PRE-CONTRACTUAL INFORMATION

Directive 2014/65/EU, of the European Parliament and of the Council, of May 15th, 2014, relating to financial instruments markets, amending Directive 2002/92/EC and Directive 2011/61/EU (hereinafter, " **MiFID** ") and its development and transposition regulations in Spain, has as main objectives to increase transparency and the level of protection of clients who request investment or ancillary services, as well as to achieve a higher degree integration of European stock markets.
One of the CLIENT protection measures established by MiFID is the provision of certain information about the entity that provides investment services and about the applicable conditions to said services, before the execution of the contract.
This document constitutes the pre-contractual information that the CLIENT must know about EUROAMERICAN FINANCIAL ADVISORS 2021, EAF, SL ("EF ADVISORS, EAF" or the "ENTITY"), as well as the different financial instruments and investment services that EF ADVISORS makes available to the CLIENT.

1. ENTITY information

Denomination	EUROAMERICAN FINANCIAL ADVISORS 2021, FINANCIAL ADVISORY COMPANY, LIMITED COMPANY.
Direction	Plaza de Villasis, n. ° 2, office 210, 41003, Sevilla, Spain
N.I.F.	B67975045
Phone number	+34 635 864 282
Web	www.eurousafa.com
Commercial data	Registered in the Mercantile Registry of Sevilla, Volume 143 , Folio 7.184 Inscription SE-133.707 with sheet 1a
Supervision	- Supervised by the National Securities Market Commission ("CNMV") C/ Edison 4, 28006 Madrid Investor Services Office Telephone: 900 535 015 EF ADVISORS is registered in the CNMV's Registry of Investment Services Companies under number 248 . - Supervised by the Executive Service of the Commission for the Prevention of Money Laundering ("SEPBLAC") in matters of prevention of money laundering and the financing of terrorism. C/ Alcalá, 48 28014 Madrid
Activities included in the activities program	Investment advice.

2. Contact with EF ADVISORS

The CLIENT may contact EF ADVISORS, EAF through any of the following channels:

- Personally at the offices of EF ADVISORS, EAF. The address and other information to communicate with EF ADVISORS, EAF are: www.eurousafa.com
- By telephone, through the number +34 635 864 282
- By email at the address eafa@eurousafa.com

Depending on the nature and particular characteristics of the service provided, the CLIENT may use one or the other communication channels and methods described.
EF ADVISORS, EAF uses the following languages to communicate with its clients:

- Spanish.
- English.

3. Information about the independent advisory service

EF ADVISORS, EAF is authorized to provide the investment advisory service to the CLIENT, understood as the presentation of personalized recommendations to the CLIENT, either at its request or at the initiative of EF ADVISORS, EAF with respect to one or more operations related to financial instruments.
The implications of providing the independent advisory service are:

- EF ADVISORS, EAF will evaluate and compare a sufficient range of financial instruments available on the market, diversified and representative in terms of issuers or providers.
- There will be no links with the issuers or providers of the financial instruments, and if there were, the client will be duly informed.
- The selection criteria for the recommended instruments will include all the relevant aspects in relation to the risks, costs and complexity of the instruments and their suitability for their risk profile and characteristics as a client.
- EF ADVISORS, EAF will not accept fees, commissions or other non-monetary benefits from third parties unless they are minor non-monetary benefits that are intended to increase the quality of the service provided, in which case it will be clearly communicated by writing.

The advisory service that EF ADVISORS, EAF will provide to the CLIENT will be generally recurrent. The provision of the advisory service requires an evaluation of the suitability through the completion by the client of a Suitability Test.
For this purpose, EF ADVISORS, EAF will gather the necessary information from the CLIENT to be able to carry out said evaluation through questionnaires in accordance with the advisory service provided, which will allow EF ADVISORS, EAF to have the necessary information about their knowledge and experience, financial situation and investment objectives, so that the suitability of the recommendations can be assessed.

4. Client classification

The MiFID regulations establish the client classification system in accordance with a set of objective criteria that determine the two client categories in EF ADVISORS, EAF (the Eligible Counterparty categorization would be excluded as said category only applies in relation to the services of reception, transmission and execution of orders, not applying to the investment advisory service, which is the only one provided by EF ADVISORS, EAF).
The client classification system is established based on their level of knowledge and experience in the financial market, and the ability to understand and assume the risks that any investment in financial instruments implies. The following categories of clients are established:

- <u>Retail Customer:</u> These are mainly individual clients. They receive the highest level of protection.

