilful default or contravention of the CBI's rules and regulations or other applicable law on the part of such parties. Neither Cantor nor PSIL, in any event, will be liable for any indirect or consequential loss. Neither Cantor nor PSIL will be liable for any loss that is a loss of profit or loss or damage to business or reputation. Neither Cantor nor PSIL shall have any liability for any market or trading losses you may incur.

You undertake to indemnify Cantor, PSIL and each of their respective directors, employees and agents ("Indemnified Persons") on an after-tax basis against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than Cantor's and PSIL's respective corporation tax) which are caused by:

- (i) the provision by Cantor and/or PSIL of their services;
- (ii) any breach by you of any of these Terms;
- (iii) any default or failure by you in performing your obligations to make delivery or payment when due;
- (iv) any representation or warranty given by or on your behalf being untrue or misleading in any respect;
- (v) any defect in title or any fraud or forgery in relation to any investments delivered to Cantor or PSIL by or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments;
- (vi) the exercise by any CCP, CSD or any Market of any of their rights or the application of their respective default rules; and
- (vii) the operation of any provision of the agreements entered into between PSIL, Pershing Securities Limited, Pershing Limited, a CSD and a CCP and/or the rules of the ISE and/or the LSE as required by the relevant CCP or Market.

However, nothing in these Terms shall exclude or restrict any liability which Cantor or PSIL have to you under any applicable law or regulatory requirement and which cannot be excluded or restricted by agreement by reason of any applicable law or regulatory requirement,

and the provisions of these Terms which purport to exclude or restrict any such liability shall not apply to the extent that such liability may not be so restricted or excluded.

Neither Cantor nor PSIL shall have any liability for any circumstance or failure to provide any service if such circumstance or failure results from any event or state of affairs beyond the reasonable control of Cantor or PSIL, including, without limitation, any failure of communication, settlement computer or accounting systems or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action or the suspension of trading by any exchange or clearing house or any fire, flood or other natural disaster. In any such circumstances, any of Cantor's and PSIL's obligations shall be suspended pending resolution of the event or state of affairs in question.

The provisions of this Clause 18 shall continue to apply notwithstanding the fact that Cantor and/or PSIL cease to provide services and shall be in addition to any other right of indemnity or claim of any Indemnified Person whether pursuant to these Terms or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

In the event that you have a Contracts for Difference ("CFD") exposure and you are on a margin call with the CFD provider and the position is not closed out or settled by the CFD provider (including due to insufficient funds), then Cantor will have no liability for any losses incurred by you due to such non settlement or non closure.

## 19. Data Protection

In Ireland, both Cantor and PSIL are registered as Data Controllers with the Office of the Data Protection Commissioner.

Please see Cantor's Privacy Notice on our website at [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie) for information in relation to how we collect personal information about you, how we use it and how you can interact with us about it. Please note that this may change from time to time.

Cantor and PSIL may store, use or otherwise process personal information about you which is provided by you or, or in the case of PSIL, us on your behalf. The purposes for which Cantor and PSIL can store, use or process such personal information are providing investment and other services under these Terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes of credit and anti-money laundering enquiries or assessments. In Ireland, both Cantor and PSIL operate and have



made all the appropriate notifications in accordance with applicable data protection legislation.

Any information that Cantor and PSIL hold about you is confidential to you and will only be used in connection with providing services under these Terms (as set out in more detail in Cantor and PSIL's published respective privacy notices). Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Cantor and PSIL will only disclose your information to third parties in the following circumstances:

- (a) if required by law or if requested by any regulatory authority or exchange having control or jurisdiction over you, us or PSIL (or any associate of us or PSIL);
- (b) to investigate or to prevent fraud, market abuse or other illegal activity;
- (c) in connection with the provision or services to you by us or PSIL;
- (d) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
- (e) if it is in public interest to disclose such information; or
- (f) at your request or with your consent.

The restrictions on the use of confidential information described above are subject at all times to a general proviso that Cantor and PSIL may disclose your information to certain permitted third parties including members of their own respective groups (associates) and their respective professional advisors (including accountants and lawyers) who are subject to confidentiality codes.

Neither Cantor nor PSIL will sell, rent or trade your personal information to any third party for marketing purposes unless you give express consent.

You should note that by signing or otherwise accepting these Terms you agree that Cantor and PSIL are allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as Ireland. However, Cantor and PSIL will always take steps to ensure that your information is used by third parties only in accordance with Cantor's and PSIL's respective privacy policies.

You are entitled to a copy of any information Cantor and PSIL holds about you (for which we may charge an administration fee where permitted by law). To request such information you should direct your request in

writing to Cantor at [PrivacyIreland@cantor.com](mailto:PrivacyIreland@cantor.com) or to the Head of Compliance, Cantor Fitzgerald Ireland, 75 St. Stephen's Green, Dublin 2. You should let us know if you think any information PSIL or Cantor holds about you is inaccurate and we will, or will ask PSIL to, correct it.

You may have other rights in relation to your personal data which apply in certain circumstances and which are described in more detail in our Privacy Notice. You may exercise any of your data protection rights by writing to us using the abovementioned contact details. We are entitled to take any reasonable steps necessary to establish your identity in relation to any amendment, access or deletion requests and may, at our discretion, require proof of identity or other documents from you before proceeding with any such request.

By agreeing to these Terms you acknowledge the processing of your information in accordance with this Clause 19.

## 20. Record Retention

In accordance with legal and regulatory requirements, Cantor will retain your records, for the minimum periods we have outlined in our Privacy Notice on the Cantor website. These periods may be changed by force of law, regulatory requirement or agreement amongst you, Cantor and PSIL.

## 21. Anti-Money Laundering Obligations

We are required by law to obtain evidence of identity, along with other information we consider necessary, for anti-money laundering, anti-terrorist financing, fraud prevention purposes and to comply with any other legal or regulatory obligations that may apply to us in respect of our clients. In this regard, you will be required to provide us with specific identification and other information at the time you request us to open an account for you and at such other times as we may request throughout the duration of our business relationship with you. Where you request payment of monies from your account, Cantor reserves the right to request updated information, deemed necessary by Cantor at its discretion, to satisfy its regulatory requirements.

