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# **DISCRETIONARY MANAGED, RETAIL CLIENT TERMS AND CONDITIONS**

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Effective Date **December 2020**

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Please retain this booklet for your reference and records.

# 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Firms) Regulations 2017 and any other relevant legislation in relation to client assets, as may be amended or superseded from time to time.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 Client Asset 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 a client that is either a per se eligible counterparty or an elective eligible counterparty per the MiFID Regulations.

**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 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.

**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.

**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.

**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.



# DISCRETIONARY MANAGED, RETAIL CLIENT TERMS AND CONDITIONS

This agreement outlines the terms and conditions (the “Terms”) under which Cantor Fitzgerald Ireland Ltd (“Cantor”) is willing to provide you with an account. Upon completion by you and acceptance by us of the discretionary managed account opening document and these Terms, collectively, they will constitute a contract, legally binding and enforceable. You should read these Terms carefully and if you have any queries about any aspect of them please contact us for clarification or if you think it appropriate to do so, obtain independent advice about these Terms.

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 published rate card, the Conflicts of Interest Policy Summary, the Order Execution Policy Summary, the risk Disclosure Statement (all as provided to you in this Terms and Conditions booklet, receipt of which you have acknowledged), and together with the suitability profile that you have provided to us in the discretionary managed account opening document, form the basis on which Cantor will act for you.

These Terms apply to the Discretionary Managed Service (see Clause 1) and other ancillary services which we provide to you as set out in these Terms.

**It is important that you read these terms and conditions carefully and in full, as they set out the terms on which Cantor will act for you.**

In the event that you have authority to transact on one or more accounts and in respect of any one of those accounts you receive or acknowledge receipt of these Terms, you shall be deemed to be aware of these Terms for all accounts on which you provide us with instructions to which these Terms apply.

## Regulatory status

Cantor’s registered office Heritage House, 23 St. Stephen’s Green, Dublin 2, D02 AR55. 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

Cantor has business offices at the following locations:

**Dublin:** Heritage House, 23 St. Stephen’s Green, Dublin 2, D02 AR55.

Tel: +353 1 633 3800.

**Cork:** 45 South Mall, Cork. Tel: +353 21 422 2122.

**Limerick:** Crescent House, Hartstonge Street, Limerick. Tel: +353 61 436 500.

You may contact Cantor on any of the above numbers or through our Client Services team on +353 1 633 3888 (fax: +353 1 633 3856/633 3857). 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.

## US persons

An account cannot be opened for you if you are a US person as we are not in a position to comply with the related US reporting requirements. For this purpose a US person is a citizen or a resident of the US, a partnership or corporation created or organised in the US or under the laws of the US or of any US State, and any estate or trust as defined by the US Internal Revenue Code. Any person holding a US passport regardless of country of residence is considered a US person.

You must satisfy yourself that you do not fall within this category of US person and in the event that an account is opened and you become aware that you do fall within this category you must notify Cantor immediately so that the account can be closed.

Neither Cantor nor Pershing Securities International Limited ("PSIL") (see Clause 4) will be liable in respect of any US reporting requirements which were not fulfilled during the period the account was open.

## 1. Discretionary Managed Service – Retail Client Accounts

Under these Terms, a discretionary managed service means that Cantor will provide you with investment management services on a discretionary basis. Depending on any restrictions set out in the account opening document, you give us full authority to enter into any kind of transaction or arrangement for you in respect of investments as agent on your behalf, subject to these Terms, at our discretion and without reference to you. We may also provide related valuation and safe-custody services, and any other services we may agree with you.

Under these Terms we may also execute investment transactions on your behalf where you have made an investment decision without taking any advice from us (see Clause 1 Part B).

You shall remain designated as receiving discretionary managed services in accordance with the discretionary managed account opening document signed by you unless you seek, in writing, to change the designation of your account. Any such requested change shall not be effective until you have completed or provided such additional information as is requested by Cantor and we have acknowledged the amendment of the change in status of your account in writing.

### 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.

## 1. PART A

### Discretionary managed service

Under these terms, (excluding Clause 1 Parts B and C), Cantor will provide you with investment management services on a discretionary basis.

Cantor will manage your investments on a discretionary managed basis, having regard to information provided by you, notably, your Investment Objective, investment time horizon and attitude to investment risk, investment restrictions and other relevant information notified to us.

As part of the account opening process and thereafter in your periodic client service review, we will assess your requirements and agree with you an Investment Objective, investment time horizon and your attitude to investment risk. We will also agree with you a specific benchmark against which we will measure the performance of your account. The valuation report we will send you will include a comparison of your account's performance against the applicable benchmark.

Your Investment Objective, investment time horizon, your attitude to investment risk and the appropriate benchmark will be notified to you in writing and may be amended from time to time with your consent. You acknowledge that changing your Investment Objective or your attitude to investment risk may involve a temporary period of alignment (rebalancing of your portfolio) during which your investments may not match a specific Investment Objective or your attitude to investment risk.

We will not have broken the agreement if your portfolio no longer keeps to your Investment Objective, attitude to risk or restrictions, or due to market movements, corporate actions or other events beyond our control unless we fail to rebalance your portfolio within a reasonable time.

Neither Cantor nor PSIL (see Clause 4) will be liable for any loss you may suffer as a result of transferring any invalid or forged instrument. See also Clause 13.

### Financial Instruments

We will deal in the below listed financial instruments and investment instruments in providing you with a discretionary managed service. 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**

- (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.

### **Discretionary managed service – your suitability assessment**

Before becoming a client, we will discuss full details of your personal and financial circumstances which will enable us to act in your best interests and assess your financial needs and determine whether our services may be suitable for you. We will also discuss with you, your Investment Objective, investment time horizon and attitude to investment risk.

We may, from time to time, have to make additional enquiries about your personal circumstances, financial circumstances, Investment Objective, investment time

horizon and attitude to investment risk to enable us to determine if our service remains suitable for you. We reserve the right to seek additional information at any time for this purpose or, to prevent fraud or to comply with any legal or regulatory requirements. We are entitled to rely upon any information which you provide to us, which we believe in good faith to be true, accurate and complete.

We may refuse to provide a service if we do not have enough information from you to assess the suitability of services, or we consider a service to be unsuitable, or we may at our discretion offer you an execution only service, subject, if necessary, to completion an appropriateness assessment (see Clause 1 Part B).

Cantor will rely on information provided by you or on your behalf unless Cantor is aware that the information is manifestly out of date, inaccurate or incomplete. It is your responsibility to inform Cantor if your personal circumstances, financial circumstances, Investment Objective, investment time horizon and attitude to investment risk changes and to provide Cantor with up to date information so that Cantor can, on all appropriate occasions, ascertain suitability of products and services and for anti-money laundering purposes.

If there are any limits or restrictions you wish to place on your account, you must write to inform us – no amendment will be effective until such time as Cantor is in receipt of your written instruction and that this has been acknowledged in writing by Cantor.

**Warning: failure to provide sufficient information regarding your knowledge or experience, investment objectives, attitude to risk, financial situation and investment preferences will mean that Cantor cannot determine if the relevant financial instrument/product or service is suitable for you.**

We will only be bound by specific investment restrictions requested by you and agreed by us which we will endeavor to observe.

Market fluctuations or circumstances could result in accounts exceeding the restrictions advised to us, which may mean we cannot follow our standard recommendations. In such circumstances, we will undertake such action as we consider being in your best interests, which may not necessarily involve changing your account.