- Professional Client: regulated entities authorized to operate in financial markets, large companies that meet certain requirements, national and regional governments, and institutional investors who, in general, have the experience, knowledge and qualifications necessary to make their own investment decisions and to correctly evaluate their risks.

  These clients are presumed to have sufficient previous investment knowledge and experience, so they will not be required to provide information on these aspects at the time of evaluating suitability and will have some limitations on the information that is made available to them.

The CLIENT may request a change of classification, as long as it meets the requirements established in the applicable regulations, or when there is a change in the circumstances that determined the initial classification. The request must be made in writing and EF ADVISORS, EAF will be responsible for reviewing it and, when appropriate, accepting it.

If the CLIENT has been classified as a Professional Client, they will have the right, at any time, to request EF ADVISORS, EAF to be treated as a Retail Client.

On the contrary, if the CLIENT has been classified as a Retail Client, they will have the right, at any time, to request a change of classification to Professional Client. EF ADVISORS, EAF will review any request for a change in classification that implies less protection. By evaluating the CLIENT's knowledge and experience, EF ADVISORS, EAF must ensure that the CLIENT can make its own investment decisions and understands the risks that these may imply. Additionally, EF ADVISORS, EAF will verify that at least two of the following requirements are met:

1. That the CLIENT has carried out operations for a significant volume in the market of financial instruments in question or similar financial instruments, with an average frequency of more than 10 operations per quarter during the last 4 quarters.
2. That the value of cash and securities deposited is greater than 500,000, or
3. That the CLIENT holds, or has held for at least 1 year, a professional position in the financial sector that requires knowledge of the operations or services provided.

By means of this change of category, the CLIENT would waive the level of protection that the category of Retail Client is associated with.

5. CLIENT Suitability Assessment

In accordance with MiFID regulations, entities that provide investment services must obtain from their clients, prior to providing the service, any information that is necessary in order to assess whether the investment service or product is suitable for the CLIENT, based on their knowledge and experience, their financial situation, including their ability to withstand losses, and their investment objectives, including their risk tolerance.

For the provision of the EF ADVISORS investment advisory service, EAF will evaluate the CLIENT's suitability through a Suitability Test that the CLIENT must complete. The evaluation of the suitability of the CLIENT will include their knowledge and experience, their financial situation and investment objectives.

In the event that the CLIENT has been classified as Professional, the evaluation of the knowledge and experience section will not be carried out, since it is assumed that he has sufficient knowledge of the markets and financial instruments to make his own investment decisions, understand, and assume their risks.

The result of the suitability assessment allows EF ADVISORS, EAF to assign the CLIENT a specific investor profile.

EF ADVISORS, EAF has defined the following risk profiles:

DEFENSIVE	The objective is to protect equity and deal with inflation. The risk of the portfolio is low and the losses would be moderate in the event of unfavorable evolution of the markets. High portfolio liquidity.
BALANCED	The objective is an adequate balance between stability and adequate growth in equity, for which a medium risk is assumed. The client could assume losses in the medium term, the liquidity of the portfolio is high. Recommended maintenance term, more than three years.
CONSERVATIVE GROWTH	The objective is to achieve stable equity growth, for which the approximation is the preparation of a portfolio balanced at risk. In the medium term, the losses in equity could higher, recommending the maintenance of the portfolio for a period greater than 3-5 years.
GROWTH	The objective is equity growth, for which the inclusion of risk assets in the portfolio is increased. In the medium term, the losses in equity could be high, recommending the maintenance of the portfolio for a prolonged period (more than 5 years).
AGGRESSIVE GROWTH	The objective is the search for high returns, assuming that the losses that could be also very significant. The arrangement of the portfolio is carried out with a very long-term time horizon (more than 7 years).

EF ADVISORS, EAF will not be able to provide the investment advice service if the CLIENT does not provide EF ADVISORS, EAF the necessary information to carry out the suitability assessment and does not complete the Suitability Test prepared by EF ADVISORS, EAF for that purpose.
EF ADVISORS, EAF, in the specific scope of the investment advisory service, may not recommend operations that cause the CLIENT's portfolio to exceed the overall investor profile established as a result of the Suitability Test.

