Risk Disclosure Policy

Introduction

In accordance with regulatory obligations, as amended from time to time ("the Regulations"), Financial Services Network Ltd (hereinafter, "FSN" or "the Company"), a Global Business Category One company authorised as an Investment Adviser (Unrestricted) and Insurance Broker, by the Financial Services Commission of Mauritius ("FSCM" or "the Commission"), Licence Number C116016070, is required to provide its Clients and potential Clients (hereinafter the "Client") with its Risk Disclosure Policy (hereinafter the "Policy").

This Policy provides Clients with information in general terms regarding the nature of risks associated when dealing in financial instruments in a fair and non-misleading basis. It must be noted that this Policy cannot and does not disclose or explain all of the risks and other significant aspects involved.

General Risk Warning and Acknowledgement

Clients should not engage in any dealings directly or indirectly in financial instruments unless they know and have a clear understanding of the risks involved. Clients should acknowledge and understand that prior to deciding to deal in financial instruments, they should consider their investment objectives, risk tolerance, financial resources and level of experience. If Clients do not understand the risks involved and associated when dealing in financial instruments and/or are not familiar in dealing in financial instruments they should seek independent financial advice prior to the establishment of a business relationship with the Company. If upon receipt of independent financial advice Clients still do not understand the risks involved and associated when dealing in financial instruments, they should not seek to establish a business relationship with the Company and they should refrain from trading if a business relationship has already been attained with the Company.

Clients acknowledge, understand and accept that any investment in financial instruments entails substantial risks, the degree of which depends on the nature of each investment and may not be suitable for all investors. The value of any investment may increase or decrease in value and investors may lose their invested capital. By establishing a business relationship with the Company, Clients accept and are willing to undertake such risk.

Information of the previous/past performance of a financial instrument is not a guarantee of its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the financial instruments to which the said information refers.

When financial instruments are traded in a currency other than the currency of Clients' country of residence, any changes in the exchange rates may have a negative effect on their value, price and performance.

Costs and Charges

The term Costs and Charges (hereinafter "charges") includes any fee, commission charge or cost that a Client may entail in relation to the services provided by the Company.

Clients acknowledge, understand and accept that the provision of services is subject to charges, either in monetary terms or as a percentage of a contract value which shall be either provided to the Clients during the establishment of a business relationship or during the conclusion of a financial transaction. The Company may change its charges, in accordance to the Client Agreement and Terms of Business.

Clients should ensure that they are aware and understand all the charges involved; it remains the Clients' responsibility to check for any changes in the charges.

Taxes

The Company does not warrant and/or guarantee that Clients' trades in financial instruments are not or may not become subject to tax and/or any other duty, for example because of changes in legislation or a Client's personal circumstances. Taxes are subject to change without notice. It is the responsibility of Clients to make arrangements in regards to any taxes and/or any other duty that may accrue in respect of their trades. The Company does not offer tax advice.

Technical Risk and Communication

Clients acknowledge, understand and accept that the Company cannot be held responsible for the risks of possible financial losses caused as a result of failure, malfunction, interruption, disconnection or malicious actions related to information, communication, electronic and other systems and that Clients bear all responsibility for any such failure.

The Company bears no responsibility when Clients may face difficulties using electronic systems to send orders and communicate with the Company, including the failure of hardware, software, servers, communication lines and internet failure; the result of which may include failure of transactions being executed or not executed as per the Client's instructions.

Clients acknowledge that unencrypted information transmitted by email is not protected from any unauthorised access and Clients are wholly responsible for the privacy of information and data transmitted between the Client and the Company by unauthorised third parties and accept the risks of any financial losses or the loss of privacy caused by the unauthorised access of any third party.

General Risk Types

The types of risks described below (hereinafter called “major risks”) could have an impact on each type of investment, the nature and extent of which varies between countries, financial products and investments. The risks below are not exhaustive but provide a general guideline.

Market Risk: *is the possibility of loss due to factors that affect the overall market. Fluctuations in the market can affect the price of investments and depend on, among others, market supply and demand, investor perception, prices of underlying investments, political and economic factors, all of which are unpredictable.*

Credit Risk: *refers to the risk that a borrower may not repay a loan or meet other contractual obligations. Credit risk arises from the failure of counterparties to fulfil their obligations when transacting in credit-linked products like bonds and the potential loss of occurring.*

Settlement Risk: *is the risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. This risk is limited where the investment involves financial instruments traded on a regulated market, however the risk increases when the investment involves financial instruments traded outside a regulated market or where settlement takes place in different time zones or different clearing systems.*

Liquidity Risk: *is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss. Liquidity risk becomes particularly important to investors who hold or are about to hold an asset since it affects their ability to trade.*

Operational Risk: *is the risk of business operations failing due to breakdowns or malfunctions of essential systems and controls, including IT systems and human. Operational risk changes from industry to industry and is an important consideration to make when looking at potential investment decisions, for example industries with lower human interaction are likely to have lower operational risk.*

Interest Rate Risk: *is the risk that an investment's value will change due to a change in the absolute level of interest rates. Interest rate risk for example affects the value of bonds more directly than stocks as interest rates rise, bond prices fall, and vice versa.*

Economic Risk: *is the danger that the economy as a whole will perform poorly. When the whole economy experiences a downturn, it affects stock prices, the job market, and the prices of consumer products.*

Political Risk: *is the risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.*

Financial Instruments and Associated Risk

The types of risks associated with financial instruments that we offer as described below could have an impact on the investment decisions of a Client, the nature and extent of which varies between markets, currency, economic, political risks, etc. The risks below are not exhaustive but provide a general guideline to certain financial instruments.

Collective Investment Schemes/Undertakings for Collective Investment in Transferable Securities (“UCITS”): UCITS and their underlying assets are exposed to all the major risks described above. Generally, a UCITS is an arrangement whereby several investors contribute to “pool” their assets and which are managed by an independent manager who will invest the pooled money in one or more types of schemes, typically bonds, shares of listed companies or property. The ability to liquidate certain schemes may be limited, depending on the terms of operation, and the period of notice for redemption during which the value of each unit may increase or decrease depending on volatility. A reduction in risk can be achieved where a scheme holds a number of different assets.

We may offer other financial products, in which case the relevant risks associated with that product will be highlighted to you prior to any transaction taking place.