You should be aware that it may not be possible to comply with your investment restrictions where we recommend a Collective Investment Scheme or Investment Trust because we may not always know the exact underlying

holdings of these arrangements or these may have changed.

## 1. PART B

### Execution Only Transactions

Under these Terms, you may direct Cantor to undertake an execution only order on your behalf.

An execution only order is a transaction executed by Cantor upon your specific instructions where Cantor does not give advice on the merits of that transaction and you are solely responsible for any investment decision.

Where you initiate or propose an execution only transaction to deal in a non-complex Financial Instrument, as defined by the MiFID Regulations, Cantor will not assess the suitability or appropriateness of the instrument for you and therefore you will not benefit from the protection of conduct of business rules as regards suitability or appropriateness. Cantor will not advise you on the merits of the transaction and you will be solely responsible for all investment decisions.

Where you initiate or propose an execution only transaction to deal in a complex Financial Instrument, Cantor are required to assess whether investment in such instruments is appropriate for you before we carry out any transaction. We will tell you if an instrument is categorised as “complex” and we will ask you to complete an appropriateness form so that we have relevant information to make the assessment. This is because we have to determine whether you have the necessary experience and knowledge to understand the risks involved in dealing in complex investments. This is not the same as assessing the suitability of a particular transaction because the appropriateness assessment relates to the overall product and does not consider your investment objectives, financial resources or personal circumstances. If you do not complete the appropriateness form or if we determine that investment in that type of complex Financial is not appropriate for you, we will provide you with a warning before executing the transaction. Where we are satisfied that a particular type of complex Financial Instrument is appropriate for you, we will execute the transaction on your behalf. Any decision to enter into a particular transaction remains your responsibility.

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.

**Warning: for execution only transactions, Cantor will not provide any investment advice or assess its suitability for you (or its appropriateness where it is a non-complex instrument) and will have no liability or obligation to you in relation to the transaction.**

## 2. Categorisation

Based on the information available to Cantor, we have categorised you as a Retail Client and you will be treated as such in respect of all business we conduct with or for you unless we agree to a different categorisation. This categorisation affords you the highest available level of client protections on your account.

You have a right, subject to meeting defined criteria, to request to be categorised as a Professional Client for a given product, service or transaction or in respect of all services which Cantor provides to you. Any request should be made in writing.

Any such request (if granted) will result in a lower level of client protection applying to your account or a specific transaction, for example, a Professional Client is not entitled to any compensation under the Investor Compensation Act (see Clause 29 below) 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 such request for a change of categorisation.

## 3. Charges, Fees and Commissions

Any fees or charges payable by you in relation to services provided to you by Cantor and PSIL, as well as taxes payable via PSIL, will be in accordance with our published rate card in effect at the time the charges are incurred. A copy of our current rate card is available on our website [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie) or on request from your broker in Cantor. Charges may change from time to time. We will post notification of any rate changes on our website 10 working days in advance of the rate changes being effective. You should, therefore, periodically refer to the website for updates as you will not be notified of any changes to these charges separately. In relation to certain non-MiFID Services you will be notified of any changes to these charges separately in accordance with the applicable Consumer Protection Code.

We will send you a current rate card on request.

You will have to pay any applicable stamp duty or other similar charge shown on the contract note.

It is possible that other costs or liabilities (including taxes) may arise from an investment that are not paid or



imposed by Cantor or PSIL (see Clause 4). You will remain solely liable for any such costs.

Cantor or PSIL is entitled to pay such charges out of any money or investments held for you or by set off (see Clause 13) or to require you to pay them direct to it or via Cantor.

Commission on transactions is due and payable at the time of intended settlement.

Cantor may pay or receive commissions or fees or any non-monetary benefits;

- where it enhances the quality of the service we provide to you; and
- does not impair compliance with our duty to act honestly, fairly and professionally in accordance with your best interests.

In some circumstances we may use an entity within the Cantor Group to execute a transaction, particularly where that entity is the only execution venue for the relevant Financial Instrument, where this occurs you may be charged an additional fee and/or commission by us in respect of that service.

Should you require further disclosure, we will advise you of the amount of any commission or fees or non-monetary benefits applying or, if this is not possible, the basis on which it is calculated.

Where Cantor is dealing as principal or on its own account by selling the investment concerned to you or buying it from you, we may make a profit (or a loss) or take a mark up or a mark down on the investment concerned. If we have dealt as principal, this fact will be shown on your contract note. If Cantor deals on a riskless principal basis, we can apply a wholesale book access charge.

Where a third party charge is incurred, it will be passed on to you.

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.

By agreeing to these Terms you consent to us notifying you of changes to our fees and charges on our website as set out in this Clause.

#### **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](http://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, compliance with anti-money laundering legislation and regulations and to the extent required by applicable rules, explaining to you the types of investments covered and the nature and risks of investments and investment transactions and investment strategy, accepting and executing orders in investments and assessing the suitability or appropriateness of transactions where investing in complex Financial Instruments. 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 Asset 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 Retail client 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.

The following provisions shall apply to you if you fall within the categories specified below:

- (i) joint account holders shall be jointly and severally liable to PSIL and PSIL may discharge its obligations to make any payment or account to all such holders by making such payment or account to any one or more of them;
- (ii) the trustees of any trust shall be regarded as PSIL's client (as opposed to any beneficiary) and shall be jointly and severally liable to PSIL; and
- (iii) all the partners of any partnership which is PSIL's client shall be jointly and severally liable to PSIL.

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 investments so that PSIL can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

PSIL shall only accept instructions concerning your account(s) from Cantor and not directly from you unless you have been classified as a Professional Client and a separate specific agreement has been entered into relating to the giving of instructions, including such further mandate and/or indemnities as PSIL may require. 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 19).

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 or where you are acting as a trustee or are beneficially entitled to the sums to be paid.

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. A summary of Cantor's Order Execution Policy is included as part of these Terms.

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 a 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. Your Money

Your money will be held by PSIL as client money, in accordance with the Client Asset 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 Asset 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 9 below.

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.

Our preference is to receive funds by way of electronic transfer from clients. To facilitate this, details of PSIL's client asset bank account is provided to you as part of these Terms.

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 an investment 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 8 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. Save for providing details of currency balances or profit or loss moves in the normal course when providing you statements (see Clause 11), 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 Asset Regulations.

"Uninvested money" (i.e. money not immediately required to settle an investment transaction) will not attract credit interest.

Fractional shares can arise following Corporate Actions where the terms of the event applied to your original holding do not equal a whole number of new shares. As companies generally do not issue fractional amounts in shares, it may not always be possible for the fractional amount to be issued to you. This situation can occur where your assets are pooled and held in nominee. In these cases the nominee company will usually receive one allocation of shares or units for all of the clients in the appointed nominee who participate in an open offer, new issue, bonus, entitlement, rights issue or similar corporate action. The nominee company may also receive a small cash payment from the relevant company's registrars in respect of any fractional entitlement.

The shares or units received by the nominee will be allocated by us as follows: where the shares or units can only be transferred or registered in a whole number of shares or units, then we will allocate to your account such number of shares or units rounded down to the nearest whole number that we calculate, using the relevant company's basis of allocation. Fractional shares will be sold and donated to charity of our choosing if the company does not offer cash in lieu.

If the company does offer cash in lieu any shares or units remaining after we have made these allocations will be aggregated and sold. The resulting sale proceeds, together with any cash payment that may be received will be distributed pro-rata amongst the relevant clients.

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 Your 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 sales 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 Asset 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 of 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 money and investments (collectively referred to as "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 Thirds 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 Asset 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 Asset 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 Asset 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.