6. Information to clients

In order to guarantee compliance with the requirements of information established by the regulations, EF ADVISORS, EAF will make the following information available to the CLIENT:

- Pre-contractual information:
  Prior to providing the investment service, EF ADVISORS, EAF will provide the CLIENT with all the information required by current regulations. This document forms part of said pre-contractual information.
  In the case of products affected by the UCITS regulations, the client will be provided with the key data document corresponding to the recommended product.
- Contract information:
  Formalization of a service agreement that includes the rights and obligations of both the CLIENT and EF ADVISORS, EAF in relation to the provision of investment services.
- Information on associated costs and expenses and incentives:
  EF ADVISORS, EAF will provide the CLIENT, prior to hiring a service or financial instrument and *post,* at least annually, information on all costs and expenses and incentives. The information on costs and expenses will be added and expressed as a percentage and as an effective amount, and the CLIENT may request a detail by concept.

7. Information on the Conflict of Interest Policy

The MiFID regulations require that entities that provide investment services have a Conflict of Interest Policy in order to inform their clients of possible situations that may create conflicts of interest that may harm them.

Thus, EF ADVISORS, EAF has a Conflict of Interest Policy and specific procedures in order to detect, prevent, or, where appropriate, manage situations of real or potential conflicts of interest. The Policy includes the procedures to avoid such situations or, if they occur, manage them properly in accordance with the provisions of the applicable regulations.

This Conflict of Interest Policy applies to all areas of EF ADVISORS, EAF and all of their employees and directors, whose activity is related to the provision of investment or ancillary services, or the performance of investment activities.

It will be understood that there is a conflict of interest in those situations in which the impartiality of the actions of the people who work at EF ADVISORS, EAF may be compromised, in the opinion of a neutral observer, and this may result in a detriment to the interests of clients.

In addition, for a conflict of interest to occur, it is not enough that EF ADVISORS, EAF could obtain a benefit, but there must also be a possible loss for a CLIENT; it is also not enough that a CLIENT can make a profit or avoid a loss if, at the same time, there is no possibility of loss for another CLIENT.

EF ADVISORS, EAF has measures aimed for the prevention and proper management of real or potential conflicts of interest that could arise in the development of its activity:

- Rules of performance that prohibit certain behaviors or establish resolution criteria for situations of conflict of interest.
- Measures aimed at preventing or limiting any employee from exercising improper influence over the way in which another employee performs services or investment activities.
- Measures aimed at preventing or controlling the simultaneous or consecutive participation of an employee in various investment or ancillary services or activities, when said participation may harm the interests of clients.
- Procedures and measures aimed at preventing or controlling the exchange of information between people or departments that carry out activities that entail a relevant risk of conflict of interest, when the exchange could harm the interests of clients.
- Establishment of an adequate remuneration system.

Likewise, EF ADVISORS, EAF will have a record of the different services or activities in which a conflict of interest has arisen or may arise, which will be maintained and updated periodically. In case of registering a conflict of interest, the measures considered appropriate for its mitigation will be taken, and if these were not sufficient, said conflict will be communicated to the CLIENT before the provision of the investment service. Communication to clients will be considered as a measure of last resource.

EF ADVISORS, EAF makes this Conflict of Interest Policy available to the CLIENT through its website www.eurousafa.com.

8. Incentives

When providing the independent advisory service, EF ADVISORS, EAF will not accept fees, commissions or other non-monetary benefits from third parties unless they are minor non-monetary benefits that are intended to increase the quality of the service provided, in which case it shall be clearly notified in writing.

However, if EF ADVISORS, EAF receives fees, commissions or non-monetary benefits from third parties, it shall proceed to deliver them to the CLIENT, as soon as reasonably possible.

9. Customer Service

EF ADVISORS, EAF has a Customer Service Department in accordance with applicable regulations. The CLIENT may direct complaints and claims related to legitimate rights and interests in favor of said Service by email to the address indicated below:
Customer Service
Email: tomz@eurousafa.com
In the event that the CLIENT considers their complaint neglected or is not satisfied with the decision of EF ADVISORS, EAF, they may refer it to the corresponding department of the CNMV.

10. Information on financial instruments

In accordance with the applicable regulations, EF ADVISORS, EAF has classified financial instruments into complex and non-complex products.
Complex products are those that require greater financial knowledge to understand them.

