

## RISK DISCLOSURE SCHEDULE

(Effective from 17.10.2023)

### GENERAL DISCLAIMER

AM Wealth Limited is formed and registered under the Laws of the Abu Dhabi Global Market ("ADGM") under Registered Number 13006, Financial Services Permission (FSP) Number 220135, having its registered offices at 2467, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates (hereinafter referred to as "AMWL" or "Company").

AM Wealth Limited is authorized and regulated by the Financial Services Regulatory Authority ("FSRA") and other relevant laws, rules and regulations of ADGM, whose authorization allows the Company to provide a range of financial services under the following Regulated Activities: Dealing in Investment as Agent, Dealing in Investments as Principal (only as Matched Principal) and Providing Custody.

The proposed financial services and/or financial products, or communicated information is only available to Professional Client and/or Market Counterparty, and should not be distributed to Retail Clients or potential Retail Clients (as defined under the FSRA Conduct of Business Rulebook).

This Risk Disclosure must be read in conjunction with constituted part of the GENERAL TERMS OF BUSINESS of the Company.

### RISK WARNINGS

**The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Customer's investments:**

1. The Customer acknowledges that securities investments are subject to market risks. The value of the investments can increase or decrease depending on the external factors affecting the stock market.
2. The past performance is not necessarily indicative of likely future performance. The investments made are subject to exogenous risks such as political violence, government acts and actions, market policy changes, currency risks, political and social events affecting the business climate, economic and regulatory uncertainty, etc., which affect stock markets.
3. Investments based on unrated securities bear significant credit and exchange rate risk. While the Customer may attempt to put in place actual or synthetic hedging arrangements to address such risks, there can be no assurances that such hedges shall be available or that the hedges will be effective.
4. No liability on the part of AM Wealth or its affiliates shall exist as a result of losses sustained or damage caused by a change of law, regulation or interpretation or the inconsistent or capricious application of any law or regulation by any relevant authority.
5. No liability on the part of AM Wealth or its affiliates shall exist where AM Wealth acts in accordance with reasonable commercial practice for ADGM investment firms rendering similar services.

6. Notwithstanding that AM Wealth shall at all times act in good faith to carry out its obligations under this Agreement, the Customer acknowledges that there is no guarantee of return on investment due to specific of securities investment and no guarantee that return of any of the invested amounts in a convertible currency will be possible.

7. The Client hereby acknowledges and consents that his/her/its Order may be executed by AMWL on OTC and acknowledges that he/she/it understands and accepts all the associated risk, that include low liquidity market, low margins, deviation of prices from the ones on the exchange, hence significant losses as a result of market price change on the OTC.

8. The Customer acknowledges the possibility that the value of the investments and of fixed income securities in general will decline due to an increase in interest rates. The interest rate risk is generally high for longer-term bonds and low for shorter-term bonds.

9. The Customer acknowledges the possibility that income generated by the investments and by fixed-income securities in general will decline due to a decrease in interest rates. The interest risk is generally high for shorter-term bonds and low for longer-term bonds.

10. The Customer acknowledges that if a significant number of the mortgages underlying mortgage-backed bonds held are refinanced, the bonds may be prepaid. Such call risk is the possibility that, during periods of declining interest rates, a bond issuer will "call" or prepay higher yielding bonds before the stated maturity date. In both cases, investors receive their principal back and are typically forced to reinvest it in bonds that pay lower interest rates. Rapid changes in prepayment and call rates can cause bonds prices and yields to be volatile.

11. The Customer acknowledges that there are significant risks in using derivative instruments and contracts for differences. In general terms, a derivative instrument is one whose value depends on (or is derived from) the value of an underlying asset, interest rate or index. Options, futures, options on futures and interest rate swaps or other interest rate-related transactions are examples of derivatives. Futures and options on any index, as well as currency and interest rate swaps which can only be settled in cash can also be referred to as contracts for differences. Derivative instruments involve risks different from the direct investment in underlying securities. These risks include imperfect correlation between the value of the instrument and the underlying assets; risks of default by the other party to certain transactions; risks that the transactions may result in losses that partially or completely offset gains; risks that the transactions may not be liquid; and investment strategy risk. Transactions in contracts for differences may also have a contingent liability. The Customer may sustain a total loss of the margin deposited with a broker to establish or maintain a position (if the transactions are margined) or an obligation to make further payments in certain circumstances may arise (if a transaction is not margined). Contingent liability transactions which are not traded on or under the rules of a recognized stock exchange may expose the Customer to substantially greater risks (see below).

12. The Customer acknowledges that warrants are also risky instruments. 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 underlying securities. Thus a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of the warrant. The prices of warrants can therefore be volatile. The Customer should not buy a warrant unless it is

prepared to sustain a total loss of the money invested plus any commission or other transaction charges.

Transactions in off-exchange warrants may involve greater risk 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.

13. The Customer acknowledges that there are significant risks when investing into structured products (notes). Structured products (notes) are investment products which have a pre-determined level of return within the framework specified by terms and conditions of a note depending on underlyings' performance and which contain derivative instruments (options, as a general rule), either exchange- or OTC-traded. Consequently, structured products (notes) inherit the same risks as derivative instruments do.