Until such information is provided to Cantor, we will not be in a position to provide services to you and we reserve the right at all times and in our absolute discretion to close your account.

We may take whatever action we consider appropriate to meet our obligations, either in Ireland or elsewhere in the world, relating to the prevention of money laundering, terrorist financing or fraud and to the provision of financial and other services to persons who

may be subject to sanctions. This action may include, but is not limited to, investigating and intercepting payments into and out of your account and making enquiries to establish whether a person is subject to sanctions. This may result in delay or failure to execute instructions received from you or in the receipt of cleared funds. You acknowledge and agree that, we shall not be liable for any loss, damage or other liability suffered by you or any third party which arises as a result of taking such action.

We reserve the right to refuse to accept a lodgement to your account.

We reserve the right at all times and in our absolute discretion not to open an account.

We may require you to provide us with accurate and up to date information and documentation that we consider necessary in order to provide our services to you in accordance with our legal and regulatory obligations.

If you fail to provide us with this information and or documentation we may not be able to provide you with our services or may only be able to provide a restricted service to you. You acknowledge and agree that we shall not be liable for any loss, damage or other liability suffered by you or any third party which arises as a result of taking such action.

You must inform us immediately in the event that any of your personal details subsequently change. Any such changes must be communicated to us in writing (together with certified copies of relevant evidence validating such changes as communicated to you upon being informed of changes in your personal details).

## 22. Investment Research and Marketing Communications

### Investment research

Our in-house research department issues research across a range of sectors. As our client you may have access to such research reports and other market analysis information that may be available. In addition we may receive research from external parties which we use to formulate our investment decisions. Such reports are available solely for information purposes and the provision of them do not constitute an offer or solicitation to buy or sell securities. Such research does not constitute investment advice and has been prepared without regard to your individual financial circumstances and objectives. The securities and/or investment strategies discussed in the reports may not be suitable or appropriate for all investors. Information about how we manage our conflicts in relation to research is provided in our Conflicts of Interest Policy, a summary of which is included as part of these Terms and published on our website [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie). You agree that

we will not be liable where you rely in whole or in part on any statements, representations or other contents of such research reports and other market analysis information in connection with any investment decision made by you.

### Marketing communications

Cantor also issues other investment related recommendations, opinions and market and investment commentary and analysis, covering a range of sectors that do not constitute investment research under the MiFID Regulations and is therefore classified as marketing communications. This means;

- (a) it has not been prepared in accordance with the legal requirements designed to promote the independence of investment research;
- (b) it is not subject to the restrictions on the receipt and payment of investment research under the MiFID Regulations; and
- (c) it is not subject to any prohibition on dealing ahead of the dissemination of investment research.

As our client you may have access to this information and other marketing communications.

You understand that while we may provide such reports or analysis to you, or otherwise make this information available to you, this is solely for information purposes and does not constitute an offer or solicitation to buy or sell securities. Such information does not constitute investment advice and has been prepared without regard to your individual financial circumstances and objectives. The securities and/or investment strategies discussed in the reports may not be suitable or appropriate for all investors.

You agree that we will not be liable where you rely in whole or in part on such investment recommendations and/or investment analysis information in connection with any investment decision made by you.

## 23. Conflicts of Interest

For full information on conflicts of interest, please refer to our Conflicts of Interest Policy Summary, which is included in these Terms. This document is also available on the Cantor website at [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie).

Amendments to Cantor's Conflicts of Interest Policy Summary will be made on the Cantor website. You acknowledge and deal with Cantor on the basis that when we are dealing for you, we, an associated company or some other person connected with us, may have an interest, relationship or arrangement that is relevant to that investment, transaction or service. We have arrangements in place to identify any conflicts of interest that may arise. Notwithstanding this, potential conflicts of interest may arise in the course of Cantor

providing services to you, and in accordance with our Conflicts of Interest Policy, we will take all reasonable steps designed to prevent or manage such conflicts from adversely affecting your interests.

PSIL or its associates may provide services or enter into transactions in relation to which PSIL or its associates have, directly or indirectly, a material interest or a relationship of any description with a third party which may involve a conflict of interest or potential conflict of interest with you. PSIL or any of its associates may, for example:

- (i) be the counterparty to a transaction that is executed by PSIL (whether or not involving a mark-up or a mark-down by PSIL or its associates);
- (ii) have a (long or a short) position in the investments to which any instructions relate; or
- (iii) be connected to the issuer of the investment to which any instructions relate.

PSIL may place money held for your account with a bank (in accordance with the Client Assets Regulations) and earn interest and retain some or all of that interest payments from such bank.

PSIL does not permit its employees to offer, give, solicit or accept an inducement, or to direct or refer any actual or potential activity to another person, if it is likely to conflict to a material extent with any duty that PSIL owes to you.

A summary of PSIL's conflicts policy is set out on its website at [www.pershing.ie](http://www.pershing.ie) under "compliance disclosures".

You acknowledge that Cantor, PSIL nor any of its associates are required to disclose or account to you for any profit made as a result of acting in any manner described above.

## 24. Errors on Your Account

We reserve the right to correct any errors we have made in connection with your account and without your approval.

## 25. Complaints

If you have a complaint you should notify our Head of Compliance in the first instance and we will deal with your complaint promptly. Please address your correspondence to the Head of Compliance, Cantor Fitzgerald Ireland Limited, 75 St. Stephen's Green, Dublin D02 PR50.

If your complaint concerns an aspect of the service provided to you by PSIL or (if applicable) PSL and you wish to copy your complaint to PSIL directly, copies should be sent to the Compliance Officer, Pershing

Securities International Limited, Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2.

Where you make a complaint both we and PSIL will endeavor to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your letter within 5 business days. The acknowledgement sent will include a full copy of our or PSIL's internal complaints handling procedure depending on the nature of the complaint. Upon resolution of your complaint we or PSIL will send you a final response letter, which sets out the nature of our response of any proposed resolution, and any appropriate remedy.

Cantor's complaints policy is available on our website, [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie).