**Warning: in the event of an irreconcilable shortfall following any default of the Eligible Third Party responsible for pooled investments, you may not receive your full entitlement and may share in that shortfall pro-rata.**

**Insolvency Risk Warning: there is a risk in the event of the insolvency of the Eligible Third Party that the designation of the pooled account as a client account may be challenged by a liquidator or the process of obtaining your funds may be delayed.**

**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 investments 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. Contract Notes and Statements

Cantor is not required to send contract notes in respect of discretionary managed services and therefore Cantor has assumed you have chosen not to receive contract notes and therefore will not send them to you in line with this Clause 11.

If you have chosen to receive contract notes, a contract note will be dispatched to you or if you wish, to the person authorised to issue investment instructions on your account, no later than the first business day following execution of the transaction undertaken on your behalf or if the confirmation is received by us from a third party no later than the first business day following receipt of the confirmation from a third party. The terms of any contract note shall be conclusive as to any matter contained or provided in such note unless PSIL is notified in writing by Cantor forthwith or, in any event, prior to the settlement date for such transaction. By accepting these Terms you are electing to receive transaction information on a transaction by transaction basis.

PSIL will arrange for you to receive safe custody statement showing the investments and cash balances it

holds for you in safe keeping, reported on a trade date basis ("Client Asset Statement"). The statements will be provided on a quarterly basis in accordance with our regulatory requirements and as determined by the CBI's rules. PSIL may provide such statement to you via appropriate means as agreed with you and it shall be your responsibility to review such statement following receipt. PSIL will also provide you with a statement at a frequency as we may agree with you (or upon request) detailing all movements on your account since the previous statement date.

Cantor will also send you a valuation statement of your account on a quarterly basis. In most circumstances, the valuations of your investments will be based on the middle market price sourced by PSIL at the close of business on the valuation date. However, certain investments may be subject to specific valuation methodologies as required by law. In other cases, where a middle market price is not available Cantor and PSIL may need to value your investments using a different basis, for example the last trade price quoted or an estimation of the price.

In the event that the value of your account when compared to the value as set out in your most recently reported valuation, depreciates by 10% or more, this will be reported to you.

Additionally, in relation to any client account which includes contingent liability transactions, Cantor will report any losses exceeding any pre-determined thresholds no later than the end of the business day in which the threshold is exceeded.

We will assume that you have received the contract note and that the details on it are correct unless you contact us within two business days of the date of issue of the contract note. Cantor will not be liable as a result of any discrepancy which has not been notified within this timeframe. However, we reserve our right to correct errors at any time. If there is a mistake on the contract note or if information has been omitted, you will not be able to enforce the trade as confirmed to you and will be obliged to settle the trade as dealt by us.

We will provide you with a key investor information document or key information document, where relevant, for any fund which is a UCITS or a PRIIP, provided same is available.

As a discretionary managed client, we will be responsible for monitoring your shareholdings and making the relevant disclosures on your behalf about your shareholdings, as required in accordance with relevant legislation, whether the investments are held with PSIL or with another custodian based on information that you have provided to us.

## 12. 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 12.

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 Asset 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.

### 13. 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 13 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.

## 14. Inactive Accounts

If at any time you:

- (a) have not bought or sold securities through Cantor for a period of at least two years;
- (b) do not have a cash balance in a client money account with PSIL; and
- (c) do not hold securities in a PSIL nominee account;

we may close your account without notice. If your account is closed in this manner and at a later date you wish to place an order to buy or sell securities, you will need to open a new Cantor account.

## 15. Sale Proceeds

You hereby provide authorisation that any cash balance that is retained in your account will be paid out to you only on receipt of specific instructions from you. Proceeds can only be made to a bank account in the name of the client(s) named on the account. Cantor does not permit third party payments. Please note that any sale proceeds may be used for the discharge of liabilities as provided for in Clauses 12, 13 and 14.

## 16. 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, Heritage House, 23 St. Stephen's Green, Dublin 2, D02 AR55. 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 16.

## 17. 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.

## 18. Corporate Actions and Shareholder Rights

As a discretionary managed client and where we are notified, we will make any decision on your behalf regarding corporate actions and shareholder rights.

### Corporate actions

#### (i) Securities held in a Crest PMA:

You will appear in the share register as the legal owner of the securities and the issuing company may send details of corporate actions to Cantor. In some instances correspondence may come directly to you where paper elections are allowed – in the event that this occurs, Cantor are unable to process and unable to answer any queries relating to this event.

In the event that the election is through CREST it is your responsibility to advise Cantor what action you propose to take and, if appropriate, return to us the completed documentation and any necessary funds.

In accordance with applicable Data Protection laws, Cantor is unable to retrieve any information regarding Crest PMA accounts from Registrar; this includes any queries on accounts, dividend issues or any capital events.

On occasion, registrars' and issuers can change their policies on how they treat and contact Crest PMA Clients; Cantor holds no liability/responsibility for these changes as the agreement is between the registered legal owner of the securities and the issuer.

#### (ii) Securities in Nominee:

By holding your investments in a nominee account you will be notified either directly by the company or by Cantor of corporate events unless you have specified in writing that you wish to be contacted by Cantor. Cantor will apply the default option on your behalf unless a valid written



instruction to the contrary is received by the Cantor response date. Should you choose to be notified Cantor will;

- (a) Advise you of your options and will use reasonable endeavours to obtain your instructions in respect of the options prior to acting on your behalf and we will set out the default option (either in the notification or as otherwise separately agreed with you) to apply to you (and to all other clients) in the event that we fail to receive instructions from you. If we are unable to contact you or if we do not receive any instructions from you we will act in accordance with the default option and we will be deemed to be acting on your instructions and with your authority and consent.
- (b) Notify you of all voluntary events on your account with the exception of Currency Options and Odd Lot offers which are not offered by Cantor. We will always accept compulsory takeovers and mergers where an event becomes "wholly and unconditional" or "unconditional in all respects".
- (c) In the event of a DRIP/SCRIP Dividend being offered, we will elect to take the cash alternatives unless you specifically instructed to us in your account set up form to take the share alternative.

While Cantor will use reasonable endeavours to notify and inform you of the options when applicable, Cantor will have no liability to you for the failure to notify you or inform you of the options or for any loss arising from the election of one option over another or from selecting the default option, or for advising you of the consequences of selecting one option over another unless you specifically request such advice in writing.

If the corporate action requires a payment from you to complete, e.g. a rights take up, it is your responsibility to ensure that there is sufficient funds available on your account to satisfy the payment when it falls due. Cantor reserves the right to disregard your instructions in these events should the corporate action result in the account becoming overdrawn.

#### Shareholder rights

If your shares are held in nominee, annual reports of companies in which PSIL or a nominee hold an interest on your behalf will not be issued by Cantor or PSIL to you. Similarly, you will not be notified of meetings for companies in which you have invested (including AGMs, EGMs etc.) nor will you be provided with proxy forms to allow you to vote at shareholder meetings unless you specifically request such information.

Neither Cantor nor PSIL will be held liable for any loss arising from the non receipt by you of such information.

If you do request such information in writing, Cantor will use reasonable endeavours to provide you with such information and await your instructions and Cantor, will, if

requested to do so by you in writing within the prescribed timescales, convey your voting instructions to PSIL for onward transmission to the relevant company.

Some companies provide benefits to shareholders relating to the nature of their business. These benefits will not necessarily be available to you automatically, where your investments are registered in the name of a nominee company. You should make your own enquiries as to the existence of such benefits. Should you wish to receive these additional benefits (in the event they are available to you); you should make the necessary arrangements with Cantor.

