Aviva - Self Directed Investment Option ("SDIO") Advisory Account Opening Document

This application form is to open an SDIO Account on an advisory basis, which will facilitate investment in quoted securities such as Equities, Government Bonds, Corporate Bonds, Exchange Traded Products (ETF's), Deposits, Structured Products and such other investments as Aviva may deem admissible from time to time. Cantor Fitzgerald Ireland Ltd will not give any investment advice in respect of investments to be held in an Advisory account. Should you require investment advice please contact your financial advisor or wealth manager directly.

Please complete the enclosed Application Form in full. Please also take the time to read our Terms & Conditions, Client Asset Key Information Document, Rate Card, and Privacy Notice available on our website cantorfitzgerald.ie.

Please note Crypto Currency related stocks/ETFs and Aviva Shares are not available under SDIO.

Queries/Advice Call your Financial Advisor or your Cantor Fitzgerald Relationship Manager:
DUBLIN: +353 1 633 3800. CORK: +353 21 422 2122. LIMERICK: +353 61 436 500
Email queries to Client Services at **ireland@cantor.com**

www.cantorfitzgerald.ie

How we use your Personal Information

We collect your personal information to conduct your account opening process and to manage your account. We process your data in line with our privacy policy. For further information outlining the purposes for which personal data is collected, used, disclosed, how long it is kept, and the legal basis for processing your data, please visit https://cantorfitzgerald.ie/privacy/

Advisory Service

Aviva - Self Directed Investment Option Account Application Form

CANTOR Fitzgerald

1. Policyholder Details (PLEASE USE BLOCK CAPITALS)

Title Mr ☐ Mrs ☐ Ms ☐ Miss ☐ Other ☐

Surname

Forename(s)

Date of Birth DD MM YY

Aviva Policy Number:

Nationality:

If nationality is United Kingdom please include NI number:

2. Policyholder Contact Details (PLEASE USE BLOCK CAPITALS)

Home Address

Home No.

Mobile No.

Email

3. Financial Background (PLEASE USE BLOCK CAPITALS)

Under this Advisory service we are required to assess Suitability and only recommend suitable products to you. Suitability is an assessment of your financial situation, knowledge and experience, investment objectives, risk profile and personal circumstances. This information ensures we only recommend products and services that are suitable to your needs and objectives. We would ask that you provide us with complete and as accurate as possible answers to enable us to provide investment advice and recommendations that are suitable to your personal circumstances. If matters change after your Cantor account is opened, we would ask you to inform us as soon as is practicable and before any additional advice is provided.

Regular Income (per annum)

Please complete ALL sections. Any incomplete will be assumed as "€0".

Employment/Pension Income €

Property Income €

Investment Income €

Other Income €

Regular Commitments (per annum)

Pension €

Mortgage PPR €

Others (e.g. Loans) €

Occupation & Employment Capacity

Occupation €

Employment Capacity

☐ Self-employed / Director

☐ Company Employee

☐ Retired

Please continue to next page

3. Financial Circumstance continued

Value of Personal Assets (Please complete this section based on total values of assets and debt if a joint application).
Any incomplete will be assumed as €0.

Principal Private Residence (PPR)	€
Mortgage on PPR	€
Cash Deposits	€
Other Investments	€
Gross Value of Other Properties	€
Total Debt on Other Properties/Investments	€
Other Net Assets	€
Pension Asset	€

4. Source of Wealth/Funds

Please indicate how your overall wealth was accumulated.
You can indicate more than one option.

- ☐ Salary/Bonus
- ☐ Inheritance
- ☐ Savings
- ☐ Sale of Shares
- ☐ Sale of Property
- ☐ Other:

If other please specify: _____

Please indicate the source of your initial transfer to Aviva/Cantor. You can indicate more than one option.

- ☐ Maturing Deposit
- ☐ Savings Account
- ☐ Transfer from other investment provider
- ☐ Proceeds of asset sale
- ☐ Pension Fund/ARF
- ☐ Other:

If other please specify: _____

Dividends
Unless you specify otherwise you will receive cash dividends and in Euro currency.