## 26. Amendment of these Terms

Cantor and PSIL reserve the right to alter these Terms at any time, upon giving of no less than 10 business days' notice in advance (or such greater period if required by a relevant code). Cantor will notify Clients of changes to these Terms by posting updates on its website, [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie). You should, therefore, periodically refer to this website for updates. By agreeing to these Terms you are deemed to have consented to the provision of information in this form and you are deemed to have consented to any alteration to these Terms if Cantor does not receive notification otherwise from you in writing within the time that the changes were notified to you and their coming into effect. No amendment will affect any order or transaction or any legal rights or obligations that may already have arisen. For certain non-MiFID Services, clients will be notified separately in accordance with the Consumer Protection Code.

## 27. Termination

Either you or Cantor may terminate these Terms by sending the other party prior written notice (expiring on the date specified in such notice) without prejudice to any outstanding rights or obligations incurred prior to such expiry.

Termination shall not affect any legal rights or obligations that may already have arisen and shall be without prejudice to any Transactions already initiated.

In the event of termination, any unsettled Transactions will be closed out, settled or delivery effected and Transactions in progress at the date of termination will be settled in the normal way except where otherwise provided in other documentation relating to such Transactions.

In any case where we close out any Transaction and/or terminate these Terms, we will be entitled to receive from you all fees, costs, charges, expenses and liabilities accrued or incurred under these Terms up to the date of such close out or termination (as the case may be) including any additional expenses, charges or losses reasonably and properly incurred in closing out any Transactions and/or terminating these Terms.

Any calculation of such expenses, charges or losses etc. shall take into account any close out and netting arrangements in any relevant documentation (including, for the avoidance of doubt, the ISDA Master Agreement) relating to a terminated or closed out Transaction which arrangements shall, for the avoidance of doubt, prevail.

## 28. Exclusion

Nothing in these Terms shall impose upon Cantor any obligations to execute or undertake any transaction on your behalf and we may refuse to execute any transaction at our sole discretion.

## 29. Severable

Each of the provisions of these Terms is separate and severable and enforceable. If at any time any Clause is or becomes invalid, illegal or unenforceable, this will not affect the validity, enforceability and legality of any of the other remaining Clauses of these Terms.

## 30. Notices

Any notice to be given by you or us shall, subject to any express provision in these Terms be given or notified in writing and shall be posted or delivered or sent by facsimile or electronic transmission. Any notice given by post will be deemed to be given five Business Days after posting and any notice given by delivery, facsimile or electronic transmission will be deemed given upon delivery, facsimile or transmission (as the case may be). In proving service of notice, it shall be sufficient to prove in the case of delivery by post that the correct communication details were affixed and in the case of delivery by facsimile or electronic transmission that it was delivered to the correct destination.

All notices shall be deemed correct, conclusive and binding on you unless objection in writing is received by us within five Business Days of receipt thereof by you.

Our current contact details are shown within these Terms unless we inform you otherwise. We will assume that your address is that shown on your account opening documentation unless you inform us otherwise in writing.

## 31. Provision of information

Certain information will be made available to you via our website [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie) and by agreeing to these Terms you consent to the provision of information by means of Cantor's website.

Information contained within Cantor's website [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie) is provided in accordance with and subject to the laws of the Republic of Ireland. Those laws govern the conduct and operation of Cantor's website. The courts of the Republic of Ireland have exclusive jurisdiction over all claims or disputes arising in relation to, out of, or in connection with our website, the information contained within and its use.

Cantor's website is not intended for distribution to, or use by, any person in any country where such distribution or use would be contrary to local law or regulation. None of the services or investments referred to in these Terms are available to persons resident in any country where the provisions of such services or investments would be contrary to local law or regulation.

The information provided in Cantor's website is subject to change without notice and is continuously updated. Cantor reserves the right in its sole discretion to cancel, terminate, or suspend its website, or any information contained within, at any time and without prior notice.

Cantor's website may provide hypertext links to sites which are not operated, controlled or maintained by Cantor. We do not accept responsibility for the content of any of these websites or for any loss or damage arising either directly or indirectly as a consequence of you accessing them.

PSIL may provide the following information to you via their website [www.pershing.ie](http://www.pershing.ie) (under the "disclosures" section). Such information may be amended from time to time by PSIL:

- (a) General disclosures of information about PSIL, its services and disclosures relating to such services in general;
- (b) Information concerning the safekeeping of investments and money held by PSIL or any of its appointed Eligible Third Parties;
- (c) Information on costs and charges;
- (d) Information relating PSIL's order handling and conflicts of interest;
- (e) PSIL's privacy policy covering the processing of any personal data under the relevant data protection legislation; and
- (f) Disclosures and policies containing general information in relation to the services provided by PSIL to you which PSIL is required to publish or

which is addressed to the generality of its clients  
(excluding amendments to these Terms)

Neither Cantor nor PSIL will provide information via their website that includes any confidential information or personal data relating to you.

## **32. Governing Law**

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These Terms will be governed by the laws of the Republic of Ireland and all parties will submit to the non-exclusive jurisdiction of the Courts of the Republic of Ireland.

# CANTOR FITZGERALD IRELAND LTD

## CONFLICTS OF INTEREST POLICY SUMMARY

Effective Date 3 January 2018

### 1. Introduction

This document contains a summary of Cantor's Conflicts of Interest Policy.

Cantor is committed to identifying, with reference to the specific investment services and activities and ancillary services carried out by or on behalf of Cantor, the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of its clients. Equally, in response, Cantor will take all reasonable steps designed to prevent or manage such conflicts from adversely affecting the interests of its clients.

Cantor will identify and record all conflicts of interest, wherever possible, that arise in the course of providing its investment services and activities and ancillary services, examples of which may include between:

- Cantor and the interests of one or more clients;
- Cantor Employees and the interests of one or more clients;
- The Group to which Cantor belongs and one or more clients; or
- Two or more Cantor clients.

Cantor has an obligation to establish, implement and maintain an effective conflicts of interest policy.