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

Cantor will accept orders and instructions in meetings, by telephone or letter or facsimile transmission. We reserve the right to request confirmation of an instruction in writing and we may refuse to act on unclear or incomplete instructions.

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 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 telephone records (including mobile) and any electronic communications for a minimum period 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.

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.

If you are a legal entity, we will require you to provide us with an LEI before a transaction can be executed. If you are a natural person, we will require you to provide us with a National Client Identifier or any information necessary to determine your National Client Identifier.

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.

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

## 20. 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).

## 21. 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 does 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.

## 22. 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 Asset 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.

## 23. Aggregating Orders

Cantor may aggregate your order with other similar orders from other Cantor clients and/or with orders for our own account. We do this so that we may achieve better pricing for clients through executing the orders in larger or bulkier sizes. We will only carry out a client order in aggregation with another order when we perceive that the aggregation of orders and transactions will work to the advantage of the clients whose orders are aggregated. While we aggregate client orders where we perceive advantage to the client there may be occasions when the outcome of the aggregation may be disadvantageous for a specific individual order.

**Warning: please note that aggregation of orders for your account with orders for other clients' accounts may work to your disadvantage in relation to a particular order.**

Where Cantor orders are aggregated then the allocation of executed or partially executed orders will be in accordance with Cantor's Order Execution Policy, which is included as part of these Terms, and prevailing regulatory requirements.

## 24. Principal Dealing

Cantor is authorised to deal as principal in the investments listed at Clause 1. Where we act as principal



in a transaction, that fact will be stated on the relevant contract note.

## 25. Limit Orders and Publishing Limit Orders

All good till cancelled and limit orders are not market orders and are executed on a best efforts basis. This means that we will use all reasonable care and skill to execute a limit order at transaction within the limits imposed but this is subject to market conditions and other constraints.

Limit orders arise where you instruct us to deal in a security within certain price parameters. We will only purchase investments if the market price matches or is less than the limit price you have given us. We will only sell investments if the market price matches or exceeds the limit price you have given us. Even if the market price has met or exceeded your limit price we still cannot guarantee that we will be able to execute that order under the prevailing market conditions, particularly in a fast moving or volatile market. Cantor shall have no liability for any loss that may result in the event that the executed price differs from the order price in such circumstances.

Limit orders will not be accepted outside normal market hours. Limit orders will be good for that Business Day only or, if dealing in an overseas market, good for the day in which the order was left in that overseas market and if achieved any limits in that time the deal(s) will be contracted without further reference to you. Any limits that are not achieved on the same Business Day will lapse without further reference to you.

The precise terms of any order to purchase or sell securities with limit prices attaching must be agreed with your broker at the time the order is given.

Cantor will be under no obligation to inform you that your limit order has lapsed.

Current regulation requires Cantor to make your order public (i.e. show the order to the market) unless you agree that we need not do so. Cantor believes it is in your best interests if we exercise our discretion as to whether or not we make your order public and you expressly agree to our not making your orders public.

## 26. Joint Accounts

Where an account is opened in the names of more than one party, any instruction, notice, demand, acknowledgement or request to be given by or to you under these Terms may be given by or to any one party named on the account, unless otherwise agreed with us in writing. We need not enquire as to the authority of that person to represent the other party or parties. Your liabilities to us under these Terms are joint and several.

On the death of any party named on the account, we may treat the survivor(s) as the only person(s) entitled to any investments and cash held on the account, and to give instructions to us in connection therewith.

If we receive instructions from any joint account holder that in our opinion conflict with instructions received from any other joint account holder, we may comply with these instructions and/or advise each joint account holder of the apparent conflict and/or take no action until we receive instructions that are satisfactory to us.

Where one of the parties informs us of a dispute between joint account holders, we may cease to permit operation of the joint account until we receive new written signing instructions from the joint account holders. However, we are not obliged to do this and may, notwithstanding any dispute, continue to rely on the existing arrangements for operating the account including signing instructions unless and until we decide to cease to permit operation of the joint account pending receipt of new instructions from the joint account holders.

## 27. Errors on Your Account

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

## 28. 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, Heritage House, 23 St. Stephen's Green, Dublin 2, D02 AR55.

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. If for any reason you are not satisfied with our or PSIL's final response please note that you may be entitled to refer your complaint to the Financial Services and Pensions Ombudsman. Further details relating to the Financial Services and Pensions

Ombudsman, including how to make a complaint, are available at [www.financialombudsman.ie](http://www.financialombudsman.ie), by telephone on Lo-Call Number: 1890 88 20 90, or by writing to the Financial Services and Pensions Ombudsman, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

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

## 29. Investor Compensation Act, 1998

In accordance with Section 38(1) of the Investor Compensation Act, 1998 (the "Act"), Cantor and PSIL (collectively referred to as 'the Firms' and each referred to as a 'Firm' in this Clause) are required to inform actual and intending clients, in our respective Terms, of the following information concerning investor compensation:

- (i) the Investor Compensation Act, 1998 provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms, as defined in that Act;
- (ii) the Firms are members of that compensation scheme;
- (iii) compensation may be payable where money or investment instruments owed or belonging to clients and held, or in the case of investment instruments, administered or managed by the Firms, cannot be returned to those clients for the time being and there is no reasonably foreseeable opportunity of the Firms being able to do so;
- (iv) a right to compensation will arise only:
  - (a) if the client is an eligible investor as defined in the Act;
  - (b) if it transpires that the Firms are not in a position to return client money or investment instruments owed or belonging to clients of the respective Firm; and
  - (c) to the extent that the client's loss is recognised for the purposes of the Act.
- (v) where an entitlement to compensation is established, the compensation payable will be the lesser of:
  - (a) 90% of the amount of the client's loss which is recognised for the purposes of the Investor Compensation Act, 1998;
  - (b) or compensation up to a maximum limit of €20,000.

## 30. 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.

**By agreeing to these terms and conditions you consent to the provision of this information by a posting of updates on our website.**

## 31. Termination of Client Account

Either you or Cantor may terminate the account and our agreement 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. If you wish to terminate the account please send the written notice to Cantor's Client Services Department and we will transfer your assets to the account specified by you, after deduction of fees and charges therefrom in the event that you do not separately discharge them.

In the event of the cessation of a service or the termination of the account Cantor shall, in so far as Client Assets are transferable, make them available for delivery to you or a new service provider, as determined by you. In relation to Client Assets that are not transferable, they shall be available for delivery as soon as they become transferable or shall be dealt with in a manner agreed to by Cantor and you. Cantor shall be entitled to recover the cost of any such transfer, from you.

## 32. Death or Incapacity

In the event of death or incapacity of a client, Cantor will upon receipt of written notification (which in the case of death must be in the form of a certified copy of a death certificate and in the case of incapacity must be in the form of a valid written legal notification as determined by Cantor) immediately suspend all accounts of that client (unless a representative has been validly appointed on your behalf to manage your affairs).

In the absence of a validly appointed representative, Cantor will operate your account on a "care and maintenance" basis and will cease to actively manage your investments in accordance with your Investment Objective and your attitude to risk. Cantor may, in its absolute discretion, close any positions which carry a future contingent liability, and notwithstanding the suspension of the account and without prejudice to our rights of lien and set-off as set out in Clause 12, we may sell positions on your account to meet commitment calls arising from relevant Financial Instruments or to meet other general liabilities including the payment of fees, commissions, charges and expenses as permitted by these Terms.

