

TRADING RISK DISCLOSURES

July 2025



ALL INVESTMENT SERVICES ARE BROUGHT TO YOU BY CALAMATTA CUSCHIERI INVESTMENT SERVICES LTD (C13729) WHICH IS LICENSED BY THE MALTA FINANCIAL SERVICES AUTHORITY ("MFSA") TO UNDERTAKE INVESTMENT SERVICES BUSINESS. MONEYBASE LTD (C87193) IS A FINANCIAL INSTITUTION LICENSED BY THE MFSA TO CONDUCT ELECTRONIC MONEY AND PAYMENT SERVICES.

EWROPA BUSINESS CENTRE | TRIQ DUN KARM | BIRKIRKARA | BKR9034 | MALTA

1. INTRODUCTION

- 1.1.1 Calamatta Cuschieri Investment Services Limited (“we”, “us”, “our”, or the “Company”) is authorised and regulated by the Malta Financial Services Authority (“MFSA”) to provide investment services under the Investment Services Act, Chapter 370 of the Laws of Malta.
- 1.1.2 In particular, we provide reception and transmission and execution of orders in relation to various financial instruments.
- 1.1.3 Whereby clients in receipt of said services can place their orders either via the ‘Invest’ tab in the moneybase mobile app, through the moneybase website <https://live.moneybase.com/home> (together referred to as the “Investment Platform”), or through their investment advisors.
- 1.1.4 THIS RISK DISCLOSURE IS MADE BY THE COMPANY TO PROVIDE ITS CUSTOMERS (INCLUDING “YOU” OR “YOUR”) WITH IMPORTANT INFORMATION ABOUT THE RISKS ASSOCIATED WITH OUR INVESTMENT SERVICES AND DEALING IN FINANCIAL INSTRUMENTS.
- 1.1.5 INVESTING IN FINANCIAL INSTRUMENTS CARRIES INHERENT RISKS, AND CLIENTS SHOULD CAREFULLY CONSIDER THEIR INVESTMENT OBJECTIVES, FINANCIAL SITUATION, RISK TOLERANCE, AND UNDERSTANDING OF THESE RISKS BEFORE MAKING ANY INVESTMENT DECISIONS.
- 1.1.6 THIS RISK DISCLOSURE IS NON-EXHAUSTIVE. YOU SHOULD REVIEW OFFERING DOCUMENTS, PROSPECTUSES, TERM SHEETS, AND ANY OTHER CONTRACTUAL DOCUMENTS BEFORE MAKING ANY INVESTMENT DECISIONS.
- 1.1.7 IF YOU HAVE ANY QUESTIONS OR DOUBTS ABOUT ANY OF THE CONTENT OF THIS RISK DISCLOSURE, YOU SHOULD SEEK INDEPENDENT PROFESSIONAL FINANCIAL ADVICE.

2. GENERAL INVESTMENT RISKS

2.1 NO GUARANTEE OF RETURNS

2.1.1 Investments in financial instruments do not offer guaranteed returns. Past performance is not indicative of future results.

2.2 MARKET VOLATILITY

2.2.1 Financial markets can be highly volatile. The value of investments may fluctuate due to various factors and conditions, with prices of instruments subject to rapid and unpredictable changes. The value of your financial instruments may decrease or increase, therefore, the return on financial instruments may be negative.

2.3 LOSS OF CAPITAL

2.3.1 You may lose part or all of your invested capital, depending on market conditions and the performance of financial instruments.

2.4 OTHER RISKS

2.4.1 You should fully understand and accept these prior to transacting in financial instruments:

(a) Sovereign Risk

Government actions such as expropriation, debt moratoriums, or capital restrictions, can materially impair the value or liquidity of country-specific investments. You may incur losses on your investments due to political decisions made by the governments or administrative bodies.

(b) Currency Risk

Investments denominated in non-domestic currencies expose you to exchange-rate fluctuations, which can magnify losses or reduce gains when translated back into your domestic currency. You may incur losses or lower returns in your foreign-currency investments due to unfavourable exchange fluctuations.

(c) Market Risk

Systematic market downturns such as economic recessions, financial crises or geopolitical shocks can depress the value of your investments, regardless of individual issuer fundamentals.

(d) Price Risk

Idiosyncratic price movements in response to company-specific news, sector rotation or trading anomalies. You may incur unexpected losses or diminished returns on individual positions.

(e) Liquidity Risk

Insufficient market liquidity might hinder your ability to sell or buy financial instruments at a price favourable to you, limiting your ability to adjust or exit positions. You may incur losses or lower returns due to the inability to adjust or exit positions at the anticipated prices.