The purpose of this document is to provide a summary of Cantor's Conflicts of Interest Policy. In many cases, Cantor will operate additional procedures that will be described in other policy documents and in business line operating procedures documents, in order to implement the Conflicts of Interest Policy at a detailed level.

### 2. Identification of Conflicts of Interest

Procedures for identifying conflicts operate at two key levels:

- (1) It is the responsibility of all Employees in all business lines of Cantor to be aware of the potential for conflicts of interest to arise within Cantor's operations. They receive training to create awareness of conflicts and of Cantor's responsibilities, as its clients' agent, to manage conflicts appropriately. Where they believe they may have identified a conflict, Employees are required to report details to Cantor's Compliance department.

Employees involved in the oversight of activities carried out on behalf of Cantor's clients by a third

party such as a delegate or counterparty are required to report identified conflicts in the same way.

- (2) The governance arrangements of Cantor have been established to provide oversight of Cantor's duties with regard to conflicts of interest. Conflicts of interest management practices are reviewed by Cantor's Board of Directors via a written report from Cantor's Compliance department.

**WARNING: Where Cantor does not consider that arrangements that it has in place are sufficient to ensure with reasonable confidence that a potential or actual conflict of interest will not damage your interests, we will inform you of the nature of the conflict, the risks that arise due to this conflict and the steps undertaken by Cantor to mitigate these risks, in sufficient detail to enable you to take an informed decision with respect to how you wish to proceed.**

### 3. Analysis and Prevention or Management of Conflicts of Interest

Where Cantor identifies a potential or actual conflict of interest arising in the provision of its investment services and activities and ancillary services, Cantor analyses and records the following information on its conflicts of interest register:

- Details and type of conflict;
- How the conflict could lead to a risk of damage to the interests of their clients; and
- What organisational and effective arrangements have been put in place to prevent the conflict of interest from adversely affecting the interests of their clients; or
- If required as a matter of last resort, confirmation that disclosure has been clearly made to the relevant clients, detailing the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on behalf of those clients.

Cantor has considered the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of its clients.

In response, Cantor has adopted procedures and measures in order to prevent or manage such conflicts from adversely affecting the interests of its clients, examples include, but are not limited to:

- Implementing policies and procedures that either limit practices that result in conflicts or prescribe operating practices that provide proper handling of clients' interests;
- Assessing the potential for conflicts when creating or changing reporting lines and job descriptions including whether they could compromise controls achieved through segregation of duties or through our three lines of defence risk management model;
- Assessing the potential for conflicts when new clients, new products, new systems or procedures are being introduced, or where there are reorganisations of business lines – e.g., assessing the potential for conflicts that may arise as part of Cantor's product distribution approval process, including analysing for any potential conflicts of interest each time a product is proposed for distribution, which is formally reviewed as part of Cantor's Product Governance process;
- Recognising that in instances where we service our clients using services provided by other parts of the Cantor global group that we need to be satisfied that conflicts of interests are appropriately managed in such instances;
- Implementing policies and procedures to prevent or control the simultaneous or sequential involvement of a relevant person in separate services or activities;
- Implementing remuneration policies to prevent or manage conflicts arising from Cantor's remuneration and other incentive structures;
- Implementing appropriate segregation of duties, reporting lines and governance structures to prevent or limit any person from exercising inappropriate influence;
- Implementing policies and procedures to prevent or manage conflicts arising from Cantor's research content and related distribution processes; and
- Implementing effective procedures to prevent or control the inappropriate exchange of information, which could include a physical barrier, document classification, security and computer protections and/or confidentiality agreements.

## 4. Inducements

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For the avoidance of doubt, where Cantor provides portfolio management services or investment advice, solely on an independent basis, it will not accept and retain from any third party, or person acting on behalf of a third party (other than the client or a person on behalf of the client) any fees, commissions, or any monetary or non-monetary benefit in connection with the provision of those services.

With the exception of the above, when providing investment services and activities and ancillary services, Cantor does not pay to, or accept from any third party, or person acting on behalf of a third party (other than its client or a person on behalf of its client) any fees, commissions, or any monetary or non-monetary benefits in connection with the provision of its investment services and activities and ancillary services to its clients, except when:

- It is designed to enhance the quality of the relevant service to the client and does not impair compliance with Cantor's duty to act honestly, fairly and professionally in the best interests of its clients;
- It is an acceptable minor non-monetary benefit; or
- It is third party research received and treated by Cantor in accordance with relevant regulatory requirements.

## 5. Disclosure

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Cantor will take all reasonable steps to prevent conflicts from adversely affecting the interests of clients and will only revert to disclosure as a measure of last resort.

Where organisational or administrative arrangements made by Cantor to prevent conflicts of interest from adversely affecting the interests of its clients are not sufficient to ensure, with reasonable confidence, that the risk of damage to its clients' interests will be prevented, Cantor clearly discloses to the relevant client the general nature and/or sources of conflicts of interest, as well as the risks to the client that may arise as a result of the conflicts of interest and the steps taken to mitigate the risks before undertaking business on their behalf.

Such disclosure is made in a durable form, is fair, clear and not misleading.

# CANTOR FITZGERALD IRELAND LTD

## RISK DISCLOSURE STATEMENT

Effective Date **3 January 2018**

This information is provided to you in accordance with the requirements of the MIFID II Regulations. This information provides a general description of the nature and risks of financial instruments taking account of your categorisation as an Eligible Counterparty. It does not disclose all the risks and characteristics of financial instruments which you may trade in. However, it is designed to give you an understanding of the major risks and characteristics. In some circumstances, the risks identified below may not apply to the particular financial instrument that you wish to invest in, either because of that financial instrument's particular characteristics, your risk appetite in respect of that financial instrument or the purpose of your investment.

You should not deal in financial instruments unless you are aware of the nature and risks of the transactions you are entering into. You should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss. You should understand the extent of your exposure to any potential loss.

The value of financial instruments may fall as well as rise. When investing in financial instruments there is a risk that you may lose some or all of your original investment. You should consider whether investing in financial instruments is suitable for you in light of your individual circumstances and taking account of your investment objectives, financial position, attitude to risk and your investment knowledge and experience. In deciding whether certain financial instruments are suitable investments the following information describing the nature and risks of such instruments should be carefully considered.