All payments made and transactions executed by us on your account after your incapacity or death, but before we have written notice thereof, will be valid and binding upon you and your successors and estate.

In the case of death upon receipt of a certified copy of your death certificate, we shall not accept any further instructions or take any further action on your account(s) until such time as your appointed representative has been established by providing us with a certified copy of the appropriate Grant of Representation.

Upon receipt of written legal notification that you are suffering under an incapacity, we shall not accept any further instructions or take any further action on your account(s) from you until such time we have received written legal notification to the effect that you are no longer suffering under such incapacity or until we have received written notice informing us that a representative has been validly appointed on your behalf to manage your affairs.

In the interim, we will deal with corporate actions for which no default position has previously been agreed with you at our absolute discretion pending instructions from your appointed representative.

We will not be liable for any losses arising from whatever cause between the time of your death and the date of probate (or letters of administration) being granted or between the date of your incapacity and the date of your recovery or the appointment of a representative (recognized by law) to manage your affairs.

### 33. 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.

### 34. 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, legality or enforceability of any of the other remaining Clauses of these Terms.

### 35. Limitation of Liability

**You hereby acknowledge that the maximum liability of Cantor and all of its related parties for any and all claims in aggregate shall not in any circumstances exceed the greater of:**

- (i) **Two times the amount of the fees actually paid by you to Cantor under these terms in relation to the account in the 12 month period prior to the event(s) giving rise to the claim or**
- (ii) **the amount of €25,000 (Twenty five thousand euro);**

**However, nothing in these terms shall exclude or restrict any liability which Cantor or any related party has 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.**

### 36. 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 to 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.

### 37. Governing Law

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 Ireland.



# CANTOR FITZGERALD IRELAND LTD

## ORDER EXECUTION POLICY SUMMARY

Effective Date **December 2020**

### 1. Introduction

This document provides important information and sets out how Cantor Fitzgerald Ireland Ltd ("CFIL") obtains best execution for its clients as defined in MiFID II.

The Markets in Financial Instruments Directive ("MiFID II") came into effect on 03 January 2018.

MiFID II as transposed into Irish Law by means of Statutory Instrument No.375/2017, requires that CFIL have in place and operate an Order Execution Policy such that when:

- executing applicable Client Orders or
  - receiving and transmitting Client Orders
- on behalf of our clients in respect of financial instruments covered by MiFID II, that CFIL takes all sufficient steps to obtain the best possible result ("BPR") on a consistent basis ("Best Execution"). This policy should take into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order..

### 2. Client Orders and Specific Instructions

CFIL considers itself to be in receipt of a Client Order when a Client gives us a trading instruction that requires CFIL to complete an investment transaction on the Client's behalf. The price achieved or other aspects of the transaction may be affected by how CFIL executes the order, for example where:

- an agency obligation exists, or
- we 'work' a trading instruction on a Client's behalf either on a principal or riskless principal basis, or
- we place orders with entities for execution that result from decisions by us to deal in financial instruments on a Client's behalf when providing portfolio management services to said Client.

CFIL is not under an obligation to provide Best Execution if in relation to a particular order or business, we define the client as an Eligible Counterparty ('ECP') or if we negotiate the terms of a transaction acting as principal on our own account, and the client is not placing reliance on CFIL for best execution.

CFIL is also not obliged to provide Best Execution when Dealing on a Request for Quote ('RFQ') basis (professional clients only) and trades for non-standard settlement.

### Specific client instructions

**WARNING: If a Retail or Professional Client provides CFIL with a specific instruction to deal it may prevent us from following our Order Execution Policy which is designed to obtain the best possible result for the Client on a consistent basis, taking into account the factors outlined below. Where the Client's instructions relate only to a part of the order, then we may follow the Order Execution Policy for those parts of the order not covered by such instructions.**

### 3. Execution Factors

Where CFIL executes Client Orders and owes a duty of Best Execution, all sufficient steps will be taken to obtain the best possible execution result on a consistent basis taking into account the following Execution Factors:

- price,
- cost,
- speed of execution,
- likelihood of execution and settlement reliability,
- order size,
- nature of Client Order or any other consideration relevant to the execution of the Client Order.

While the weighting and relevance of these factors may vary, price will ordinarily merit a high relative importance in obtaining the BPR for a Client. Where CFIL executes an order on behalf of a retail client, the BPR will be determined in terms of the total consideration i.e. price of the financial instrument and the costs related to execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

However, markets, instruments and transaction types vary greatly in terms of liquidity, depth, transparency, certainty, ease and speed of execution etc. CFIL may therefore take into consideration other Execution Criteria that alter the relative importance of execution elements (execution criteria other than price may assume equal or greater importance) and thereby permit CFIL the required flexibility to cater for Clients with differing priorities and



execute orders based on other factors that will result in CFIL acting in the best interest of the client. Such Execution Criteria may include, but are not limited to:

- The client's status as a retail client or a professional client;
- Prevailing market conditions, including when a fast market is declared Business continuity event
- Characteristics of the Client,
- Characteristics, size and settlement terms of the Client Order,
- Characteristics of the financial instruments that are subject of the Client Order,
- Characteristics of the execution venues to which that Client Order can be directed; and
- Whether the client has provided any specific instruction.

Trading Over the Counter ('OTC') execution as opposed to an execution on a trading venue.

Based on the above Execution Factors and Execution Criteria, and subject to any specific client instruction, CFIL will exercise discretion, based on market experience, knowledge, commercial judgement, the relevant Security and the type of Client Order to obtain the BPR with regards to the execution of a Client Order.

## 4. Execution Venues and Instruments

MiFID II requires, in the context of our order execution policy, that for each financial instrument in which we execute orders, that CFIL utilise those venues (sources of liquidity) that we consider, according to our ongoing assessment, enable us to obtain, on a consistent basis the BPR for client orders. Currently, when executing Client Orders, CFIL typically place significant reliance on the execution venues and brokers/Counterparties listed in Appendix I.

We will include those venues that we believe enable us to provide the client with the BPR on a consistent basis. We may transmit client orders to another broker or dealer for execution. In the event we receive a client order and transmit this order to a third party for execution we will ensure that the price obtained, based on cost, speed, and likelihood of execution will be the most competitive. Clients should be aware that for certain types of financial instrument there may be only one execution venue available to us. When we execute against CFIL's own book we will review the quality of our own execution in the same way that we review other execution venues.

Appendix I contains those execution venues in regard of which CFIL places significant reliance. It is not an exhaustive list. When choosing an execution venue, CFIL will focus primarily on the quality of execution and

reliability of the venue followed by the costs of that venue. While the venues selected may not always offer the most favourable prices, the client's order will always be executed in the overall requirement of BPR on a consistent basis.

### Equities & ETFs

CFIL executes Irish and UK equities & ETFs on Exchanges in Europe and UK either directly on order book or off order book. Additionally CFIL may transmit orders to a third party broker. For central European and rest of world equity & ETF orders, CFIL predominantly transmits orders to a third party broker. CFIL may also execute via MTF's. CFIL notes that orders can be transmitted to affiliate CFE.

### Fixed Income Securities

CFIL executes Irish Government Bonds against CFIL's own book. CFIL acts as a primary dealer and Systematic Internaliser in Irish Government Bonds.

For EU/UK and rest of world Fixed Income orders, CFIL predominantly transmits orders to third party brokers with the inclusion of CFIL.

CFIL may also execute on an adhoc basis other EU Government and EU/UK Bank Bonds with CFIL and MTFs/Market Makers.