The main risk is the risk of loss of total capital invested in the event of negative performance of the underlying and/or structured product (note), i.e. if the value of the underlying falls below the barrier specified by the terms and conditions of the structured product or if a structured product expires worthless. The price of the structured products may be affected by a number of factors, including changes in the value and volatility of the underlying assets, the creditworthiness of the issuer, changes in foreign exchange rates and economic, financial and political events that are difficult to predict. The past performance of an underlying asset or other security or derivative shall not be taken as an indication of the future performance of that underlying asset or other securities or derivative during the term of the structured product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective underlying and/ or their stock exchanges or markets taking place during the term or upon maturity of the products. Nevertheless, the investment and market risks can be mitigated to some extent or even eliminated by means of principal protection (by including deposits, bonds, other debt securities or fixed income instruments into a product structure). Nevertheless, such principal protection is quite relative since losses cannot be prevented in the event of default of an issuer/counterparty to a debt financial instrument or a bank – with regards to a deposit.

Structured products constitute general unsecured contractual obligations of the issuer and of no other person. If the issuer fails to make a payment or becomes insolvent an investor could lose some or all of the invested capital.

No assurance can be given that any secondary trading market for the structured products will exist or whether any such market will be liquid or illiquid. The issuer will use reasonable endeavours, under normal market conditions and its own discretion, to provide a bid/offer price for the structured products and will indicate at the time of providing the quotation how long such quotation will remain actionable, or, in any event, not longer than what the issuer considers a commercially reasonable time. If the structured products are not traded on any exchange, pricing information may be more difficult to obtain and the liquidity and the price of the structured products may be adversely affected. The bid/offer spread will be subject to the issuer's discretion.

Structured products (notes) can be autocallable (providing for early redemption on the pre-defined observation dates) or non-autocallable (providing for redemption at closing maturity date only).

14. The Customer acknowledges that fixed-income securities are subject to credit risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal. Some issuers may not make payments on debt securities held, causing a loss. Or, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the

price of the security held. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult for the Customer to sell the security. The lower-quality fixed income securities are more susceptible to these problems than higher-quality obligations.

15. The Customer acknowledges that fixed-income securities are subject to prepayment risk. The issuers of fixed-income securities may not be able to prepay principal due on the securities, particularly during periods of declining interest rates. The Customer may not be able to reinvest that principal at attractive rates, reducing income. On the other hand, rising interest rates may cause prepayments to occur at slower than expected rates. This effectively lengthens the maturities of the affected securities, making them more sensitive to interest rate changes and the value of securities more volatile. Mortgage-backed securities are particularly susceptible to prepayment risk and their prices may be very volatile. The price of interest-only securities, which are the interest-only component of stripped mortgage-backed securities, goes down when interest rates decline and principal payments accelerate, causing a reduction in the interest payment stream. The price of principal-only securities goes down when interest rates are rising and prepayments are slower, causing the maturity of the security to lengthen.

16. The Customer acknowledges that lower-rated debt securities are subject to additional risks. Lower-rated debt securities, including securities commonly referred to as "junk bonds", are very risky because the issuers may fail to make payments of interest and principal. Part of the reason for this high risk is that, in the event of a default or bankruptcy, holders of lower-rated debt securities generally will not receive payments until the holders of all other debt have been paid. In addition, the market for lower-rated debt securities has in the past been more volatile than the markets for other securities. Lower-rated debt securities are also often less liquid than higher-rated debt securities.

17. The Customer may invest in fixed-income securities that are not rated as "investment grade" and not insured by any government, municipality or agency.

18. The Customer may invest in the sovereign debt securities of developing countries, which are generally lower-quality debt securities. Sovereign debt securities are subject to significant risk that under some political, diplomatic, social or economic circumstances, some developing countries that issue lower-quality debt securities may be unable or unwilling to make principal or interest repayments as they become due.

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

20. The Customer may engage in frequent and active trading of securities to achieve the investment objectives; in this case, the Customer may incur increased transaction costs, which can lower the actual return on investment. Active trading may also increase short-term capital gains and losses, which may affect the taxes the Customer has to pay.

21. The Customer acknowledges that there are special risk characteristics of convertible securities. Convertible securities, which are securities that may be converted into stock or other equity interests, are subject to the market risk of stocks, and, like other debt securities, are also subject to interest rate risk and the credit risk of their issuers.

22. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement 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 the Customer's losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

23. The Customer acknowledges that there are special higher-risk characteristics of repurchase (repo) agreements, margin transactions and forward contracts.

24. The Customer acknowledges that money market instruments are considered a form of short-term cash borrowing usually no longer than one year, in which the lender takes a deposit from the money market in order to lend it to the borrower. Money-market instruments may be exposed to the same risks as Fixed Income instruments.

25. The Customer acknowledges that fixed income instruments are affected by particular risks such as credit risk, the risk of changes in interest rates, inflation risk, liquidity risk, fiscal/monetary risks and other specific risks associated with individual types of bond. The performance of government bonds lies on the ability of the government to collect or impose taxes, the economic growth and prospects of the country and political developments, which can have serious economic consequences and affect a country's ability to pay. Corporate bonds for instance are issued by companies in industry and trade. Performance of this type of bond lies on the issuer's ability to raise adequate cash flow to pay its obligations. A corporate debt obligation may be secured i.e. in the form of collateral, which is pledged to ensure repayment of the debt, or unsecured i.e. without collateral. Eurobonds are bonds issued and traded outside the country whose currency it is denominated in, and outside the regulations of a single country. This is usually a bond issued by a non-European company for sale in Europe.