This information shall be published on our website [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie). Any changes to these risk disclosures (which may be material) shall be deemed notified to clients by the updating of this website from time to time.

### Description of risks in relation to Financial Instruments

#### 1. Equities

Owning equities in a company provides an opportunity to participate in a company's profit and performance, in the form of dividends and capital growth. Individual shares and stock markets can be volatile, especially in the short-term. Some equities are likely to be more volatile than others. This will be based, among other things, on

the business, geographic location, liquidity and size of the company. Potential investors should be familiar with any company they plan to invest in. Equity accounts are at a greater risk of significant loss if there is a lack of diversity (an over reliance on stocks in one particular company, industry sector or country). The liquidity of equity is a critical factor, this refers to your ability to realise equity when you so wish. Equity in companies that are not traded frequently can be very difficult to sell. Many equities that are traded on Stock Exchanges are bought and sold infrequently and finding a buyer may not always be easy.

As well as the Official List, the Irish Stock Exchange also operates a market called the Irish Enterprise Market, or IEX. The UK equivalent of IEX is the Alternative Investment Market, or AIM. IEX and AIM are markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached by comparison to larger or more established companies. Equities listed on these markets may not trade as frequently as other equities; in which case you may find it very difficult to sell shares that you buy.

Other than the cost of acquiring shares you will not be subject to any margin requirements or financial commitments and liabilities. However, as the value of shares may go up or down, when investing in shares there is a risk that you may lose some or all of your original investments.

#### 2. Bonds

A bond is a debt instrument in which the issuer promises to pay to the bondholder principal and interest according to the terms and conditions of the particular bond. Although not to the same extent as shares, bonds can be subject to significant price movements. Bonds can also be subject to default and the non-payment of either or both interest and principal by the lender. As with equities, some bonds are considered to be safer than others. In positive market conditions, bonds are likely to perform better due to reduced default risk and an increased likelihood of repayment of interest and principal. However, negative economic conditions may increase the prospect of the issuer not repaying either or both of principal and interest, thus exposing the bondholder to potential loss.

##### a) Government Bonds

In general, Government Bonds are considered to be subject to less risk than Corporate Bonds. This is simply



because governments are less likely to default on their debt than companies, although this may not be the case with some emerging markets. Bond ratings give an indication of an issuer's probability of defaulting and are based on an analysis of the issuer's financial condition and profit potential. While regarded as one of the safest financial instruments, Government Bonds still have the potential to perform poorly in negative market conditions. Long-dated Government Bonds will tend to be less liquid than their short-dated counterparts.

#### **b) Corporate Bonds**

Corporate Bonds are issued by companies but they are split into different types depending on the credit rating they achieve. Companies that have high ratings are known as investment grade bonds while companies with low ratings are known as high yield bonds because they have to promise higher income payouts in order to attract investors. Companies that do not achieve ratings are known as 'junk' bonds. Such bonds may offer a higher level of coupon payments but are subject to a greater risk of capital loss. While all bonds may suffer from poor performance in negative market conditions, 'junk' bonds will tend to underperform relative to high-yield bonds, which in turn will likely underperform relative to investment grade bonds.

Conversely, 'junk' bonds will tend to outperform high yield bonds in positive environments, which will usually outperform investment grade bonds. Trading in the bonds of smaller companies is less frequent than larger companies and therefore may be subject to periods of illiquidity. Investors seeking to realise their investments at this point may have to accept a price at a significant discount to the last traded to exit the position.

Bonds issued by financial institutions have specific risks that should be understood before investing in them. This includes the potential to be 'bailed in' under the Bank Recovery & Resolution Directive (BRRD) or to be converted to an equity holding if the bond is a contingent convertible security (CoCo).

Other than the cost of acquiring the bond investors are not subject to margin requirements or any financial commitments or liabilities additional to the cost of acquisition. However, as the value of Bonds may fall as well as rise, when investing in Bonds there is a risk that you may lose some or all of your original investment.

### **3. Derivatives**

This risk disclosure statement does not disclose all the risks and other significant aspects of trading in derivative products such as warrants, futures and options. The price of derivative products is directly dependent upon the value of one or more investment instruments. Trading in derivatives is not suitable for many members of the public.

#### **a) Futures**

##### *Effect of Leverage or Gearing*

Transactions in futures involve the obligation to make or to take delivery of the underlying asset of the contract at a future date, or in some cases to settle your position in cash. They carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are leveraged or geared. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit. This may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

##### *Risk-reducing Orders or Strategies*

The placing of certain orders (e.g. 'stop-loss' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. While there are other combination strategies available these may be as risky as simple trading.

#### **b) Options**

##### *Variable Degree of Risk*

There are many different types of options with different characteristics subject to different conditions. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. a put or a call option) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

##### *Buying Options*

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later

exercise the option, you will acquire the future. This will expose you to the risks described under 'futures'.

If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

#### *Writing Options*

If you write an option, the risk involved is considerably greater than buying options. You may be liable for the margin to maintain your position and a loss may be sustained well in excess of any fixed premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset, which you have contracted to sell (known as covered call options) the risk is reduced. If you do not own the underlying asset (known as uncovered call options) the risk can be unlimited. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see previous section on Futures).

### **c) Additional risks common to futures and options**

#### *Terms and Conditions of Contracts*

You should ask Cantor about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. for a futures contract the circumstances under which you may become obligated to make or take delivery of the underlying interest and in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

#### *Suspension or Restriction of Trading and Pricing Relationships*

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/off set positions. If you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

#### *Deposited Cash and Property*

You should familiarise yourself with the protections accorded to money or other property you deposit for domestic and foreign transactions, particularly in the

event of a firm's insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

#### *Contingent Liability Transactions*

Contingent Liability Transactions which are margined require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures or sell options you may sustain a total loss of the margin you deposit with your dealer to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above the amount paid when you entered into the contract.

#### *Collateral*

If you deposit collateral as security, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognised or designated exchange or off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash.