(f) System Risk

Disruptions in critical infrastructure of exchanges, clearing houses, custodians or central securities depositories can delay transaction settlement and impair your ability to trade or access assets.

(g) Information Risk

You may face difficulties in obtaining accurate and sufficient information about certain securities, which can hinder your ability to make well-informed investment decisions. In such cases, limited or unreliable information may increase the risk of misjudging potential returns and exposures.

(h) Credit Risk

A deterioration in an entity's financial condition whether due to economic downturns, poor management, or adverse market events may impair the issuer's ability to meet their coupon payment obligations or repay the principal amount at maturity. You may incur losses or reduced returns due to delayed payments, restructuring, or outright default.

(i) Legal and Regulatory Risks

Legal and regulatory developments may impact the value, liquidity and accessibility of investments. You may incur unexpected losses or diminished returns from amendments in legal or regulatory frameworks.

Regulatory interventions, including sanctions, product bans, or modifications to financial market structures, may impose unforeseen constraints, requiring adjustments to investment strategies or forced divestments.

3. POTENTIAL RISKS RELATING TO SPECIFIC TRANSACTIONS

3.1 RISKS INVOLVED IN TRADING OVER-THE-COUNTER ("OTC")

3.1.1 OTC trades are bilateral transactions negotiated directly between buyer and seller, outside regulated markets, multilateral trading facilities or organised trading facilities.

3.1.2 You should fully understand and accept these risks before engaging in OTC transactions:

(a) Liquidity Risk

OTC instruments typically trade less frequently and in smaller volumes than exchange-listed instruments. You may incur losses or reduced returns due to the struggle to enter or exit positions at desired prices.

(b) Volatility Risk

OTC instruments are often exposed to higher volatility due to less regulatory oversight, fewer market participants, and lower liquidity. You may incur losses or reduced returns due to sudden market movements especially when placing a market order.

(c) Counterparty Risk

In OTC deals, your credit exposure is to the individual counterparty rather than to a trading venue. Should they default on payment or delivery, you may incur direct financial losses.

(d) Transparency Risk

OTC markets may lack transparency when compared to regulated exchanges. You may be disadvantaged due to unequal access to pricing or transaction information.

3.2 RISKS INVOLVED IN EXTENDED MARKET HOURS

3.2.1 Extended market hours refer to trading sessions that occur outside the standard operating hours of major stock exchanges. These include:

- Pre-market trading, which takes place before the official market opening, and
- After-hours trading, which occurs after the market closes.

3.2.2 Extended-hours trading enables investors to respond to earnings reports, economic data releases, geopolitical developments, and other market-moving events that occur outside regular trading hours.

3.2.3 You should fully understand and accept these prior to trading in extended market hours:

(a) Liquidity Risk

Market participation is significantly lower during extended trading hours, resulting in reduced order flow and limited availability of counterparties. This diminished liquidity can make it difficult to execute trades at desired prices, leading to unfavorable price movements or partial order fills. You may incur losses or experience reduced returns due to the inability to enter or exit positions at desired prices.

(b) Volatility Risk

Extended-hours trading often experiences heightened price volatility due to various factors:

- lower trading volumes and fewer market participants;
- corporate announcements or macroeconomic events that occur outside of regular trading hours
- Wider bid-ask spreads and higher transaction costs

You may incur losses or reduced returns due to higher volatility when trading in extended market hours. Additionally, prices quoted during extended hours may not accurately reflect market conditions once regular trading resumes.

4. POTENTIAL RISKS RELATING TO SPECIFIC FINANCIAL INSTRUMENTS

4.1 EQUITIES

4.1.1 You should fully understand and accept these risks prior to investing in equities:

- (a) Risks arising from Dilution and Corporate Actions
Rights issues, stock splits, dividends, and mergers may alter share value and investor rights.
- (b) Small-Cap and IPO Risks
Newly listed or smaller companies often exhibit higher volatility, limited historical data, and greater susceptibility to market abuse practices.

4.2 FIXED INCOME INSTRUMENTS

4.2.1 You should fully understand and accept these risks prior to investing in fixed income instruments:

- (a) Interest Rate Risk
The value and yield of interest-sensitive instruments may fluctuate depend on prevailing global and regional interest rates. You may incur losses or reduced returns when interest rate changes.
- (b) Prepayment and Reinvestment Risk
Callable instruments may be redeemed by the issuer prior to maturity, reducing anticipated yield and reinvestment opportunities. Failure to find instruments with a matching yield to maturity as the initial instrument increases the risk of not achieving the initial investment goals
- (c) Inflation Risk
Fixed-rate instruments lose real value if inflation exceeds nominal coupon rates. You may incur losses or reduced returns in the event of rising inflation.