If you wish to receive stock dividends (where available) please tick here ☐

Please continue to next page

5. Investment Objectives and Account Risk Profile

Anticipated Portfolio Details (Please answer all)

What is your anticipated total portfolio size

- ☐ €50,000 - €150,000
- ☐ €150,000 - €250,000
- ☐ €250,000 - €500,000
- ☐ €500,000 - €1,000,000
- ☐ €1,000,000 - €5,000,000
- ☐ €5,000,000 +

What is your average anticipated transaction size

- ☐ Less than €10,000
- ☐ Between €10,000 and €50,000
- ☐ Between €50,000 and €250,000
- ☐ Over €250,000 +

Investment Horizon for your proposed portfolio

- ☐ 1 - 3 years
- ☐ 3 - 5 years
- ☐ 5 - 10 years
- ☐ 10 - 15 years
- ☐ 15 - 20 years
- ☐ 20+ years

Annual Investment Income Requirement

Do you require regular predictable investment income? Yes ☐ No ☐

If you ticked yes above, please state the approximate annual investment income requirement from your Cantor account: €

Dividends

Unless you specify otherwise you will receive cash dividends and in Euro currency.

Alternatively, if you wish to receive stock dividends (where available) please tick here ☐

Which of the following best describes your investment objective

☐ Capital Growth only ☐ Mix of Investment Income with Capital Growth ☐ Investment Income only

Intended Investment Instruments

Please tick which instruments you would consider investing in, you may indicate more than one option.

- ☐ Equities
- ☐ Structured Product
- ☐ Investment Funds
- ☐ Bonds
- ☐ Exchange Traded Funds (ETFs)
- ☐ Corporate Finance Products
- ☐ CFDs or other Derivatives
- ☐ Other (please specify)

Please continue to next page

6. Further Objectives & Restrictions (PLEASE USE BLOCK CAPITALS)

Please consider your answers carefully as this will allow us to tailor your portfolio to your specific Sustainability Preferences where available. Please note that if you do not have any sustainability preferences, you do not need to answer the remaining questions.

1. **Do you have sustainability preferences for your investments?**
   - ☐ No, I am only interested in the financial aspects of the investment. **(No further answers are required)**
   - ☐ I don't know. I would need to give sustainability preferences more consideration. (Please consult with your Cantor Relationship Manager or Financial Advisor)
   - ☐ Yes, I am interested in the sustainability attributes as well as the financial aspects of investments (Please proceed to Questions 2 – 4)
2. **To what minimum extent do you want Environmentally Sustainable investments (i.e. make a substantial contribution towards an environmental objective) to form part of our recommendations to you and therefore your portfolio?**
   Generally speaking, for a business or business activity or product to be considered environmentally sustainable, it must:
   - Contribute substantially to one or more of certain specified environmental objectives;
   - Not significantly harm any of those environmental objectives
   - Be carried out in compliance with certain minimum social safeguards; and
   - Comply with technical screening criteria established by the EU Commission (the 'EU Taxonomy')

   Please choose a percentage band: ☐ 0 - 25% ☐ Minimum 26% ☐ Minimum 51% ☐ Minimum 76%
3. **To what minimum extent do you want Sustainable Investments to form part of our recommendations to you and therefore your portfolio?**
   By Sustainable Investments we mean an investment in business that contributes to an environmental and/or social objective. This objective should be measurable, for example, a key resource efficiency indicator on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions. It could measure the impact on biodiversity and the circular economy. It could be an investment in a business that contributes to a social objective, for example tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities. This is provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

   Please choose a percentage band: ☐ 0 - 25% ☐ Minimum 26% ☐ Minimum 51% ☐ Minimum 76%
4. **To what extent are the below grouped Principal Adverse Impact important to you?**
   A Principal Adverse Impact (PAI) is the impact of your investment decision; by reference to the business activity of or the actual entity which issues the security which you purchase. A PAI refers to the negative effect on sustainability factors, such as environmental, social and employee concerns, respect for human rights, anti-corruption, and anti-bribery matters by an entity in which you invest, by virtue of its direct actions and such effect therefore in part facilitated by your investment.

