APPENDIX 3

Risk Disclosure Statement

Appendix N°3 to DISCRETIONARY MANAGEMENT TERMS OF BUSINESS.

DISCLAIMER

Please consider information in this Risk Disclosure Statement ("Statement") as a general overview of investments risks made for your awareness only. We do not intend to provide investment or legal advice through this Statement and make no representation that the investments or services described herein are suitable for you or that information contained herein is reliable, accurate or complete.

We do not guarantee or make any representations, or assume any liability with regard to financial results based on the use of the information in this Statement, and further do not advise to rely on such information in the process of making a fully informed investment decision.

Investment in securities involves certain considerations and a high degree of risk. You should not deal in designated investments unless you understand their nature and the extent of your exposure to risk. Not all investments are suitable or appropriate for all investors. You should make sure that your chosen investment is appropriate and suitable for you (bearing in mind your circumstances, investment objectives and expectations, financial position and categorization as Professional Client). Before committing to any specific type of designated investment, you should understand the nature and risks associated with that type of investment. In case a designated investment is composed of two or more different designated investments or services, the associated risks are likely to be greater than the risks associated with any of the components. Whilst we cannot disclose all possible risks or significant aspects regarding individual designated investments, you should note the following risks.

GENERAL RISKS

Systemic risk

This risk concerns several financial institutes and materializes in impairment of such institutes' ability to execute their functions properly. Due to high degree of interaction and interdependence among financial institutes, assessment of systemic risk is complicated, but realization of such a risk may affect all the participants of financial market.

Market risk

This risk materializes in adverse dynamics in value of financial instruments. Among factors influencing the value of financial instruments are: the price of equities, debt and commodities; exchange, interest and other reference rates; as well as their volatilities and correlations. These factors are influenced by, among other

things: political instability, government trade, fiscal and monetary policies, the state of market and industries, as well as force majeure circumstances caused by natural disaster or war. Subject to the chosen trading strategy, market risk constitutes from an increase (decrease) of value of financial instruments. You should realize that the value of your financial instrument can either increase or decrease, and that an increase in past may not mean increase in the future. Market risk includes following components:

1. Currency risk. The assets may be invested in instruments, which are denominated in different currencies. In such cases, you will encounter currency exchange risks. These risks are particularly significant in emerging markets. Currency risk materializes in possibility of loss that is due to concertation of one currency to another.
2. Interest rate risk. This is a risk of a decline in value of debt securities when interest rates rise, or that income from bonds or money market instruments could decline due to falling market interest rates.
3. Risk of equity issuer bankruptcy. This risk materializes in a sharp decrease in price of equity of an enterprise when it becomes insolvent or when the possibility of it to become insolvent is significant.

Credit risk

This risk constitutes a possibility of non-fulfillment of contractual and other obligations taken by other parties in connection to your transactions. Credit risk includes following components:

1. Risk of default on bonds and other debt securities. This is a risk of a security issuer becoming insolvent, which will result in inability of issuer to pay its' debt off in time and (or) in full amount.
2. Counteragent risk. This is the risk of a third party not being able to fulfill contractual obligations to you or your asset manager. Your asset manager must take measures to minimize counteragent risk, but cannot mitigate it completely. Counteragent risk is especially high when transactions are performed on unorganized market where clearing house is absent.
   You should realize that you carry all the risks of non-fulfillment of third party obligations to your asset manager when your asset manager acts in your interests. You should also realize that client's money is stored on a bank account and that you carry the risk of bankruptcy of a bank in which your money is stored.

Liquidity risk

This risk materializes in a loss of ability to sell (buy) a financial instrument by necessary price due to significant decrease of demand (supply) for such instrument. In particular, liquidity risk may materialize when it is necessary to sell a notable amount of financial instruments, as their price may decline sharply. You should understand that financial instruments considered illiquid are likely to show sharp price movements when significant transaction of these instruments takes place.

Criminal risks

Some countries are affected by corruption and organized crime and many businesses can be considered as potential victims of theft and distortion. The negative consequences of crime and corruption may adversely affect the value of investments or cause the manager to alter certain activities or liquidate certain investments.

Regulatory and legal risks

Transactions on markets in different jurisdictions may expose you to additional risks. The markets are subject to ongoing and substantial regulatory changes. It is rarely possible to predict what statutory, administrative or exchange changes may occur in the future or what impact such changes may have on your investment results.

You should realize that, depending on jurisdiction, transfers of ownership of securities may be subject to limitations and that foreign investments in many countries are subject to currency, tax, and export restrictions as well as to numerous other regulations. Foreign investment legislation may not provide assurances of the rights of foreign investors to remit profits, dividends from their investments and repatriation of capital upon the liquidation of such investments.