4.3 UNITS IN COLLECTIVE INVESTMENT SCHEMES (“UCITS”)

4.3.1 You should fully understand and accept these risks prior to investing in UCITS:

- (a) Liquidity and Redemption Risk
Open-ended funds may impose gates, redemption notices or suspend dealings if large-scale redemptions threaten the fund’s stability or if underlying assets become

illiquid. You may incur losses or reduced returns from such measures as they can delay or limit your ability to convert units into cash at the expected net asset value (“NAV”).

(b) Valuation and Pricing Risk

NAVs are calculated periodically and may rely on model-based valuations for illiquid or hard-to-price assets. You may incur losses or reduced returns as in stressed markets, these estimates can diverge materially from realizable exit prices, leading to stale or inaccurate NAVs.

(c) Management Risk

The performance of a fund is dependent the investment manager’s skill, process and governance. You may incur losses or reduced returns due to poor decision making of the investment manager, strategy drift or departure of key-persons.

(d) Concentration Risk

Funds concentrated in a single sector, geographic region or issuer increases vulnerability to adverse events affecting that concentration. You may incur losses or reduced returns as the fund amplifies downside when those exposures suffer adverse events.

(e) Fee and Expense Risk

Management fees, performance fees, entry/exit charges and operational costs reduce net returns. You may incur losses or reduced returns due to fees and expenses when exiting a fund.

4.4 MALTESE EQUITIES AND BONDS

4.4.1 Due to the generally low trading volumes and limited market size, we consider instruments listed on the Malta Stock Exchange to be relatively illiquid. This presents additional risks compared to more liquid markets, such as:

(a) Slippage Risk

This is the difference between the expected price of a trade and the actual executed price. In illiquid markets, large orders can move the price significantly, leading to worse-than-expected execution.

(b) Wider Bid-Ask Spreads

This is the difference between the buying (bid) and selling (ask) prices. Wider spreads mean higher trading costs, as you pay more to buy and get less when you sell.

(c) Volatility Risk

Prices can swing wildly with relatively small orders, increasing the chance of unexpected losses.

(d) Execution Delays

Orders may take longer to fill, which can be problematic when tight timing is essential and might lead to worse-than-expected execution.

(e) Reduced Transparency

Lower volume and activity may mean less information or fewer reliable signals for decision-making.

(f) Price Manipulation Risk

Low trading volume makes it easier for individuals or groups to manipulate prices through spoofing, wash trading, or pump-and-dump schemes.

5. POTENTIAL RISKS RELATING TO SAFEKEEPING OF YOUR SECURITIES

5.1.1 Client money is segregated from the Company's own funds and safeguarded in an omnibus account under the name of the Company, while indicating you as the beneficial owner.

5.1.2 Your money may be pooled with funds from other clients and held in an account opened with various credit institutions.

5.1.3 Your financial instruments may be held in custody by other brokers and safekept in an omnibus account under the name of the Company, while indicating you as the beneficial owner.

5.1.4 You should be aware that safekeeping your securities carries certain risks.

(a) Operational Risk

You may incur losses if the custodian, stock exchange, or central depository experiences technical failures in their respective systems.

(b) Custodian Risk

You may irrecoverably lose your investment in the event of a custodian's bankruptcy.

(c) Legal Risk

You may incur a loss in the event of an unfavourable legislative change in the jurisdiction where your securities are safekept.

(d) Information Risk

You may not always have immediate access to information regarding your financial instruments on demand as we occasionally rely on third parties.

6. POTENTIAL RISKS RELATING TO TECHNOLOGY AND CYBERSECURITY

- 6.1.1 The Investment Platform may be disrupted by cyber-attacks, hacking, phishing, ransomware, or other malicious threats.
- 6.1.2 Whilst we will try to keep the Investment Platform and all its features continuously available, we cannot guarantee uninterrupted access at all times.
- 6.1.3 In such events, you may be unable to submit orders or monitor your open positions, which could result in financial loss or reduced returns.
- 6.1.4 Access may also be impeded by an unstable internet connection or by using an outdated version of the moneybase mobile app.
- 6.1.5 Failure to access the Investment Platform when needed may lead to missed trading opportunities and adverse investment outcomes.
- 6.1.6 Accessing the Investment Platform over unsecured or unreliable networks or devices may expose your personal and financial data to be compromised.
- 6.1.7 You are responsible for connecting via a stable, secure network and for keeping the moneybase mobile app updated to its latest version to ensure a smooth and protected investment experience.