NOT COMPLEX	COMPLEX
Equity[1]	Private Fixed Income that does not have frequent possibilities of sale or liquidation in markets (subordinated debt, preferential participations, etc)
Private Fixed Income (unless included in another classification)	Stocks and shares of non-harmonized collective investment institutions (*hedge funds* , CIIs of *hedge fund*, etc.) or of harmonized CIIs that incorporate complex structures, elements that make the investment illiquid or any condition that substantially modifies the nature or risk of the CII.
Money market instruments (letters, promissory notes, etc.)	Derivatives (futures, options, warrants, *caps, floors*, etc.)
Stocks and shares of harmonized CIIs (excluding structured CIIs, even if they are harmonized)	OTC / Structured Products

Information on the nature and risks of financial instruments

Depending on the type of asset or financial instrument in which is invested, there are multiple risks that can affect the final return. In order to promote a better understanding of the characteristics, operation and risks of said assets and instruments, a description of the different types of financial instruments and the risks they entail is included below.
It should be noted that the calculation of the total risk of a financial asset is not the sum of all the risk factors, but rather a lower figure that takes into account the possible correlations between them.

[1] Shares admitted to trading on a regulated market or on an equivalent market in a third country or on a Multilateral Trading System, in the case of shares in companies, and excluding shares in collective investment institutions other than collective investment in transferable securities (UCITS) and shares incorporating derivatives.

• **FIXED INCOME**

Fixed-income assets correspond to a broad set of negotiable securities issued by companies and public institutions, and which represent loans that these entities receive from investors. Fixed income does not confer political rights to its holder, but only economic rights, among them the right to receive the agreed interest and the return of all or part of the capital invested on a given date, depending on whether it is simple fixed income or not. An investor in fixed income becomes a creditor of the issuing company, while the shareholder is a partner who owns part of the share capital.

Any financial investment carries a risk that will be determined by different factors depending on the nature and characteristics of the asset being invested in.

In the case of fixed income, the risk factors are the following:

- Type risk and price risk

  If a fixed income asset is sold before reaching maturity, there is a possibility that it will be sold at a price lower than the purchase price and, therefore, a negative return will be obtained. The price of fixed income is closely linked to the variation in interest rates. In this way, if interest rates rise, the price of the asset will fall, and if interest rates fall, then the price will rise.

  The sensitivity of the price to changes in interest rates is called duration. The duration depends on outstanding coupons, their amount and their distribution over time, as well as the rest of the income pending to be received until maturity. The further away in time the maturity is, said this, the longer the life the asset has left, the greater the impact on the price in the event of a variation in interest rates. Longer duration means greater risk in the event of increases or decreases in interest rates.

- Currency risk

  It is the risk derived from the variation in currency exchange rates. Therefore, it only affects assets denominated in currencies other than the euro (or the currency in which the portfolio is denominated).

- Credit or insolvency risk

  It is the risk that the issuer of the asset could not make the payments of the coupons (interest) or the principal of the investment, totally or in part, or that there may be delays in them. The issuer can be a company, a financial institution, a State or another Public Body.

  One way to assess credit risk is through ratings issued by specialized rating agencies. The rating measures the credit quality and financial strength of the issuing companies, States and Public Administrations. These ratings can be assigned at the issuer level and, in the case of private issuers, on each of the issues. The fundamental criteria for evaluating the solvency of an issuer is usually its ability to meet all of its future payment commitments. Ratings evolve over time and can be revised, suspended or withdrawn.

- Liquidity risk

  Liquidity risk is derived from a possible penalty in the price of the asset due to the absence of investors willing to buy the asset to be sold. Liquidity depends on the asset and the market in which it is listed.

  The liquidity risk can become very high in the case of needing to transform the investment into cash in a short period of time since, in extreme cases, it could be impossible to recover the money.

The types of fixed income instruments are:

Public Debt

They are fixed-income assets issued by the Spanish State or other third countries, the Autonomous Communities and other Public Bodies.

- Bonds and obligations of the Spanish State or other third countries: these are the main fixed-income instruments medium-term (bonds) and long-term (obligations) issued by the State. These are explicit yield emissions. Currently are issued, 3 and 5 year bonds and 10, 15 and 30 year obligations. Throughout their lives, these assets accrue a fixed interest rate that is paid through annual coupons.
  Some long-term public debt issuances are made under the modality of strippable securities or *"strips",* in which the principal and each of the coupons to which the original bond entitles can be purchased separately.
- Autonomous debt and from other Public Bodies: the Autonomous Communities, local corporations and various public entities issue short-term (promissory notes) and long-term securities. Its characteristics are similar to those of Treasury Bills and State bonds and obligations, respectively.