A. Climate Change	B. Environmental	C. Social And Employee Matters	D. Governance
Greenhouse Gas Emissions	Activities that negatively affect bio-diversity-sensitive areas	Adherence to the UN Global Compact	Respect for Human Rights
Carbon Footprint	Emissions to Water	Unadjusted Gender Pay Gap	Anti-Corruption Matters
Greenhouse Gas Intensity	Hazardous Waste and radioactive waste ratio	Board Gender Diversity	Anti-Bribery Matters
Exposure to Companies active in the fossil fuel sector		Exposure to Controversial Weapons	

Please continue to next page

Please continue to next page

6. Further Objectives & Restrictions (PLEASE USE BLOCK CAPITALS) continued

A. To what extent are Climate Change Principal Adverse Impacts Important to You?

☐ Not Important ☐ Important

B. To what extent are Environmental Principal Adverse Impacts Important to You?

☐ Not Important ☐ Important

C. To What Extent are Social and Employee Principal Adverse Impacts Important To You?

☐ Not Important ☐ Important

D. To What Extent are Governance Principal Adverse Impacts Important To You?

☐ Not Important ☐ Important

Note: Please notify us as soon as possible of any material change in any information given above.

Please continue to next page

7. Knowledge & Experience (PLEASE USE BLOCK CAPITALS)

Please indicate in what capacity or service level you gained any knowledge and experience in financial markets:
(You can select more than one option if applicable)

- ☐ **Execution Only:** You made all the decisions without professional advice; only market information and updates
- ☐ **Advisory:** You made all the decisions with the benefit of advice from a financial advisor
- ☐ **Discretionary:** You agreed account parameters and allowed an investment advisor to make decisions on your behalf without reverting to you

Please indicate your investment experience in relation to the following Financial Instruments:

None: You have no knowledge or experience investing in financial markets.
Limited You have some knowledge and experience of financial markets but limited actual trading history.
Good: You have reasonable knowledge and experience of financial markets and have traded over a number of years.
Extensive: You have good knowledge and experience and have traded consistently over the last number of years.

FINANCIAL INSTRUMENTS	KNOWLEDGE				EXPERIENCE	
	NONE	LIMITED	GOOD	EXTENSIVE	EXPERIENCE (No of Years)	TYPICAL NUMBER OF TRADES PER ANNUM
Equities	☐	☐	☐	☐		
Bonds	☐	☐	☐	☐		
Funds	☐	☐	☐	☐		
Exchange Traded Funds (ETFs)	☐	☐	☐	☐		
Structured Products	☐	☐	☐	☐		
Corporate Finance Products	☐	☐	☐	☐		
CFDs or Other Derivatives	☐	☐	☐	☐		

If you have indicated Limited/Good/Extensive Knowledge and Experience but have no history of transacting, please indicate how you have attained this knowledge/attained your years experience?

Relevant Professional Qualification or Experience

Do you have a relevant professional qualification? Yes ☐ No ☐

Please list qualification(s)

Do you work as investment manager/advisor OR in Financial Services? Yes ☐ No ☐

If yes, please provide your title

Are you a member of a relevant financial services professional body? ('i.e. ACOI, LIA, IOB, etc.) Yes ☐ No ☐

If yes, please list the professional body

Please continue to next page

8. Target Market and Publications

Your Stated Investment Interests and Our Publications

You would like to receive the publications ticked below from our publication list and are interested in learning more about or reviewing or considering the investment types covered within these selected publications.

- ☐ **Daily Market Updates:** Equity, Bond, and Macro Economic developments
- ☐ **Weekly Trader:** Financial Market outlook and Equity/ETF and Bond reviews
- ☐ **Monthly Talking Points Newsletter:** The latest on our services and products including structured products, funds, wealth management services and products
- ☐ **Structured Products:** Details on our latest capital guaranteed or contingent capital (at risk) products
- ☐ **Corporate Finance Investments:** Details on our EIIS, Loan Note, and Private Equity products

9. Further Information/Special Requirements

Cantor will endeavour to accommodate the needs of clients who may have certain requirements or vulnerabilities. This is to ensure we provide an appropriate level of care to you.