### Contracts for Difference and Spreadbets

Orders are executed through CFIL or regulated financial institutions acting as Contracts for Difference ("CFD") and Spreadbetting providers. Clients trading CFDs or Spreadbets will have an existing account with one of the providers

### Collective Investment Schemes

Units for Collective Investment Schemes are transmitted Pershing's fund platform or to the secondary market direct with the Transfer Agency for the fund. These are traded based on the available NAV entry price (either daily, weekly or monthly), and are subject to cut off times. For these orders CFIL gives consideration to:

- Speed and the efficiency of the transmission
- Speed of confirmation of execution as this can vary on the fund in question
- the efficiency of settlement. The settlement of an order of this type can vary depending on the fund in question
- Type of order: the characteristics of a 'Fund Switch' order can differ from an outright order.

### Structured Products/Structured Deposits

Trades are negotiated on a bi-lateral basis and executed off-exchange in line with the specific instructions received from the client who receives the full terms in advance of any instruction. Counterparties for these products are

reviewed for efficiency of execution, breadth of selection and counterparty risk for clients.

### **OTC Equities**

OTC equities are no longer offered as an investment by CFIL: only exit trades are permitted and we follow normal best execution procedures to the extent limited by the reduced number of counterparties. For these trades, CFIL may change the priority of the execution factors.

### **Non Standard Settlement**

For non-standard settlement orders, CFIL will use best endeavors to achieve BPR. For these orders CFIL may change the priority of execution

### **Trading outside a Regulated Market, Multilateral Trading Facility or Organised Trading Facility**

CFIL will predominately execute financial instruments on a regulated market, Multilateral Trading Facility ("MTF"), Systematic Internaliser ("SI") or Organised Trading Facility ("OTF"). CFIL may also, on an adhoc and irregular basis, to obtain BPR for the Client, transact orders outside these venues. CFIL may execute a Client Order against a principal position, or facilitate an agency cross.

Clients provision of an order to CFIL is an express consent to this Order Execution Policy.

CFIL regularly assess execution venues and may use additional venues where we deem it appropriate in order to provide BPR on a consistent basis or in regard of a specific order.

Clients will be notified of changes to Execution Venues on which CFIL places significant reliance when executing Client Orders, by the posting of updates on our website, [www.cantorfitzgerland.ie](http://www.cantorfitzgerland.ie). Clients should, therefore, periodically refer to this website for updates.

## **5. Methodology**

Having assessed the relevant Execution Factors and Execution Criteria, and in consideration of any specific instructions provided by the Client, we will select the most appropriate Execution Venue to achieve consistently the BPR on the Client's behalf.

## **6. Aggregation of Orders**

In accordance with MiFID II client order handling rules, CFIL has order handling procedures and an execution arrangements policy in place. This is to provide for the prompt, fair and expeditious execution of client orders. CFIL ensures that client orders are executed in a prompt, fair and efficient manner.

## **7. Order Handling**

CFIL may aggregate orders, subject to our Order Allocation Policy and our Conflicts of Interest policy for us or our Parent, Associate or Affiliate) to be executed in one or several tranches if, due to demand conditions, several orders may be settled at an average price that CFIL considers generally favorable. Aggregation may, in some cases, work to the disadvantage of a particular order. When executed, aggregated orders will, to the extent possible, be allocated to clients on the trade date at the calculated average price. If aggregated orders can be executed only in part, CFIL will allocate the partial execution to the participants in proportion to the size and conditions of their orders.

## **8. Reception and Transmission of Orders**

Subject to any specific instructions given to CFIL by the Client, we may transmit an order that we receive from the Client to another entity affiliated to CFIL or to an external entity (such as a third party broker) for execution where it is decided that this method is more likely to achieve the BPR. When we transmit such orders we remain obligated to ensure BPR for the Client. CFIL will regularly review and monitor the standards of execution received from third party brokers and affiliates.

## **9. Publishing Limit Orders**

If a Client gives a limit order, being an order at a specified price limit or better and for a specified minimum fill size, then it may not always be possible to execute that order under the prevailing market conditions.

MiFID II requires CFIL to make the Client's order public (i.e. show the order to the market) unless the Client agrees that we need not do so. We believe that it is in the Client's best interests if we exercise our discretion as to whether or not we make client orders public and by consenting to this Order Execution Policy the Client agrees to not making that Client's orders public.

## **10. Monitoring and Review of the Order Execution Policy**

CFIL will monitor the effectiveness of its order execution arrangements and the Order Execution Policy on an annual basis or where a material change occurs to it and assess, on a regular basis, whether the execution venues included in the Order Execution Policy provide BPR for the client, or whether changes to the execution arrangements need to be made.

CFIL will notify Clients of material changes to our order execution arrangements and our Order Execution Policy

by the posting of updates on [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie). Clients should, therefore, periodically refer to this website for updates.

## 11. Consent and Communication

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CFIL is required to obtain the client's prior consent to the Order Execution Policy. Prior consent to this Order Execution Policy will be deemed to have been received when a client places an order with CFIL on or after the date of website upload of this Policy. In addition, by completing a CFIL client Application Form, including terms and conditions thereto, the client is providing their consent to the Order Execution Policy and inter-alia agreeing their order can and will be executed pursuant to this policy.

## 12. Publication of Annual and Quarterly Reports on Best Execution

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CFIL publishes (in accordance with Regulatory Technical Standards ("RTS 28")) a summary of the top five execution venues and brokers to which all client orders are routed during the preceding year. This information contains a summary on the quality of execution and will be made available on our website:

[www.cantorfitzgerald.ie/important-disclosures](http://www.cantorfitzgerald.ie/important-disclosures)

As a systematic internaliser in Irish Government Bonds CFIL publishes (in accordance with Regulatory Technical Standards ("RTS 27")) on our website, information on the quality of our execution on a quarterly basis.

## 13. Vulnerable customer policy

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It is CFIL's policy to promote practices that prevent detriment to our customers and ensure their best interests are safeguarded in line with our vulnerable customer policy.

## Appendix I

### Schedule of Execution Venues and Executing Brokers where CFIL places significant reliance for the execution of client orders.

Counterparty Name	Irish Equities	UK Equities	European Equities	Non-European Equities	Bonds & Fixed Income Securities	CFDs
<b>Top Execution Venues</b>						
Cantor Fitzgerald Ireland Limited					•	
TradeWeb Europe Limited					•	
MTS Cash domestic Market Ireland					•	
BGC – OTF					•	
BFC - MTF					•	
Bloomberg MTF					•	
Irish Stock Exchange	•	•			•	
London Stock Exchange	•	•			•	
<b>Top Executing Brokers / Counterparties</b>						
Arden Partners Plc		•	•			
Bankhaus Neelmeyer AG		•	•			
Banque Internationale A Lux SA		•	•			
Barclays Capital		•	•			
Blackbee Investments Ltd		•	•			
BMO Capital Markets Limited		•	•			
BNP Paribas		•	•			
Canaccord Genuity Limited		•	•			
Cantor Fitzgerald Europe	•	•	•	•		
Cantor Fitzgerald + Co				•		
Cenkos Securities Limited		•	•			
CMC Markets		•	•			•
Commerzbank AG		•	•			
Credit Suisse		•	•			
EFG Private Bank Limited		•	•			
Exane SA		•	•			
Finncap Ltd		•	•			
Goodbody Stockbrokers	•	•	•			
Haitong Bank SA		•	•			
HSBC Bank Plc		•	•			
IG Markets Limited	•	•	•			•
Investec Capital + Investments	•	•	•			
J+E Davy	•	•	•			

Cantor Fitzgerald Ireland Ltd is regulated by the Central Bank of Ireland, Cantor Fitzgerald Ireland Ltd is a member firm of the Irish Stock Exchange and the London Stock Exchange.