In emerging markets there is generally less government supervision and regulation of business and industry practices, stock exchanges, OTC markets, brokers, dealers and issuers than in more established markets. In certain areas, the laws and regulations governing investments in securities and other assets may not exist or may be subject to inconsistent or double-readable interpretation.

Tax risk

Because of the complexity of tax laws and different considerations applicable to each market participant, you should consider your tax consequences of an investment in a managed account. It is possible that the current interpretation of tax laws or understanding of practice may change, or even that the law in some countries may be changed with retrospective effect.

Suspensions of Trading

Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted. Placing a stop loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Clearing house protection

On many exchanges, execution of transactions is guaranteed by the exchange or clearing house. However, this guarantee is unlikely to cover you in most circumstances, and may not protect you if a counterparty defaults on its' obligations to you. Please acquaint yourself of any protection provided to you under the clearing guarantee applicable to any on-exchange instruments in which you are dealing. There is no clearing house neither for traditional options, nor for off-exchange instruments which are not traded under the rules of a recognized or designated investment exchange.

Use of the internet, DocuSign and online account

Internet is not a secure network and any communications/materials/documents/information transmitted over the Internet or through access to Online account or DocuSign may be intercepted or accessed by unauthorized or unintended parties, may not arrive at the intended destination or may not arrive in the form transmitted. There can be no assurance that any communications/materials/documents/information transmitted over the Internet or through access to Online account or DocuSign shall remain confidential or intact. Any communications/materials/documents/information transmitted to or from You through Internet, the Online account or DocuSign shall be at Your sole risk. It is Your responsibility to ensure that no person shall have access to Your Online account or DocuSign other than You or Your duly authorized representatives as the case may be.

INSTRUMENT-SPECIFIC RISKS

Equities

Having sufficient financial resources is a key factor in deciding whether investments, such as shares or stocks, are suitable for you. Therefore, you should not invest any amount that you cannot afford to lose.

Equity securities are subject to a volatility risk that depends on a variety of factors, including the company's financial health, the general economic situation and interest rate levels. Equity instruments do not pay interest, instead they typically pay out a share of profit, for example in the form of a dividend set by the company, usually in line with its business performance. Sometimes, however, no dividend is paid. Information on past performance is not necessarily a guide to future performance. You may get back less than the amount you originally invested.

You have a greater risk of losing money if you buy shares in smaller companies. The buying and selling prices for such shares are significantly different, and the prices may quickly go up as well as go down. If you decide to sell such shares immediately, you may get back less than what you paid for them.

Equity securities are also subject to an issuer risk in that a total loss is possible if the issuer goes bankrupt, in which case holders of equity securities are only taken into consideration once the issuer has settled all other claims against it.

Debt securities

Debt securities are subject to market, liquidity and credit risks. The price of a debt security can fall during its term, in particular due to lack of demand, rising interest rates or a decline in the issuer's creditworthiness. Also, when you invest in debt security, either directly or indirectly, you are lending money to the issuer. There is always the risk that the issuer will be unable to make debt service payments due to a weakening of their creditworthiness, and/or due to unanticipated changes, such as a corporate restructuring, a regulatory change or an accident in their environment. If this happens, you are not guaranteed to receive your investment back partially or in full amount.

Money market products

Money market products are debt instruments issued as certificated or uncertificated securities for short-term financing purposes. The value of a money market product can fall during its term. Moreover, when holding a money market product, you are exposed to credit and market risks specified in this Statement.

Foreign exchanges

Foreign exchange (also known as FOREX) is the term used for the purchase of another currency. Foreign exchange transactions expose you to high degree of risk. Before deciding to trade foreign exchange you should carefully consider your investment objectives and expectations, level of experience, and amount of risk acceptance.

Any market movement will have a proportionate effect on your deposited funds when trading on a margin basis. This can work for you as well as against you. You may even suffer a total loss in excess of initial margin funds; or be called upon at short notice to deposit additional margin funds. You should consider risk-reducing strategies such as 'stop-loss' or 'stop-limit' orders, although these may not necessarily limit losses to the intended amounts.

Where there is a need to convert currency under a foreign currency denominated contract, the resulting profit or loss will be affected by fluctuations in currency rates. Transactions involving currencies are also likely to be affected by factors beyond our control, such as changes in a country's political condition, economic climate, acts of nature. These factors may substantially affect the price or availability of a given currency.

Warrants

A warrant is a right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of securities. The right is time-limited and is exercisable against the original issuer of the underlying securities. A warrant often involves a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of the warrant. You should not buy a warrant unless you are prepared to sustain a total loss of invested funds, as well as any commission or other transaction charges.

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants. This is because there is no exchange market through which to liquidate your position, to assess the value of 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, which will make it difficult to establish a fair price.