#### *Insolvency*

A firm's insolvency or default may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payment in cash. Our terms of business outline the extent to which the firm will accept liability for any insolvency of, or default by, other firms involved in your transaction.

#### *Warrants*

A warrant is a time limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of warrants. The prices of warrants can therefore be volatile.

Covered warrants are similar to an option, and give you the right, but not the obligation, to buy or sell an asset at a specified price (the strike price) during, or at the end of, a specified period. They are issued by a financial institution over an underlying asset such as an equity, an index or a basket of securities rather than by the issuer of, for example, the equity itself. Covered Warrants can either be 'Puts' (a right to sell) or 'Calls' (a right to buy). Covered Warrants do not have an indefinite term and may expire worthless if the underlying instrument does not perform as anticipated.

You should not buy a warrant or a covered warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges. Transactions in off-exchange warrants may involve greater risks than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

#### **4. Money market instruments**

Money Market Instruments are debt instruments issued by private organisations, governments and government agencies. The money market is a highly liquid professional dealer market that facilitates the transfer of funds (generally in very large denominations) between borrowers and lenders. It generally relates to those instruments that allow for borrowing and lending periods ranging from one day to one year.

Although money market instruments carry less risk than long-term debt they are not completely without risk. Different instruments carry varying degrees of risk depending on the nature of the lending agreement and the identity of the lender. Potential investors should be aware of such details prior to entering into any money market transactions. In positive economic environments, money market instruments tend to be low-risk investments with returns in line with the prevailing interest rates available. However, in negative markets or times of market stress investors may suffer a capital loss. While generally very liquid instruments, in times of market crises investors may have to exit their position at a discount to capital originally invested.

Common money market instruments include: Exchequer Notes, Commercial Paper, Treasury Bills, Repurchase Agreements and Bankers Acceptances. Returns will tend to be in line with the prevailing interest rates at the time of investment. In general other than the cost of acquiring money market instruments, investors are not subject to any margin requirements or financial commitments and liabilities. The value of money market

instruments may fall as well as rise and therefore when investing in such instruments there is a risk that you may lose some or all of your original investment.

#### **5. Structured products**

##### **a) Deposit Based Products**

Deposit based structured products typically consist of a pre-determined amount of capital put on deposit, with the remainder used to purchase an option that gives exposure to a desired underlying instrument. Performance will be contingent on the performance of the underlying instrument and interest rates available at the financial institutions where the capital is on deposit. Returns will generally be higher in a positive market environment.

Investors who attempt to redeem their deposit-based product before the maturity date may be forced to sell at a discount to face value due to illiquidity. Investors should note that they bear the credit risk of the financial institution where the capital is on the deposit during the life of the investment. This means that, even where the investment performs well, investors could lose all or some of their invested principal and any returns in the event that the issuer or guarantor becomes insolvent.

##### **b) Note Based Products**

A note-based product is a hybrid security that typically consists of a debt security combined with a derivative linked to an underlying instrument. Performance will be contingent on the performance of the underlying instrument and the coupon available on the debt security. Investors should also be aware that there is a default risk associated with the debt security that means they can lose some or all of their invested capital. Investors who attempt to redeem their deposit-based product before the maturity date may be forced to sell at a discount to face value due to illiquidity. Investors should note that they bear the credit risk of the financial institution where the capital is on the deposit during the life of the investment. This means that, even where the investment performs well, investors could lose all or some of their invested principal and any returns in the event that the issuer or guarantor becomes insolvent.

##### **c) Autocallables**

Autocallable products are structured products linked to an underlying index or instrument that can automatically mature if certain pre-determined market conditions, a "trigger level", are met. If this "trigger level" is reached it may only trigger the automatic maturity of the product on certain pre-determined dates and not necessarily during periods outside of these dates. Some autocallable products may include a capital protection provision so that if the "trigger level" has not been met but the underlying index has not fallen below a certain level the investor will receive their capital back in full. While certain autocallables may guarantee such a return of

capital invested to a certain point, it is still possible to lose some or all of your original investment. They will generally perform better in a positive market and poorer in negative markets.

Autocallables are typically listed instruments with a traded price. However, there is no assurance that any secondary market will develop or be maintained for the certificates or that any such secondary market will be liquid. Investors must note that the investment, if exited early, will be sold at the market value of the investment at the time of sale. An illiquid market may have an adverse impact on the price at which the certificates can be sold in any secondary market. Investors should note that they bear the credit risk of the issuer and of the guarantor during the life of the investment. This means that, even where the investment performs well, investors could lose all or some of their invested principal and any returns in the event that the issuer or guarantor becomes insolvent.

## **6. Alternative Investments**

### **a) Hedge funds**

Hedge funds tend to have similar characteristics which differentiate them from other investment funds. The investment manager of a hedge fund will attempt to produce targeted returns or absolute performance regardless of the underlying trends in the financial markets. They may invest in a range of investment types; including equity, venture capital, real estate and fixed income securities and may employ trading methods including mathematical algorithms.

They can engage in activities that regulated retail investment funds cannot, for example some hedge funds may engage in high levels of leverage. They are not as transparent as more highly regulated funds and there tends to be less information available on the performance and valuation of a hedge fund. The management fees (which tend to be linked to performance) can be substantial. In order to understand all of the important aspects of a hedge fund it is important that you read the offering memorandum or equivalent document and any other available information (such as financial accounts). The performance in any market environment will be impacted by the strategy being implemented and the underlying assets held within the fund.

Hedge Funds may have restrictions in relation to when you can allocate to a fund, or redeem any investment you make. Investors should review the specific hedge fund they are considering for an investment to be aware of any illiquidity constraints. In general, other than the cost of acquiring shares, you will not be subject to any margin requirements or financial commitments and liabilities. However, as the value of hedge funds may go up or down, there is a risk that you may lose some or all of your original investment.

### **b) Property Funds**

The manager of a property fund will invest the assets into properties and seek to benefit from capital appreciation and rental increases to derive returns for investors. Some funds may employ leverage within the structure to enhance returns. Investors should be willing to invest in these funds for the medium term. If they wish to dispose of their holdings when property market values rise some funds may operate lock ups to protect other investors and therefore it may take longer than anticipated to receive the proceeds of the sale. However, as the value of property funds may go up or down, there is a risk that you may lose some or all of your original investment.