Counterparty Name	Irish Equities	UK Equities	European Equities	Non-European Equities	Bonds & Fixed Income Securities	CFDs
Jarvis		•	•			
Jefferies International Ltd		•	•			
Kempen + Co NV		•	•			
Killik + Co		•	•			
Liberum Capital Ltd		•	•			
Monecor (London) Ltd		•	•			
Morgan Stanley Int London		•	•			
Natixis		•	•			
Novum Securities Limited Agenc		•	•			
Nplus1 Singer Capital Markets		•	•			
Numis		•	•			
Panmure Gordon (Uk) Limited		•	•			
Peel Hunt LLP		•	•			
Pershing Securities Ltd	•	•	•	•		
RBC Dexia Investor Services		•	•			
RBC Europe Limited		•	•			
Shore Capital Stockbrokers Ltd		•	•			
Societe Generale		•	•			
Stifel Nicolaus Europe Limited		•	•			
Stockdale Securities Limited		•	•			
The Bank Of New York Mellon		•	•			
UBS AG		•	•			
Virtu Financial Ireland Ltd	•	•	•	•		
WH Ireland Limited	•	•	•			
Winterflood Securities Ltd	•	•	•	•	•	

# CANTOR FITZGERALD IRELAND LIMITED

## CONFLICTS OF INTEREST POLICY SUMMARY

This document contains a summary of our Conflicts of Interest Policy which is designed to identify conflicts of interest which may occur between Cantor Fitzgerald and clients or between clients of the Firm. Where conflicts of interests are identified, we will take all appropriate steps designed to prevent or manage such conflicts from adversely affecting the interests of our clients. Cantor Fitzgerald has procedures and arrangements in place which we follow to avoid any conflict or potential conflict from impacting our clients or the Firm.

Where we believe the arrangements we have in place are insufficient to ensure with reasonable confidence that a potential conflict of interest will not impact our clients negatively, we will inform you of

- the nature of the conflict or potential conflict,
- the risks that arise due to the conflict,
- and the steps we have to mitigate these risks so that you may decide how to proceed

### INTRODUCTION

Cantor Fitzgerald Ireland Limited (Cantor) is regulated by the Central Bank of Ireland and is a member firm of Euronext Dublin and the London Stock Exchange. This policy sets out the measures adopted by Cantor to ensure that Conflicts of Interests at Cantor are appropriately identified and managed in relation to each of our business areas.

It has been prepared for information purposes for the Firm's clients and other interested parties. All Cantor staff are required to comply with detailed internal policies and procedures which support this Conflicts of Interest Policy.

### IDENTIFICATION OF CONFLICTS OF INTEREST

Conflicts can be actual, perceived or potential conflicts and may arise from time to time in delivery of our services to clients. 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 business operations. Employees receive training to create awareness of conflicts and of Cantor's responsibilities in identifying, managing and the prevention of conflicts. Where they believe they may have identified a conflict, employees are required to report details to Cantor's Compliance Department.

Cantor will identify and record all conflicts of interest, that arise while providing its investment services and activities and ancillary services. Non exhaustive examples of where conflicts of interest may arise is between Cantor and the interests of one or more of its clients, Cantor employees and the interests of one or more clients or potential clients, the Group to which Cantor belongs and one or more clients or potential clients or two or more Cantor clients.

### **Non Exhaustive Examples of Conflicts that may occur include**

- Information flows
- Order handling
- Employee personal account dealing
- Employee outside business interests
- Remuneration
- Investment Research
- Product Governance
- Inside or Confidential information
- Segregation of duties
- Gifts and entertainment
- Proprietary trading
- Political contributions or charitable donations

### **PREVENTION OR MANAGEMENT OF CONFLICTS OF INTEREST**

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

#### **Information flows**

Cantor uses information barriers to prevent the exchange and misuse of inside or confidential information. For example, Cantors Research function and Corporate Finance Function sits behind Chinese walls and the Firm has in place strict Market abuse policies and procedures for the disclosure of inside information.

#### **Order handling**

Cantor has in place a Best Execution and order handling policy setting out its obligations and trains staff periodically.

#### **Employee personal account dealing**

All Cantor employees must seek prior approval to open investment accounts and seek prior approval prior to placing all and any trades. Cantor operates a strict personal account dealing policy.

#### **Employee outside business interests**

No Cantor employee can assume an external position without prior review and approval in line with the Firm's Outside business interest Policy. Positions that may conflict with the Firm or clients will not be approved.

#### **Remuneration**

Cantor operates a robust Remuneration Policy which ensures Cantor employees do not favor their own interests of our clients' or Firm interests.

#### **Investment Research**

Cantors Research function is independent, behind Chinese walls and has an independent reporting line to the Firms sales function. This is governed by the Firm's Segregation of duties policy and Research Policy.

#### **Product Governance**

Cantor is a distributor of MIFID instruments and has in place detailed product governance, suitability and appropriateness policies to ensure where the Firm is distributing its own products to clients, they are within the positive target market and the investments are either Suitable or appropriate depending on client service level.

#### **Inside or confidential information**

Cantor has a market abuse policy in place, training for all staff, quarterly reminders of staff obligations as

well as detailed wall-crossing procedures to restrict and mitigate against the unlawful disclosure of inside information.

**Segregation of Duties**

Cantors' segregation of duties policy sets out clear rules regarding the performance of duties to reduce the likelihood of fraud or conflicting roles within the Firm.

**Gifts and entertainment**

Cantors Gifts and entertainment policy ensures that employees only accept or offer gifts or entertainment that enhances the quality of the service provided to our clients and mitigates against excessive or lavish spending.

**Proprietary trading**

Cantor utilizes its order handling and market abuse policies to avoid situations that may conflict with client orders and interests.

**Political Contributions and Charitable donations**

Cantors Anti Bribery and Corruption Policy and Gifts and Entertainment policy sets out clear rules and guidelines which staff follow to avoid any perceived or actual conflicts.



# CANTOR FITZGERALD IRELAND LTD

## RISK DISCLOSURE STATEMENT

Effective Date **September 2020**

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 a Professional Client. 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 (“ETFs”) 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 (“ETNs”)**

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.



# Sustainability Preferences



# What is Sustainability?

In 1987, the United Nations defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability is about the prudent use of resources, with a view to long-term priorities and consequences of the ways in which resources are used.

A sustainable business seeks to resolve or mitigate environmental, social and economic challenges through the strategic allocation and management of corporate resources. In recent years, a concerted effort by authorities and regulators have resulted in significant progress for how companies can measure their progress in becoming more sustainable business.

## What are the Sustainable Development Goals (SDGs)?

The SDGs are a collection of 17 interlinked global goals agreed as an international framework of reference that addresses the most pressing challenges of sustainable development. The SDGs were agreed in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. The SDGs are useful guidance to understanding the interconnected challenges of sustainable development and the urgency behind each goal. Investors may use the SDGs as a framework of reference for areas of impact when it comes to addressing sustainability in their portfolios.



## What are Sustainability Preferences?

Recent changes to the Market in Financial Instruments Directive (MiFID II) now require investment advisors and investment managers to ask investors whether they would like to see aspects of sustainability reflected in their investment decisions. This is known as the collection of sustainability preferences and has become part of the regular suitability assessment process.