Please inform us if there is any additional information you would like us to consider in order to better service you.

Please continue to next page

10. Acknowledgement

In signing this document it will constitute a contract, both legally binding and enforceable. If you have any queries about any aspect of the account opening documentation please contact Cantor for clarification or, if you think it appropriate to do so, obtain independent legal advice.

The undersigned hereby acknowledges that:

(a) I have carefully read, acknowledge and understand the terms of the below listed documentation which I have been presented with and have had an opportunity to consider. I hereby agree that by signing this acknowledgement that I will be bound by all terms and conditions contained in the following documents:

1. Self Directed Investment Option Account Opening Document
2. Terms and Conditions booklet:
   i. Terms and Conditions of Service
   ii. Conflicts of Interest Policy
   iii. Order Execution Policy
   iv. Information on Financial Instruments

(b) The service description set out in the Terms and Conditions booklet incorporates the service to be provided by Cantor to me in its entirety, and for which I now hereby apply.

(c) The risk profile, investment experience, financial information and restrictions provided in the Account Opening Document is a complete and accurate record of all information relevant and necessary to allow Cantor to provide an advisory service to me.

(d) I acknowledge that Cantor will arrange for a nominee account to be opened with Pershing Securities International Limited on my behalf.

(e) I acknowledge that this account will invest in quoted securities such as Equities, Government Bonds, Corporate Bonds, Exchange Traded Products (ETF's), Deposits, Structured Products and such other investments approved by Aviva only.

(f) I have been presented with and have had an opportunity to consider the Client Asset Key Information Document and I have carefully read, acknowledge and understand the arrangements Cantor have put in place for holding client assets and the risks associated with them.

(g) I have been presented with the current SDIO Rate Card and I am aware that any changes to this will be updated to the Cantor Fitzgerald website for my reference.

(h) I acknowledge that this account is owned by Aviva Life & Pensions Ireland DAC through my Pension or Approved Retirement Fund policy and I am a limited power of attorney for trade instruction only.

(i) I am aware that communications and documentation will be delivered to me, as limited power of attorney, where suitable by electronic means through an online portal, to which I will receive a password as part of the account opening process.

I confirm I will update Aviva and Cantor of any changes to my email address in the future.

Confirmation acknowledgments have been read and understood:

Signature of policyholder

Print Name

Date DD MM YY

CANTOR FITZGERALD - DUBLIN: Cantor Fitzgerald House, 23 St Stephen's Green, Dublin 2, D02 AR55. Tel : +353 1 633 3800. Fax : +353 1 633 3856.
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email : ireland@cantor.com web : www.cantorfitzgerald.ie

Cantor Fitzgerald Ireland Ltd is regulated by the Central Bank of Ireland and is a member firm of Euronext Dublin and the London Stock Exchange.

CLIENT ASSETS KEY INFORMATION DOCUMENT

1. Introduction

When Cantor Fitzgerald Ireland Ltd ("CFIL" or the "firm") provides investment services to you as our client under our terms of business, we have a regulatory responsibility over client assets (both funds and financial instruments) in your account with us.

2. An explanation of the Regulations

The manner in which we handle your assets is governed by Part 6, Client Asset Requirements, of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2023 (SI No. 10 of 2023) and Schedule 3 Safeguarding Client Financial Instruments and Funds, EU MiFIR 2017. In addition, the CBI has issued a Guidance Note on the Central Bank Client Assets Requirements. These documents can be found on the CBI Website at the following web address:
https://www.centralbank.ie/regulation/industry-market-sectors/client-assets

The requirements require CFIL to provide retail clients with a Client Assets Key Information Document ("CAKID") with the below objectives:

- Explain the key features of the regulatory regime that applies to the safeguarding of client assets.
- Explain what constitutes client assets under that regime.
- Explain the circumstances in which that regime applies and does not apply.
- Explain the circumstances in which the investment firm will hold client assets itself, deposit client assets with a third party and deposit client assets with a third party outside the State.
- Explain the arrangements applying to the holding of client assets and the relevant risks associated with these arrangements.