Private Fixed Income

- Simple Bonds and Obligations: simple obligations are transferable securities that represent a proportional part of a loan. The issuing company undertakes to pay the holders of the securities with interest that may be fixed or variable, and to return the contributed capital on the date established for the maturity of the securities.
  Simple bonds are fixed-income securities, similar to obligations, but with shorter terms of life.
  Its characteristics can vary considerably from one issuer to another, and even for different issues of the same company. These differences may be the maturity date, interest rate, coupon periodicity, issue and redemption prices, redemption clauses and other issue conditions, as well as convertibility options, if any, priority of rights in case of liquidation, or the guarantees offered, among others.
  The bonds and obligations issued by companies are medium and long-term securities (from 2 to 30 years). Its characteristics can vary considerably from one issuer to another, and even in different issues of the same company. These differences may be the maturity date, interest rate, coupon periodicity, issue and redemption prices, redemption clauses and other issuance conditions, convertibility options, if any, priority of rights in case of liquidation, or the guarantees offered, among others.
- Corporate promissory notes: these are securities issued at a discount, with an implicit return or zero coupon, so the return is obtained by the difference between the purchase price and the face value of the promissory note received on the redemption date. The maturity is short-term, and there are between seven days and 25 months (760 calendar days), although the most frequent terms are 1, 3, 6, 12 and up to 18 months. The placement of the promissory notes is carried out either through competitive auctions in which the acquisition price is determined, or through direct negotiation between the investor and the financial institution, this being the most common way.
- Subordinated debentures: Subordinated debentures are very similar to simple debentures. The difference lies in their legal situation in case of bankruptcy or insolvency proceedings of the issuer: the subordinated obligations are placed behind the creditors.

- Mortgage bonds: they are fixed-income securities issued exclusively by credit entities (banks and savings banks) or mortgage credit companies. Their main peculiarity is that they are globally backed by the issuer's mortgage loan portfolio. For this reason, their holders are considered singularly privileged creditors in relation to all the mortgage loans. The certificates are usually quoted in the Fixed Income Market (AIAF).
- Mortgage or asset securitization: it is a method of financing companies based on the sale or transfer of certain assets, including future collection rights, to a third party who finances the purchase by issuing securities that are placed among investors.

- **<u>MONEY MARKET INSTRUMENTS</u>**

Money market instruments are short-term assets that are regularly traded on the money market, which are highly liquid. Money market instruments are considered as non-complex products.
The risks associated with money market instruments are the same as those of fixed-income assets described in the previous section.
The types of Money Market Instruments are:

Treasure letters

They are short-term assets (maximum 18 months) issued by the State. They are always discounted (implied yield) and are represented exclusively by book entries, without the physical title.

Business notes

They are fixed-income securities with a zero coupon issued at a discount, so their return is obtained by the difference between the purchase price and the face value of the promissory note received on the redemption date. They are short-term, and there are maturities between 7 days and 25 months, although the most frequent terms are 1, 3, 6, 12 and 18 months.

- **<u>EQUITY</u>**

The main characteristic of equity products (commonly known as shares) is that their possible future performance is unknown at the time of acquisition. Unlike what happens with fixed income products, the return on a share is not fixed previously. The performance of the shares can derive from the distribution of dividends among the shareholders or from capital gains or losses due to the evolution of the market price. These capital gains or losses are only effective at the time the share is sold.
Shares admitted to trading on a regulated or equivalent market in a third country are considered non-complex products.

- <u>Price risk</u>

  Stocks do not have a known or even predictable return.
  The evolution of the share does not depend only on the company itself, but on external factors such as the economic situation, the evolution of other markets, interest rates, inflation, etc. That is why it may happen that some companies with good results in their businesses do not see their stock market value increase.
  In general, when talking about the risk of a listed company (depending on the source), only the price risk is usually considered, since it is understood that the rest of the risks are already included in it. In this sense, it is possible to calculate the past risk of a security or an index by measuring the volatility.
  They have no expiration date, so the investment can only be disposed of by selling the shares.

