WCM CAPITAL LIMITED (RC-611531)
Trading Licence Holder on Nigerian Exchange Limited
Registered and Regulated by the Securities and Exchange Commission
Dealing Member Firm on the Lagos Commodities and Futures Exchange
Participating Institution on the NASD OTC Exchange

RISK DISCLOSURE STATEMENT

WCM Capital Limited is registered with the Securities and Exchange Commission and licensed by the Nigerian Exchange Limited (NGX) to carry on securities trading business.

Generally, securities investments are suitable for clients who fully understand and appreciate the risks involved. It is highly speculative, involves a high degree of risk and may result in the loss of the entire investment. Therefore, before deciding to trade equities, debt securities, Exchange Traded Funds, Derivatives or engage in securities borrowing or lending and/or other related ancillary or capital market operations, Clients should carefully consider their objectives and risk appetite. The Client should exercise particular care in evaluating the risks involved and must decide whether in the light of the assessed risks, investment is appropriate. Clients should be aware that there are always significant risks involved when investing in securities in the capital market. Many unforeseen events such as new and existing government policies, domestic and international political and economic events, and other events of force majeure (acts of God, war, riot, urban unrest, terrorism, epidemic, pandemic, natural disasters etc.) may cause sharp market and price fluctuations. Clients are encouraged to consider all risks (material and non-material) as well as other qualitative and quantitative risk factors associated with investing in securities which differ across board.

Additionally, Clients should fulfil specific requirements laid out by the Trading License Holder, which are subject to guidelines, rules and regulations prescribed by the Securities and Exchange Commission, NGX and international best practices. Clients should note that any information contained in the Risk Disclosure Statement may also become outdated relatively quickly. The Client should acknowledge and accept each of the risks listed and accept that all these risks could lead to the loss of some or the entire value of the Client's investments.

A. Risks Associated with Securities Trading

1. Investment Risk

All securities investments risk the loss of capital. Many unforeseeable events, including actions by various government agencies and domestic and international political and economic events and other events of force majeure, such as acts of God, and certain other events beyond reasonable control (e.g. war, riot, urban unrest, terrorism, epidemic, pandemic, natural disasters etc.), may cause sharp market and price fluctuations.

2. Market Liquidity

Some of the listed securities in which the Client may invest, may be traded in very low volumes as such, there is the risk that investments may not be easily liquidated. The prices and values of securities can also be influenced by outside factors such as interest rate changes, price or level of any underlying asset, level of interest rates, foreign exchange rates, volatility and liquidity.

3. Currency Risk

The potential for profit or loss from transactions in foreign currency-denominated securities (traded locally or in other jurisdictions) will be affected by fluctuations in foreign exchange rates. Clients or companies that have assets or business operations across national borders are exposed to currency risk that may create unpredictable profits and losses.

4. Execution Risk

We, **WCM Capital Limited,** acting as a broker for the purchase, sale and/or investment in the Securities, may, on certain occasions, not be able to execute the purchase or sale or to undertake any action relating to the securities in accordance with the Clients' instruction. These occasions include, amongst other things, a situation where the market conditions are not favorable, the order cannot be matched, the laws and regulations of the Exchange or other competent authorities impose limitations, etc.

5. Commission, Fees, Interest and Other Charges

All regulatory fees, commissions, charges are as approved by the regulatory authorities. The Client should obtain a clear explanation of all commissions, fees, interest and charges, and understand that these charges may affect the Client's net

profit (if any) or increase the Client's loss. The Client agrees that he/she will be liable for these charges (as may be amended from time to time).

6. Settlement Risk

Settlement risk may arise as a result of technological issues or glitches within the infrastructure thus resulting to a delay in executing clients' mandates.

B. Risks Associated with Debt Securities

Debt Securities and Debt-linked investments offer fixed returns over a defined period and may be intended to be held to maturity. These instruments carry a significant amount of risk such as credit, currency and liquidity risks.

Credit risk in debt securities arise from default events that may result in the inability of the issuer to pay interest or principal.

Default risk in debt securities is high when credit rating is non-investment grade or non-rated. In a default situation, the Client may lose both interest and principal.

C. Risks Associated with Exchange Traded Funds

1. Market Risk

Exchange Traded Funds (ETFs) are exposed to the economic, political, currency, legal, tax and other risks of a specific factor or market related to the ETFs or the index and the market that it is tracking.

2. Currency Risk

Clients will encounter currency risk where the exchange traded investments' underlying holdings are in a currency which is different to the denominated currency.

3. Liquidity Risk

ETFs usually have market makers to provide liquidity, however, there is no guarantee that active trading will be maintained frequently. Therefore, where market makers are unable to fulfil their obligations, Clients may be unable to buy or sell the ETF and increase the risk of loss.

4. Counterparty Risk

This is the risk that the value of the collateral falls below the Net Asset Value (NAV) of the fund when the fund counterparty is in default.