Please read this document in conjunction with the firm's terms of business.

Key Principles of the Client Asset Regulations

The purpose of the Regulations is to regulate and safeguard the handling of client assets to enable swift and safe return of these assets to the clients in the event of insolvency. However, it is important to note that it can never fully eliminate all risks relating to client assets, some of which are identified in Section 6 below.

The key principles of these Regulations require that:

- client assets are segregated from the firm's own assets through registration of client assets in designated client asset accounts with the relevant institution holding the assets.
- all client assets are clearly identified in internal records and identifiable from the firm's own assets.
- CFIL ensures appropriate and proportionate oversight of PSIL, the custodian of the assets who retains the records of your assets and assess their accuracy through regular reconciliations and daily calculations.
- we inform you through our terms of business and the CAKID of our arrangements and where relevant obtain your consent to the manner in which your assets are held.
- CFIL has appropriate risk management processes and systems, including documented policies and procedures to ensure that a risk-based approach is adopted in safeguarding your assets.

3. An explanation of what constitutes client assets under the Regulations

Client Assets include both:

(i) Client Funds: Any money, to which you are beneficially entitled, which we have received from you or on your behalf; unless such money relates exclusively to an activity which is not a regulated financial service. It includes cash, cheques or other payable orders, current and deposit accounts including pledged accounts you may have.

(ii) Client Financial Instruments: Any financial instrument (for example, shares, bonds, and units held in collective investment schemes) held by us on your behalf including any held with a nominee.

The values assigned to your investments are not covered by these Regulations.

4. The circumstances in which the Regulations apply and do not apply

Client assets cease to be client assets where:

a) they are paid, or transferred, to the client whether directly or into an account with a third party or a relevant party in the name of the client (not being an account which is also in the name of the investment firm); or

b) where they are to be paid, or transferred, to a third party on the recorded instructions of the client. In addition, acting in accordance with the terms of an investment management agreement or the completion of an order or application form will be considered to be a request from the client to pay the client assets to the relevant third party.

c) A cheque or other payable order received from the client is not honoured by the paying institution; and

d) Funds are due and payable to CFIL by the client in the ordinary course of business, including fees and commissions.

e) Where a decision is made to utilise the funds for the purpose of an unregulated investment.

It is important to note that the Client Asset Regulations:

Do apply:

(i) For funds or financial instruments that have been received in respect of activities which are regulated financial services.

(ii) Once a cheque or other payable order is received by the firm except where it is payable to a third party and transmitted by CFIL to that party.

(iii) Once interest is received where it has been agreed in writing that it is payable on your client funds.

Do not apply:

(i) When funds or financial instruments have been received in respect of activities which are not regulated financial services.

(ii) Where you have transferred full ownership of funds or financial instruments to cover or secure present or future, actual or contingent or prospective obligations.

(iii) Where we receive a cheque or other payable order from you or on your behalf payable to a third party and we transmit that to the third party.

(iv) To funds that are due and payable to the firm in accordance with our terms of business.

(v) Where a cheque or other payable order received from you on your behalf is not honoured by the bank.

(vi) Where funds have been paid to you or a nominated third party (within the limited circumstances such instructions can be undertaken). Please note that payments to third parties can only be done on written instruction from you. Completion of an order or application form is considered a request to pay a third party.

(vii) Where financial instruments are registered in your own name, and we are not providing safe custody.

Product / Service	In scope of Client Asset Requirements
Wealth Management	Yes
Custody of Client Financial Instruments	Yes
Holding of Client Funds	Yes
Administration of Pension Accounts	No
Investment in unregulated investments such as Direct Property	No – These assets do not meet the criteria as defined in MiFID and are therefore not regulated and must be held separate from client assets
Holding of cash relating to unregulated investments such as Direct Property Investments	No – this 'other money', as defined in the CAR, is associated with an activity that is deemed unregulated.