- Liquidity risk

  Liquidity determines the greater or lesser ease of being able to buy or sell an asset and thus be able to recover the investment by transforming it into cash immediately. The higher the trading volume of the asset, the greater its liquidity and the better the options for the investor. Typically, companies with larger market capitalization have higher liquidity, while smaller companies tend to trade at a "liquidity discount" due to their low level of trading.

  Regulated markets facilitate the trading of shares and therefore their liquidity, allowing shareholders to dispose of their positions easily. That is why it is important to know in which market the shares are listed.

  It should be noted that there are circumstances in which liquidity may be compromised, so the Entity will indicate you when the liquidity of the product could be compromised:

"El compromiso de devolución del capital (o, en su caso, del xx% del capital) solo es a vencimiento y la venta anticipada puede provocar pérdidas".

"El capital garantizado sólo es a vencimiento y la movilización o el ejercicio del derecho de rescate implica una penalización que puede provocar pérdidas".

"La venta o cancelación anticipada no es posible o puede implicar pérdidas relevantes".

"El reembolso, rescate o la devolución anticipada de una parte o de todo el principal invertido están sujetos a comisiones o penalizaciones".

"El reembolso, rescate o la devolución anticipada de una parte o de todo el principal están sujetos a un plazo de preaviso mínimo relevante."

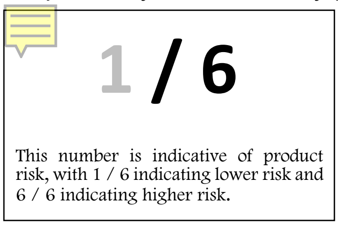
"El cobro de la prestación o el ejercicio del derecho de rescate sólo es posible en caso de acaecimiento de alguna de las contingencias o supuestos excepcionales de liquidez regulados en la normativa de planes y fondos de pensiones".

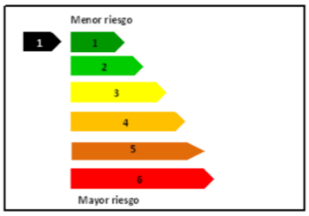
"El valor del derecho de rescate o movilización depende del valor de mercado de los activos asignados y puede provocar pérdidas relevantes."

"“El valor de los derechos de movilización, de las prestaciones y de los supuestos excepcionales de liquidez depende del valor de mercado de los activos del fondo de pensiones y puede provocar pérdidas relevantes".

- Risk level

  In addition, we will inform you about the risk level of the financial product updated at the moment we provide you an advisory proposal.





• **DERIVATIVES**

Derivative products are financial instruments whose value derives from the evolution of the prices of other assets called underlying assets. The underlying assets used can be very varied: shares, basket of shares, fixed-income securities, currencies, interest rates, stock market index, raw materials and more sophisticated products, as inflation or credit risks. A derivative is an agreement whose terms are fixed today, but the difference is that the transaction is made at a future date.

In general, derivative products are used to transfer risk from some agents (who want to sell it) to others (who want to buy it), which allows them to be used for different purposes. On the one hand, they can help reduce the risk of an investment and, on the other hand, they allow the portfolio to take more risk in order to obtain higher returns.
Derivative products have a significant multiplier effect (leverage), on capital losses and capital gains, in the event that the price trend forecast is incorrect or correct. The greater the leverage, the greater the risk assumed and, therefore, the greater the possibility of losses if the price expectations are wrong.
Derivative products are complex products with a high risk that in some cases may entail the risk of total loss of the investment and in other cases involve the assumption of commitments that may imply losses.
The main difference between derivative instruments is whether or not they are listed on organized markets. Those that are not listed on organized markets are called OTC (*Over the Counter*).

- Price risk
  The price of derivatives can be affected by different market variables. Changes in interest rates can have a direct impact on the value of a derivative.
  On the other hand, the evolution of the price of the underlying asset is the main factor that affects the variation of the price or value of the derivative. When the maturity date of the derivative arrives, it will be the price of the underlying asset that determines the result of the investment, which may lead to a total or partial loss.
  The volatility of the underlying asset is a fundamental element in the valuation of derivatives. The greater the volatility, the greater the possibility of profit, but also the greater the risk of loss.
  In addition, other factors such as the exercise price, dividends or the time remaining until the expiration date affect the valuation of the derivative and must be analyzed together.