### **c) Private Equity Investments and Funds**

The term Private Equity refers to medium to long-term finance provided by an investor to an unlisted company in return for an equity stake. The term is also used in the context of venture capital; buy-outs and buy-ins. Private Equity Investments may include pure equity instruments and hybrid equity instruments such as convertible or subordinated debt. Real Estate funds may also be included under this term.

These tend to be high risk investments and should only be considered by experienced and knowledgeable investors. They should be entered into with a medium to long term view. Due to the fact that private equity is not traded publicly, it can be difficult to realise your investment when you wish. Private equity is not subject to the same level of regulatory requirements as listed stock offerings to the general public. Some investments are likely to be more volatile than others. This will be based, among other things, on the business, geographic location and size of the company. Potential investors should be familiar with any strategy they plan to invest in. You will generally be required to commit a certain amount of capital in exchange for a stake in the company therefore your return is dependent upon the growth and profitability of the company. The minimum investment amounts tend to be relatively high.

Depending on the individual investment, as well as the cost of making the initial investment, you may be called upon to make further payments as the company seeks to draw down committed capital. The value of the investment may go up or down and there is a risk that you may lose some or all of your original investment. If you need to exit from your investment it will be conditional on finding an interested party to take up the investment. This could take a significant period of time and may be subject to a significant discount to the deemed current value of the investment at that point in time. More generally, as the value of private equity investments and funds may go up or down, there is a risk that you may lose some or all of your original investment.

#### d) Commodities

Investing in commodities involves gaining exposure to raw materials such as precious metals such as gold, energy sources such as oil and gas, and natural resources such as timber. Investors can invest in the physical commodities themselves or gain exposure through futures contracts.

Commodities are highly cyclical and can underperform the wider market for years at a time. They also tend to be much more volatile than other classes of investments. Investing in commodities via futures is complex and performance may deviate substantially from that of the underlying commodities at times. While traditional assets such as bonds, stocks and properties usually produce coupons, dividends or other forms of income over a period of time, commodities such as gold do not provide any income stream. The value of commodities may go up or down and therefore there is a risk that you may lose some or all of your original investment.

#### 7. Employment and Investment Incentive Scheme

The Employment and Investment Incentive Scheme (“EII Scheme”) is a tax relief incentive scheme, which provides all-income tax relief to Qualifying Investors for investments in certain qualifying small and medium sized trading companies (“SMEs”). The Finance Act 2015 introduced changes to the EII Scheme to ensure it complies with the European Union’s General Block Exemption Regulation on State Aid (“GBER”). Details of the new requirements which Qualifying Companies must comply with are detailed under the Finance Act 2011 (amended 2014 and 2015).

EII schemes should be considered a long-term investment as there is no early exit mechanism. If you invest in such a fund you may lose some or all of the money you invest. Investors will be exposed to small and medium size companies in which the fund will invest, which may exhibit volatile performance. The manager may not succeed in either or both of finding suitable companies and fully investing the Fund, which may result in a return of uninvested funds and a reduction or recovery of the income tax relief already claimed or potentially available.

#### 8. Direct Property Investments

Direct property investments seek to benefit from capital appreciation and rental increases to derive returns for investors. If investors wish to dispose of the property when market values fall they may be forced to sell at a significant discount to the original value. Investing in direct properties involves more concentration risk than investing in a diversified property fund, and performance may be negatively affected by specific geographic factors or tenants defaulting. The use of leverage will also affect investment performance. The value of direct property investments may go up or down and therefore

there is a risk that you may lose some or all of your original investment.

#### 9. Loan notes

Loan notes are debt instruments whereby the issuer promises to pay the noteholder principal and interest according to the terms of the particular loan note. While they typically have a higher coupon than government or high grade corporate bonds, the issuer is usually a small or medium sized business that may be unable to access funding through more traditional routes. This exposes the noteholder to a degree of default risk, while the issuer may also be unable to maintain coupon payments under stressed conditions.

There is typically no standard secondary market for the exchange of loan notes. If you need to exit from your investment it will be conditioned on finding an interested party to take up the investment. This could take a significant period of time and may be subject to a significant discount to the deemed current value of the investment at that point in time.

### Description of risks associated with investment structures

#### 1. Collective Investment Schemes (“CIS”)

##### a) Investment Funds as a ‘pooled investment’

A pooled investment is one where a number of investors put different amounts of money into a fund which is then invested in one or more asset classes by a fund manager. Each investment fund has a stated investment strategy enabling you to invest according to your investment objectives and risk profile. The level of risk will depend on the underlying investments, regulatory status of the fund, any investment restrictions that may apply, the extent to which the fund leverages its assets and how well diversified the open-ended investment fund is.

The principle of leverage is to increase the fund’s exposure to underlying assets by means of borrowing or other means in the pursuit of higher returns from the amount invested. Leveraging may increase any losses suffered by a fund. Funds investing in emerging markets or smaller companies would be considered to carry much higher risk than those investing in large blue chip companies. Potential investors should be familiar with the nature of the underlying securities in any investment fund they plan to invest in. Other than the cost of investing in an investment fund, you will not be subject to any margin requirements or financial commitments and liabilities.

As the value of an investment fund may fall as well as rise, there is a risk that you may lose some or all of your original investment.

**b) Undertaking for Collective Investment in Transferable Securities (“UCITS”)**

An Undertaking for Collective Investment in Transferable Securities (“UCITS”) is a specific type of collective investment scheme that can be operated freely within the European Union (EU) in accordance with the Undertakings for Collective Investment in Transferable Securities Directive. As with other collective investments, UCITS tend to invest in a range of individual securities, giving investors the opportunity to invest in a diversified product. However, UCITS are prescribed from investing in more complex and higher risk securities and are subject to rules which oblige them to reduce the risk of exposure to any particular issuer.

UCITS can be subject to volatility, especially in the short term. Some UCITS are likely to be more volatile than others. This will be based, among other things, on the nature and size of the underlying securities and the liquidity and price of the underlying securities.