Futures and forwards

Futures and forwards can involve special risks. Only investors who are familiar with these financial instruments, have sufficient money available and are able to bear potential losses should invest in them.

1. Forwards. With forward sales, the underlying asset must be delivered at the price originally agreed even if its market value has since risen above the agreed price. The loss risk is thus equal to the difference between the two prices. Since there is theoretically no limit to how far the market value of the underlying asset can rise, the potential loss is also unlimited.

   The forward sale of an underlying asset the seller does not own at the time the contract is signed is known as a short sale. It entails a risk in that the seller may have to buy the underlying at a price higher than the agreed price in order to meet the delivery obligation on expiry.

   Conversely, with forward purchases, the buyer must take delivery of the underlying asset at the price originally agreed even if its market value has since fallen below the agreed price. The loss risk is therefore equal to the difference between the two prices. The maximum loss therefore corresponds to originally agreed price.

2. Futures. Unlike forwards, futures are considered to be a contingent liability. This means that 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.

   Moreover, it is typical for transactions in futures that 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 proportionally larger impact on the funds have deposited or will have to deposit. You should realize that you may sustain a total loss of initial margin funds and any additional funds deposited to maintain your position.

   In order to limit price fluctuations, an exchange may set price limits for certain contracts. You should become acquainted with such limits before investing in futures, as it can be much more difficult or even impossible to close out a contract if a price limit is reached.

Options

All the options fall into two segregated categories: call and put options. A call option gives a purchaser the option to buy, and a put option gives a seller the option to sell, a specific underlying asset at an agreed exercise price and within a specified period of time or on a specific date. Underlying asset can be a share of specific entity, bond, mote, bill, certificate of deposit, commodity, foreign currency, cash value of a share in a stock index or any other asset provided in the terms of the option.

1. Risks associated with purchasing options. The purchaser of an option risks losing entire investment in a relatively short period of time. If the price of the underlying asset does not rise above (in case of a call option) or fall below (in case of put option) the exercise price of the option plus premium and transaction costs during the life of the option, or by the specified date for exercise, as the case may be, the option may be of little or no value and if allowed to expire will be worthless. The value of an option can drop even when the market value of underlying asset remains unchanged. This is the case, for instance, when the time value of the option falls, when supply and demand factors are unfavorable or when changes in volatility have a greater effect than changes in market value.
2. Risks associated with selling options. In respect of a call option, the seller who does not own the underlying asset will be prone to a risk of loss should the price of the underlying asset increase. Such a seller may also suffer a loss, if the call option is exercised and the seller is required to purchase the underlying asset at a market price above the exercise price in order to make delivery.

In respect of a put option, the seller who does not have a corresponding short position in the underlying asset will suffer a loss if the price of the underlying decreases below the exercise price, plus transaction costs minus the premium received. Under such circumstances, the seller of the put option will be required to purchase the underlying asset at a price above the market price, with the result that any immediate sale will give rise to a loss.

Transactions involving certain options may be carried out in a foreign currency. Accordingly, both purchasers and sellers of these options will be exposed to currency risk, in addition to risks from fluctuations in the price of the underlying asset.

There can be no assurance that a liquid market will exist for a particular option to permit an offsetting transaction. For example, there may be insufficient trading interest in the particular option; or trading halts, suspensions or other restrictions may be imposed on the option or the underlying asset; or some event may interrupt normal market operations; or a recognized market could decide to discontinue of restrict trading in the option due to regulatory or other reasons. In such circumstances, the purchaser of the option would only have the alternative of exercising his option in order to realize any profit, and the seller would be unable to terminate his obligation until the option is expired or until he performs his obligation upon being assigned an exercise notice.

In some circumstances, there may be a shortage of underlying asset that is due for delivery upon exercise of actual delivery options. This could increase the cost of or make impossible the acquisition of the underlying asset and cause the clearing house to impose special exercise settlement procedures.

Buying options involves less risk than selling options. This is because the maximum loss is limited to the premium, plus any commission or other transaction charges in this case. However, if you buy a call option on a futures contract and later exercise the option, you will acquire the future. This will expose you to the risks described in a corresponding section of this Statement.

Selling options involves considerably more risks than buying. You may be liable for margin to maintain you position and a loss may be sustained well in excess of a premium received. By selling 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 (a 'covered call option'), the risk is reduced. If you do not own the underlying asset ('uncovered call option'), potential loss can be unlimited. Only experienced persons should contemplate selling uncovered options, and only after securing full details of the applicable conditions and potential risk exposure.

Private equity

Private equity is a form of investment to provide risk capital financing for companies that are either not listed on a stock exchange or wish to delist. Investments are usually made at an early stage in a company's development, when its chances of success are uncertain and the risks are therefore high.