- Credit/counterparty risk
  In the case of derivatives listed on organized markets, there is a clearing house that acts between the hiring parties, limiting the risk that non-compliance may occur.
  In OTC derivatives, since there is no clearing house, any obligation hired by the parties will depend on them. There is a risk that one of the parties will not fulfill its obligations and cause a financial loss.

- Liquidity risk
  Derivatives on organized markets are listed, advertising prices and providing liquidity.
  In the case of OTC derivatives, the possibility of undoing the position depends on the counterparty.

- Leverage risk
  This risk is derived from positions that generate a real exposure, and therefore a possibility of loss, much greater than the amount paid.

- **COLLECTIVE INVESTMENT INSTITUTIONS (CII)**

The purpose of the CIIs is to raise funds from the public to manage and invest them in goods, rights, securities or other instruments. The individual results are given based on the collective results. The investor, whether positive or negative, does not perceive these results, as long as the units or shares of the CII are not redeemed or sold.

There is a wide variety of CIIs depending on the types of assets, sectors, geographical areas, currencies, etc. in which they materialize their investments. The vocation of the CII, as well as its investment policy, are defined in the prospectus registered in the corresponding registry of the supervisory entity of the country of the manager (in Spain - the CNMV).

Depending on their legal form, there are two types of CII: investment funds and investment companies.

The choice of a CII must be made taking into account the investor's capacity and desire to assume risks, as well as the time horizon of the investment. The risks of the CII will depend on the type of CII, its investment policy and the assets in which its equity is invested.

- Price risk
  To assess the risk of a CII, it is necessary to know the composition of the portfolio and its investment vocation. The exposure to the different types of assets (money market, fixed income, equity, ...), currencies, geographical areas, etc., will determine the risk profile of the CII.

- Leverage risk
  This risk derives from positions that generate a real exposure, and therefore a possibility of loss, much greater than the amount paid.

- Liquidity risk
  In the case of CIIs, liquidity is determined by the frequency of publication of the net asset value, the possible existence of notice periods and the possible existence of a settlement period for the requested reimbursements.
  In the case of investment companies, liquidity may be affected by the obligation to maintain a minimum regulatory capital.
  In general, the CIIs that are considered UCITS enjoy high liquidity since they publish their net asset value daily and usually do not have notice periods.

- Currency risk
  In the case of CII, currency risk can affect in two ways. On one hand, there is the denomination currency of the CII, that is, the currency in which the net asset value is calculated. On the other hand, there are the currencies in which the assets in which the CII invests are denominated. In both cases, additional risks can be assumed in the evolution of the net asset value.

The types of CII are:

Harmonized CIIs or UCITS: CIIs that comply with the regulation of a series of European directives are called harmonized or UCITS. This regulation seeks to simplify investment regulations, increase investor protection and facilitate the cross-border marketing of CIIs.

Free investment CIIs, alternative investment funds or hedge funds: These CIIs can invest in any type of financial asset, without the concentration rules established in the general CII regulations being applicable to them. They can borrow up to five times the value of their assets.

Real estate CIIs: Real estate CIIs invest in real estate for rental. They obtain their returns both from the income from the rental of the properties and from the evolution of prices.

Exchange Traded Funds: Exchange Traded Funds (ETFs) are those whose shares are traded on stock exchanges. Its investment policy consists of reproducing the evolution of stock or fixed income indexes, or even listed securities.

Venture capital or private equity funds: These institutions invest in other private companies with a high potential for growth and expansion in exchange for a share in the company's capital. The objective is to buy, usually temporarily, a company with the possibility of growth, carry out an expansion that improves its profits, and later sell it for a higher price than it was bought.
This type of investment can be made through common regime companies, or through venture capital entities. In Spain there are venture capital companies and funds, which invest directly in target companies, and venture capital companies and funds of funds, which invest in other venture capital entities (in the last case, the diversification that this entails is a factor that reduces the risk).

The CII harmonized at European level (UCITS) are considered non-complex products.
In the case of non-European or non-UCITS CIIs, they will be considered as non-complex when there are frequent possibilities of redemption at public prices, they cannot imply losses that exceed the amount invested and there is sufficient public information on their characteristics. Hedge funds, real estate funds and venture capital funds are classified as complex products.

On ____________________, on the __ day of _______________, 20__

Client's signature:

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