5. Tracking Error Risk

A disparity between the performance of the ETF measured by its Net Asset Value (NAV) and the performance of the underlying index may occur due to several factors such as the failure of the ETF's tracking strategy, fees and expenses, foreign exchange differences between the base currency or trading currency of the ETF and the currencies of the underlying investments, or corporate actions of the ETF etc. The performance of the securities underlying the ETF as measured by its NAV may outperform or underperform the underlying index.

6. Index Risk

ETFs are not actively managed, therefore, a security will not be sold where the security's issuer is in financial trouble unless the security is removed from the index. The best approach for an investor to deal with an index risk is to understand the index and the rules governing the index.

7. Risks in Trading at a Discount or Premium

The trading price of an ETF is determined by the supply and demand factors which emerge during periods of market volatility and uncertainty. Clients that buy at a premium may suffer losses even if the NAV is higher when they sell, and they may not fully recover their investment in the event of termination of the ETF.

D. Risks Associated with Exchange Traded Derivatives Products

1. Extraordinary Price Movements

The price of an exchange traded derivatives product may not match its theoretical price due to market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

2. Foreign Exchange Risk

Clients trading exchange traded derivatives products with underlying assets in other currencies are exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the exchange traded product price.

3. Expiry Considerations

Most of the exchange traded derivatives products have an expiry date after which the issue may become worthless. Clients should be aware of the expiry period and choose a product with an appropriate lifespan for their trading strategy.

4. Gearing Risk

Exchange traded derivatives products are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Clients should be aware that the value of an exchange traded product may fall to zero resulting in a total loss of the initial investment.

5. Issuer Default Risk

Where an exchange traded derivatives product issuer becomes insolvent and defaults on their listed securities, Clients will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Clients should thoroughly review the financial strength and credit worthiness of exchange traded derivatives product issuers.

6. Uncollateralized Product Risk

Uncollateralized exchange traded derivatives products are not asset backed and where there is issuer bankruptcy, Clients can lose their entire investment. Clients should read the listing documents to determine if a product is uncollateralized.

E. Risk of Margin Trading (e.g. Share Margin Financing)

The risk of loss in financing a transaction by deposit of collateral may be significant. The Client may sustain losses in excess of his/her cash and any other assets deposited as collateral. The Client may be called upon at short notice to make additional margindeposits or interest payments. If required margin deposit or interest payment is not made within the prescribed time, the Client's collateral or positions may be liquidated at a loss without prior notification to the Client. The Client

should therefore carefully consider whether such a financing arrangement with the firm is suitable in light of its own financial position and investment objectives.

F. Securities Borrowing and Lending

When the Client borrows securities, he/she will be required to deposit a required level of collateral. The Client may be called upon on short notice to place additional deposits if the level of collateral is inadequate in relation to the market value of borrowed securities. If the required deposit is not made within the prescribed time, the firm may buy-back the borrowed securities without prior notification to the Client. When the Client lends securities to the firm, the Client temporarily loses legal ownership rights to the securities but has a right to claim equivalent securities and dividends.

G. Risk Relating to the Investor's Own Investment.

Each decision by a Client to invest in the securities is his/her own independent decision. The firm is not acting as an advisor. Before making a decision to invest, Clients should have confirmed that they have carefully studied and considered all information relating to the status, business, financial condition and operation of the company/entity issuing the securities, including the underlying assets of or other information relating to the securities in which the Clients will invest, and other relevant factors relating to the investment such as political, economic, legal and regulatory conditions, as well as market conditions, demand, supply and price of the underlying goods of the securities. As a result, the Clients bear all risks from the investment.

H. Regulatory Risk

WCM Capital Limited is subject to the various laws and/or regulations of the competent relevant regulatory authorities. Any legislative or regulatory changes may impact the functions of the broker/dealer. All transactions performed by **WCM Capital Limited** will be executed in accordance with the relevant rules and regulations and any that fall contrary to the existing regulatory framework may be nullified by the regulatory authorities.

I. Non-Advisory Nature of Relationship

Unless the Client has a specific agreement with **WCM Capital Limited** for the provision of advisory services or fund management services, the Client should note and accept

that the relationship with **WCM Capital Limited** in relation to the Client's securities and securities-related transactions is purely execution only.

Whilst the firm will exercise all due care and skill at all times in the course of carrying out capital market services on behalf of the client, all final investment decisions are taken by the Client and not the firm. The Trading License Holder merely acts in a non-advisory capacity and executes orders on behalf of the Client unless otherwise specifically stated.

J. Risk Relating to Digital Trading

A Client can decide to trade electronically through the platform of his/her broker on his/her own account thereby taking responsibility for his / her action. Trading via digital channels is subject to certain risks including, but not limited to, technological glitches, time-lag between order entry and real execution due to delay transmission, password compromise, viruses and other possible harmful elements that could corrupt, compromise, harm or otherwise impede the operation or performance of a computer system or network. Clients should ensure that they go through the terms of service applicable to any online service they wish to subscribe to.

Clients should also ensure that they maintain appropriate security measures in the operation of their online accounts including using strong passwords, keeping their passwords and log in details safe, avoiding log in from public computers and keeping their computers protected from viruses, etc.