Private equity investments are not usually subject to regulation, in particular with regard to investor protection. Because of this and their lack of transparency, they entail higher risks for investors. This is especially true for private equity vehicles domiciled in countries with comparatively relaxed legislation.

You should realize that private equity investments involve considerable risks and can lead to substantial losses, including total losses. They are also geared to the long term and often have highly limited liquidity.

Real estate

Among factors affecting the value of a real estate are: its location and facilities; the variety of ways in which it can be used; local political programs targeting either supply or demand for real estate; local legal conjecture, involving taxation; other individual factors.

While investing indirectly in real estate (via real estate funds, shares of real estate companies, certificates on real estate funds), you should consider the risks attached to the financial instrument in question. There are traditional, strictly regulated funds that invest in real estate, but real estate investments can also have similar characteristics to hedge funds or private equity and thus entail higher risks. Ultimately, physical assets – buildings and land – underlie all real estate investments. Each of these assets is unique, so there is no regulated trading.

Hedge funds

Hedge funds are usually subject to no or only partial regulation and supervision. Hedge funds are free to choose the asset classes, markets – including high-risk countries – and trading methods they employ. They often have aggressive strategies and work with investment techniques that decouple investment performance from the performance of the underlying markets.

Managers of hedge funds often enjoy maximum flexibility in their investment decisions and normally not bound by the rules on liquidity, redemption, avoiding conflicts of inters, fair pricing, disclosure and use of leverage that apply to conventional funds. Investing into hedge funds therefore exposes you to sufficiently larger amount of risk than investing into conventional instruments.

Commodities

Typical way to invest in commodities is via structured products, commodity funds, commodity futures or OTC swaps and options. With commodity futures, investors may receive physical delivery of the commodity concerned on expiry under certain circumstances. You should sell your commodity futures before the expiry date, if you prefer cash settlement.

The price of commodities is influenced by various factors, including: the relationship between supply and demand; climate and natural disasters; state programs and regulations, national and international events; state intervention, embargoes and tariffs; movements in interest and exchange rates; additional factors arising as the combination of factors mentioned above.

You should realize that commodity investments are more volatile than conventional investments, and their returns can often fall suddenly and sharply. The volatility of a commodity's price also affects the value and hence the price of futures and forwards it underlies. For example, conventional oil futures are normally easy to trade, regardless of their term, but they can become illiquid if market activity is low. This can cause their prices to fluctuate significantly, which is a typical feature of commodities.

Structured products

The issuer can issue securities classified as derivatives ('structured securities') in respect of underlying securities and/or underlying financial instruments and/or underlying contracts and/or underlying obligations (collectively referred to as 'underlying assets'). Underlying assets, in turn can be derivatives in respect of other underlying assets. Therefore, performance of the structured securities can depend on performance of underlying assets; or the underlying assets whose derivatives are the underlying assets for the structured securities in which you are investing.

Investing in structured products entails certain risks. Risks affecting the value of the structured securities, as well as their amount and period of performance include, but are not limited to, the risks associated with the underlying assets for structured securities or the underlying assets for the derivatives that are the underlying assets for structured securities. In what follows, a list of examples of such risks is presented, although it should not be viewed as an exhaustive list.

1. Occurrence of Credit Event related to the underlying assets for structured securities or the underlying assets for the derivatives that are the underlying assets for structured products. Credit Event means one or more of Bankruptcy, Failure to Pay, Obligation Default, Obligation Acceleration, Repudiation/Moratorium, Restructuring or any other occurrence which constitutes a Credit Event as defined in 2014 ISDA Credit Derivatives Definitions as from time to time amended, extended, replaced or re-enacted (as published by the International Swaps and Derivatives Association, Inc.) ('Definitions').
2. Change in the dates on which underlying obligations are due and payable as a result of Potential Repudiation, and any applicable Grace Period as defined in the Definitions.
3. Change in the amount of payment of underlying obligations as a result of Credit Event, or change in the dates on which underlying obligations are due and payable.

4. Unfavorable movements of value of the underlying asset for structured security or the underlying asset for the derivative that is the underlying asset for structured security, which may result in proportionately large movements in the value of a structured security.

The value of credit derivatives that are the underlying assets for structured securities can depend on credit spreads for their underlying assets. Credit spreads, in turn, reflect expectations of financial market participants in respect to the possibility of default of such underlying assets and their recovery value in case of default. The factors specified in this section (individually or collectively) could adversely affect the value of structured securities even in the absence of defaults of underlying assets and changes in credit spreads.

For the purpose of this Statement “you”, and “your” mean the Client and “we”, “us”, “our” mean ACM.