5. An explanation of the circumstances in which the firm will hold clients' assets, hold client assets with a third party and hold client assets in another jurisdiction

Client assets are never held directly by CFIL except where they have been received as part of the settlement process or held while in transit to the client or custodian.

CFIL has entered into an agreement ("the Pershing Agreement") with Pershing Securities International Limited ("PSIL", "Custodian")), , The Shipping Office, 20-26 Sir Jon Rogerson's Quay, Dublin 2, D02 Y049 www.pershing.ie on behalf of ourselves and each of our clients whereby PSIL has agreed to provide clearing and settlement, safe custody, and other associated services for clients whom CFIL introduces to them. PSIL are regulated by the Central Bank of Ireland and are bound by the Client Asset Requirements.

All client asset accounts are clearly designated as "Client Asset Accounts" in both the internal records of PSIL and the records of any of the institutions holding the assets.

Those assets must be identifiable from CFIL's or PSIL's own assets.

5.1 Client Funds

Funds received are lodged to an omnibus Client Asset Account with an eligible bank or credit institution. This means that a number of clients' funds are held in the same client asset account with the bank or credit institution. However, PSIL maintain detailed records identifying the amount being held for each client within the omnibus account. We refer to section 6 regarding the risks associated with omnibus accounts.

The funds are lodged to an account in the same currency as they are received unless PSIL do not have a client asset account in that currency, and it would be unduly burdensome to open one. Amounts are converted at the rates prevailing when lodged to the Client Asset Account.

When funds, which include "other money" not qualifying as client funds, are received, these are paid into a separate omnibus "other monies" client bank account and are not protected by the Client Asset Regulations and the Investor Compensation Scheme. If such funds are deposited into PSIL's Client Asset Account, the "other money" is promptly transferred out of the client asset bank account and into the separate omnibus "other monies" client bank account.

Our preference is to receive funds by way of electronic transfer from clients. To facilitate this, details of PSIL's client asset bank account is provided to you.

5.2 Client Financial Instruments

Where you have elected to use the safe custody services of PSIL, you consent that your investments will not be registered in your own name. Documents of title to your investments shall be held in physical or dematerialised form by PSIL or an Eligible Third Party.

Your investments will be held in a safe custody account designated as a client asset account and will be registered either in the name of

(i) A nominee company owned by PSIL,

(ii) A member of PSIL's group,

(iii) An exchange which is a regulated market, or

(iv) An Eligible Third Party, in accordance with the CBI Client Asset Requirements. PSIL will exercise due skill, care and diligence in the selection, appointment and periodic review of any Eligible Third Party and the arrangements for holding and safekeeping of your investments, but PSIL shall not be responsible for any acts, omissions or default of any such Eligible Third Party save where such a default is caused by fraud, wilful default or negligence on the part of PSIL or its nominee company.

In some instances, due to the characteristics of a particular financial instrument it is not possible for PSIL to hold the assets within the Irish jurisdiction. In such cases they will be held with a custodian in the relevant jurisdiction. It is important to note that where assets are held outside this jurisdiction:

(i) The Client Asset Requirements applicable may differ to those applicable within this state.

(ii) The Investor Compensation scheme in operation in Ireland will not apply to any default by the foreign custodian.

PSIL hold client assets on an omnibus nominee basis. Under this structure, the share register of the companies in which the underlying investors hold shares (investment companies) will show one entry for the nominee company. This entry will be the aggregate of all the individual investors' holdings. We refer to section 6 regarding the risks associated with omnibus accounts and where assets are held outside Ireland or the European Economic Area (EEA) as described above.

PSIL are obliged to keep a detailed breakdown of each individual investor's holding. The total of these holdings must equate to the aggregate on the investment company register.