The performance in any market environment will be impacted by the strategy being implemented and the underlying assets held within the fund. Potential investors should be familiar with the nature of the underlying securities in any UCITS they plan to invest in. Other than the cost of investing in UCITS, you will not be subject to any margin requirements or financial commitments and liabilities.

As the value of UCITS may fall as well as rise, there is a risk that you may lose some or all of your original investment.

**c) Alternative Investment Funds (“AIFs”)**

Alternative Investment Funds (“AIFs”) can cover a wide range of investment assets. By their nature they are illiquid with limited windows in which to invest or redeem your capital. Commonly found AIFs include Hedge Funds and Property funds which are discussed previously.

**d) Exchange Traded Funds (“ETFs”)**

Exchange Traded Funds (“ETF”s) are investment products that provide investors with an opportunity to invest in a diversified basket of shares or securities through one investment instrument. An ETF will generally track the selected market index, investing in either all of the shares or a representative sample of the securities of the selected index. The performance of an ETF is likely to be reflective of the performance of the index upon which the ETF is based. ETFs are generally more liquid than other types of collective investment schemes and can be traded in the same way as any listed share. Like shares, ETFs can be subject to volatility, especially in the short term. Some ETFs are likely to be more volatile than others. This will be based, among other things, on the nature and size of the underlying companies and the liquidity and price of the

underlying companies. Performance in market environments will be subject to the underlying assets held. In some instances for ETFs with smaller assets under management the traded price on an exchange may deviate from the net asset value as there may be a high volume of activity which leads to a deviation in the price.

Potential investors should be familiar with the nature of the underlying companies of any ETF they plan to invest in. Other than the cost of acquiring ETFs, you will not be subject to any margin requirements or financial commitments and liabilities.

As the value of ETFs may fall as well as rise, there is a risk that you may lose some or all of your original investment.

**e) Exchange Traded Notes (“ETFs”)**

Exchange Traded Notes (“ETNs”) are senior unsecured debt obligations that are designed to track the performance of an underlying market index or instrument. The issuer agrees to pay ETN holders the return on some index over a certain period of time and also return the principal of the investment at maturity. While they are similar to ETFs in that they track an index, they differ in that they have additional credit risk. If the issuer goes bankrupt during the lifetime of the investment, ETN holders may lose some or all of their original capital.

The performance of ETNs will be conditional on the performance of the underlying index, and the financial stability of the issuer. Some ETNs are likely to be more volatile than others. This will be based, among other things, on the nature and size of the underlying companies, the liquidity and price of the underlying companies as well as the creditworthiness of the issuer. Performance in market environments will be subject to the underlying assets held. In some instances for ETNs with smaller assets under management the traded price on an exchange may deviate from the net asset value as there may be a high volume of activity which leads to a deviation in the price.

**f) Unit Trusts**

Unit trusts are a type of fund structure which is constituted by a trust deed entered into between a management company and a trustee. A unit trust does not have a separate legal personality and therefore contracts for services, such as custodial and fund administration, are entered into by the management company on behalf of the trust or a particular sub-fund of the trust. The assets of a unit trust are held by its trustee (in its capacity as custodian) and are managed by a management company, which will, most often, delegate discretionary asset management to one or more investment managers.

The trust deed is the primary legal document which constitutes the trust and it sets out the various rights and obligations of the trustee, the management company and the unit holders. A Unit Trust can be established in Ireland for both UCITS and AIFs.

## General risks

### 1. Market conditions

Market conditions (e.g. illiquidity) and the operation of the rules of certain markets (e.g. market hours, dealing hours, suspension of trading) may increase the risk of loss by making it difficult or impossible to effect transactions or sell out of a position.

### 2. Transactions in foreign jurisdictions

Transactions on markets in foreign jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details of the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

### 3. Currency risks

The profit or loss for transactions in foreign currency denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

### 4. Trading facilities

Most open-outcry and electronic trading facilities are supported by computer based component systems for the order-routing execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary. You should ask Cantor for details in this respect.

### 5. Electronic trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The

result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

### 6. Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off exchange transactions. The firm with which you deal may be acting as your 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. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

### 7. Foreign Markets

Foreign markets will involve different risks to Irish markets. In some cases, the risks will be greater. On request, your broker must provide an explanation of protections which will operate in any relevant foreign markets, including the extent to which he/she will accept liability for any default of a foreign broker through whom he deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

### 8. Interest Rates

Changes in interest rates can have an effect on the value of securities. The value of securities, especially bonds can fall with a rise in interest rates as other investments reflecting the new higher interest rate offer greater returns. Such risk can be offset by diversifying the durations of fixed-income investments held. Alternatively, if interest rates fall, then the value of bonds and other securities may rise.

### 9. Fees and Charges

It is important that you obtain a clear explanation of all transaction, dealing, third party and ancillary charges and other fees for which you will be liable. These charges will affect your net profit (if any) or may increase your loss. You should also ensure that you understand the extent of your exposure to potential loss.

### 10. Taxation

There is no guarantee that the tax advantage promoted as part of any investment will remain in existence. Additionally, the levels and bases of taxation may change. Cantor will not be responsible for assessing your personal tax implications of investing in these companies or any recommendations that we may make to you and you should always take independent professional tax advice.

# Pershing Bank Details

All clients must quote their account number with Cantor Fitzgerald Ireland Ltd along with their name

## Euro

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Bank Name: Ulster Bank

Swift Code: ULSBIE2D

Sort Code: 98-50-10

A/C No: 31911845

IBAN: IE72ULSB98501031911845

A/C Name: Pershing Securities International Limited Client Asset Account - Hub Account

## GBP

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Bank Name: Royal Bank of Scotland

Swift Code: RBOSGB2L

Sort Code: 16-04-00

A/C No: 20223091

IBAN: GB73RBOS16040020223091

A/C Name: Pershing Securities International Limited Client Asset Account - Hub Account

## USD

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Bank Name: Citibank New York

Swift Code: CITIUS33

ABA No 021000089

A/C No: 36828053

A/C Name: Pershing Securities International Limited Client Asset Account - Hub Account





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