Clients have varied attitudes to many different aspects of their investment decision such as liquidity, return, safety and risk. Sustainability preferences is a further layer in this process that allows us to determine the investment decisions that are most suitable for the client in relation to their attitude to sustainability.

## What is the Suitability Assessment?

The assessment of suitability is a core investor protection measure under MiFID II. Correctly assessing client suitability ensures clients are only invested in products and services that are suitable for their own needs and objectives.

The goal of suitability rules is to ensure clients best interests are at the forefront of investment decisions. The assessment of suitability is applicable to both advisory and discretionary clients.

Suitability rules require investment firms to gather relevant information from clients in relation to:

- a) investment objectives, including risk tolerance
- b) financial circumstances including ability to bear loss
- c) knowledge and experience
- d) investment time horizon
- e) personal circumstances
- f) sustainability preferences

Collection of this information enables the Firm to complete a suitability assessment and (in the case of advice) provide suitable personal recommendations to clients or (in the case of discretionary clients) to make suitable investment decisions on behalf of the client(s).

In relation to sustainability preferences, clients must be asked the following:

- Whether the client has sustainability preferences (yes/no)
- The minimum proportion which the client wishes to invest in environmentally sustainable investments and sustainable investments
- The Principal Adverse Impacts which the client wishes to be considered.

CFIL will request information to assess a client's sustainability preferences to enable it to match the client with suitable products. Terms and concepts used when referring to environmental, social and governance aspects will be explained to clients. This will include an explanation of the differences between products with and without sustainability features in a clear manner, avoiding technical language.

This regulation came into force in August 2022. Questions relating to sustainability are required as part of the suitability assessment and must be asked to every new client of the firm and every existing client where a suitability review is taking place.

***Sustainability preferences are grouped in three major themes:***

### **1. Environmentally Sustainable Investments (or “Taxonomy-aligned”)**

These are investments in economic activities that make a significant contribution to an environmental objective based on technical screening criteria. There are six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- The circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

The EU Taxonomy Regulation (TR) sets out robust, science-based technical screening criteria that activities need to comply with to be considered as “green” while ensuring such activities don’t negatively impact people and the planet.

Large companies are required to disclose to what extent their activities are associated with economic activities that qualify as environmentally sustainable. Given the role of the TR in how investments are defined as environmentally sustainable, this product category is also described as Taxonomy-aligned investments. To learn more about this topic, read [more here.](#)





## 2. Sustainable Investment

This is a more all-encompassing description of both environmentally and socially sustainable investments. The Sustainable Finance Disclosure Regulation (SFDR) is the regulatory regime governing the definition of sustainable investment (SI). For an investment to be classified as SI, it must (1) follow principles of good governance (e.g., having in place sound management structures, tax compliance, employee relations and so on), (2) its economic activity contributes to a social or environmental objective, whilst (3) ensuring such economic activity does not cause harm to people or the planet.

The SFDR also classifies investment products in terms of being Article 8 or 9 aligned, which describes the extent to which a product is committed to SI. Both types of products must follow principles of good governance, however, they have varying requirements when it comes to % alignment with sustainable investment, with Article 9 products required to have 100% of the investments aligned with SI criteria. Article 8, on the other hand, promote environmental and social characteristics and can set their own minimum % alignment with environmental and social characteristics.

When defining environmentally sustainable activities under the SFDR, there is overlapping with the definition provided by Taxonomy-aligned economic activities. Therefore, a Taxonomy-aligned activity can automatically be defined as sustainable investment.

Finally, an Article 6 designation refers to a product that does not have a sustainable investment as its objective nor promotes ecological or social characteristics.



### 3. Principle Adverse Impact (PAIs)

Principle Adverse Impact indicators are a collection of data points where investments can be screened to highlight their sustainability risks against one another. They cover environmental, social and governance metrics (ESG risks).

Investors interested in understanding the principal adverse impacts from their investment decisions can choose from a total of 64 PAI indicators and track their performance in their portfolios. PAI's can be either quantitative or qualitative elements.

Clients can also exclude from their investments specific economic activities on the basis of relevant PAIs. For example, specific economic activities that are linked to certain principal adverse impacts on sustainability factors, and are considered as significantly harmful, can be avoided from investment. Examples of PAIs include:

- Carbon emissions
- Fossil fuel sector activity
- Human rights violations
- Involvement in controversial weapons
- Activities negatively affecting biodiversity
- Rule of law
- Board gender diversity
- etc...



## What is the Difference Between Products with and without Sustainability Features?

One of the key differences between products with sustainability features and without is that the former goes through examinations pertaining to the sustainability of a government / business in terms of ESG standards at the same time as the financial performance of such investment is taken into consideration. Products without sustainability features, on the other hand, only focus on the financial performance of such investments.

## What Happens if I don't have Sustainability Preferences?

Once you inform us that you have no preferences for sustainability in your investment decisions, you will be considered *sustainability neutral*, meaning that you can be offered products with and without sustainability features.

## What are the Challenges?

We acknowledge that investors looking for sustainable investment solutions face a variety of obstacles as well as possibilities. Company data to allow for a more efficient matching of products with client's sustainability preferences is still under development. This is mostly due to another relevant regulatory framework, the Corporate Sustainability Reporting Directive (CSRD), having a different timeline for implementation to the other regulatory regimes assisting in the integration of sustainability preferences in investment decisions. The CSRD timeline is being done through a phased approach, meaning that only large corporates are currently in scope for disclosure of sustainability data, with more companies falling in scope every year from 2025 to 2029. The reason behind such an approach was to give companies enough time to prepare these more extensive reporting requirements. The CSRD is also creating rigor around sustainability disclosure with such information becoming part of companies audited annual financial accounts.

**The mismatch between timelines in companies' public disclosure of sustainability data may lead to a shortage of suitable products, as fund managers may lack relevant data to address a sustainability issue.** For example, an area many investors may care about is biodiversity loss. However, the extent of the impact of companies' activities on biodiversity may require more disclosure than it is currently available to be better understood. In turn, an advisor may be unable to recommend a financial product to match a client's sustainability preferences.

## What is Understood by "Minimum Proportion"?

During the collection of sustainability preferences, we ask for what "minimum proportion" you would like allocated to sustainable or taxonomy-aligned investments. This minimum proportion is collected as a specific percentage range, which is then used as guidance for the portfolio manager/advisor on what proportion of a client's portfolio should ideally be exposed to sustainable or taxonomy-aligned investments.



## What Happens when no Product is Available to meet my Sustainability Preferences?

Your financial advisor/portfolio manager will inform you that, after searching for a suitable product that would meet not only your sustainability preferences, but other aspects of suitability (e.g., risk tolerance, liquidity, etc.), no product can be recommended at this time. The client can then be afforded the opportunity to adapt their sustainability preferences, and the advisor/portfolio manager will keep a record of the client's decision and reason for that decision.

Following this decision, the advisor/portfolio manager can then recommend an alternate product that would meet the client's other suitability objectives and assessment criteria. Under suitability rules, clients will be subject to a periodic review. This means clients will be contacted every two or three years, depending on their risk profile. During this review, all client's suitability criteria as mentioned above will be reviewed, including sustainability preferences.

At any time, if a client's circumstances or objectives change, you are encouraged to contact your portfolio manager to inform them of same. This will trigger a suitability review to ensure all information related to you is kept accurate and up to date. This ensures that any products or services you are invested in will continue to remain suitable to your needs.