The firm does not provide safe custody arrangements for the holding of share certificates in clients' own names. Where the firm receives share certificates either from clients or on behalf of clients as a result of share transactions, the firm immediately passes them to the client or relevant settlement agent. In such cases the firm maintains a log of all receipts and dispatch of share certificates.

6. The arrangements applying to the holding of client assets and the relevant risks associated with these arrangements

Your assets are held by PSIL in a specifically designated Client Asset Account within the institutions outlined above.

Transactions in respect of your assets may only be undertaken by the institution based on an instruction from Cantor Fitzgerald Ireland Limited. The principal risks associated with holding your assets in this manner include exposures relating to:

- Loss of Client Financial instrument and /or Client Funds (The Assets): - the risk that those charged with safeguarding client assets fail to ensure clients assets are only released when authorized by the fund manager or agent on behalf of the underlying investor.
- Administrative risk: - the risk that due to administrative errors, accurate records are not maintained detailing correct shareholdings of the underlying investors.
- Default Risk: - the risk that the owner of the nominee company goes into liquidation, or the custodian goes into liquidation.

- Corporate Actions Risk: - the risk that corporate actions are missed by the custodians.
- Negligence or the perpetuation of a fraud by persons employed by either this firm or the institution holding the assets.
- Misappropriation of your assets.
- Risks associated with omnibus accounts: Under an omnibus arrangement, client assets are held along with investments belonging to other clients. The risks associated with this arrangement are: a) This involves a possibility where assets held for one client are temporarily used to meet the settlement obligations of another client; b) In the event of an irreconcilable shortfall, clients may not receive their full entitlement and may share in the shortfall in proportion to their original share, or on some other basis in accordance with the applicable law; c) When your investments are pooled, you may not receive the same treatment or options when there is a corporate action or other event as you would if the investment were held in a separately designated account with a nominee company or custodian, or held in your own name. For example, following an allocation or share issue that favours the small investor, your allocation may be less than it otherwise would have been if your investments had been registered in your own name.
- Risks associated with investments held by sub custodians outside Ireland or the EEA: Investing in overseas securities may give rise to different settlement, legal and regulatory requirements from those in Ireland or the EEA and different practices for the separate identification of investments. This means that your protection may be less should a default occur on the part of the custodian or sub-custodian. In certain jurisdictions where different laws/regulations apply, your investments will not necessarily be separately identifiable and may be subject to third party claims made against the relevant custodian or sub-custodian.
- "Un-invested money" (i.e. money not immediately required to settle an investment transaction) will not attract credit interest but may attract cash handling charges. Negative cash balances on your account may attract debit interest.

Cantor Fitzgerald Ireland Limited endeavours to minimise these risks by confirming that PSIL do the following:

- Undertake risk assessments, as set out below, of institutions with whom your assets are held.
- Have written confirmation, in line with the Requirements, from these institutions that your assets will be segregated from the firm's own assets and will be held in separately designated Client Asset Accounts.
- Undertaking regular reconciliations of their records with those of the institutions and following up any differences in a timely manner.
- Undertaking daily calculations of the client funds held for clients as per their records with the client funds resource that should be held with the bank or credit institution.
- Ensuring instructions on your account are passed to the institutions by appropriately authorised members of staff.
- Ensuring financial instruments are registered and designated as outlined above.
- Ensuring adequate oversight of your assets is maintained by them through appropriate documented procedures and controls to minimise the risk of loss for clients.

PSIL, in selecting relevant institutions to hold client assets on behalf of this firm's clients undertake an assessment, at least biannually, covering:

(i) The institution's credit rating (where available)

(ii) Known service levels for the institution (where we have past experience with the institution)

(iii) Whether the institution is independent of the firm.

(iv) What clients' rights would be in the event of insolvency of the institution.

Where the institution is not in the jurisdiction, a similar assessment is undertaken. Particular attention is paid to establishing the relevant guidelines and compensation scheme.

Once an institution has been selected to hold client assets, a facilities letter confirming specified details, as set out in the Requirements, will be obtained from the institution. No client assets will be lodged prior to receipt of the facilities letter.

7. Unregulated activity

Assets held in connection with an activity that is not a regulated financial service:

a. Investments are held separately from client assets and are not custodied by PSIL
b. Cash "other money" derived from unregulated activity, is held in a separate omnibus client bank account managed by CFIL.
c. do not have the protection of the Client Asset Regulations; and
d. Will not be covered under the Investor Compensation Scheme.
e. Cash intended for investment in unregulated activity will be transferred out of the PSIL Client Asset Bank Account promptly.

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www.cantorfitzgerald.ie

Sustainability Preferences

What is Sustainability?

In 1987, the United Nations defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability is about the prudent use of resources, with a view to long-term priorities and consequences of the ways in which resources are used.

A sustainable business seeks to resolve or mitigate environmental, social and economic challenges through the strategic allocation and management of corporate resources. In recent years, a concerted effort by authorities and regulators have resulted in significant progress for how companies can measure their progress in becoming more sustainable business.

What are the Sustainable Development Goals (SDGs)?

The SDGs are a collection of 17 interlinked global goals agreed as an international framework of reference that addresses the most pressing challenges of sustainable development. The SDGs were agreed in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. The SDGs are useful guidance to understanding the interconnected challenges of sustainable development and the urgency behind each goal. Investors may use the SDGs as a framework of reference for areas of impact when it comes to addressing sustainability in their portfolios.

What are Sustainability Preferences?

Recent changes to the Market in Financial Instruments Directive (MiFID II) now require investment advisors and investment managers to ask investors whether they would like to see aspects of sustainability reflected in their investment decisions. This is known as the collection of sustainability preferences and has become part of the regular suitability assessment process.

Clients have varied attitudes to many different aspects of their investment decision such as liquidity, return, safety and risk. Sustainability preferences is a further layer in this process that allows us to determine the investment decisions that are most suitable for the client in relation to their attitude to sustainability.

What is the Suitability Assessment?

The assessment of suitability is a core investor protection measure under MiFID II. Correctly assessing client suitability ensures clients are only invested in products and services that are suitable for their own needs and objectives.

The goal of suitability rules is to ensure clients best interests are at the forefront of investment decisions. The assessment of suitability is applicable to both advisory and discretionary clients.

Suitability rules require investment firms to gather relevant information from clients in relation to:

a) investment objectives, including risk tolerance
b) financial circumstances including ability to bear loss
c) knowledge and experience
d) investment time horizon
e) personal circumstances
f) sustainability preferences

Collection of this information enables the Firm to complete a suitability assessment and (in the case of advice) provide suitable personal recommendations to clients or (in the case of discretionary clients) to make suitable investment decisions on behalf of the client(s).

In relation to sustainability preferences, clients must be asked the following:

- Whether the client has sustainability preferences (yes/no)
- The minimum proportion which the client wishes to invest in environmentally sustainable investments and sustainable investments
- The Principal Adverse Impacts which the client wishes to be considered.

CFIL will request information to assess a client's sustainability preferences to enable it to match the client with suitable products. Terms and concepts used when referring to environmental, social and governance aspects will be explained to clients. This will include an explanation of the differences between products with and without sustainability features in a clear manner, avoiding technical language.

This regulation came into force in August 2022. Questions relating to sustainability are required as part of the suitability assessment and must be asked to every new client of the firm and every existing client where a suitability review is taking place.

Sustainability preferences are grouped in three major themes:

1. Environmentally Sustainable Investments (or "Taxonomy-aligned")

These are investments in economic activities that make a significant contribution to an environmental objective based on technical screening criteria. There are six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- The circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

The EU Taxonomy Regulation (TR) sets out robust, science-based technical screening criteria that activities need to comply with to be considered as "green" while ensuring such activities don't negatively impact people and the planet.

Large companies are required to disclose to what extent their activities are associated with economic activities that qualify as environmentally sustainable. Given the role of the TR in how investments are defined as environmentally sustainable, this product category is also described as Taxonomy-aligned investments. To learn more about this topic, read **more here.**

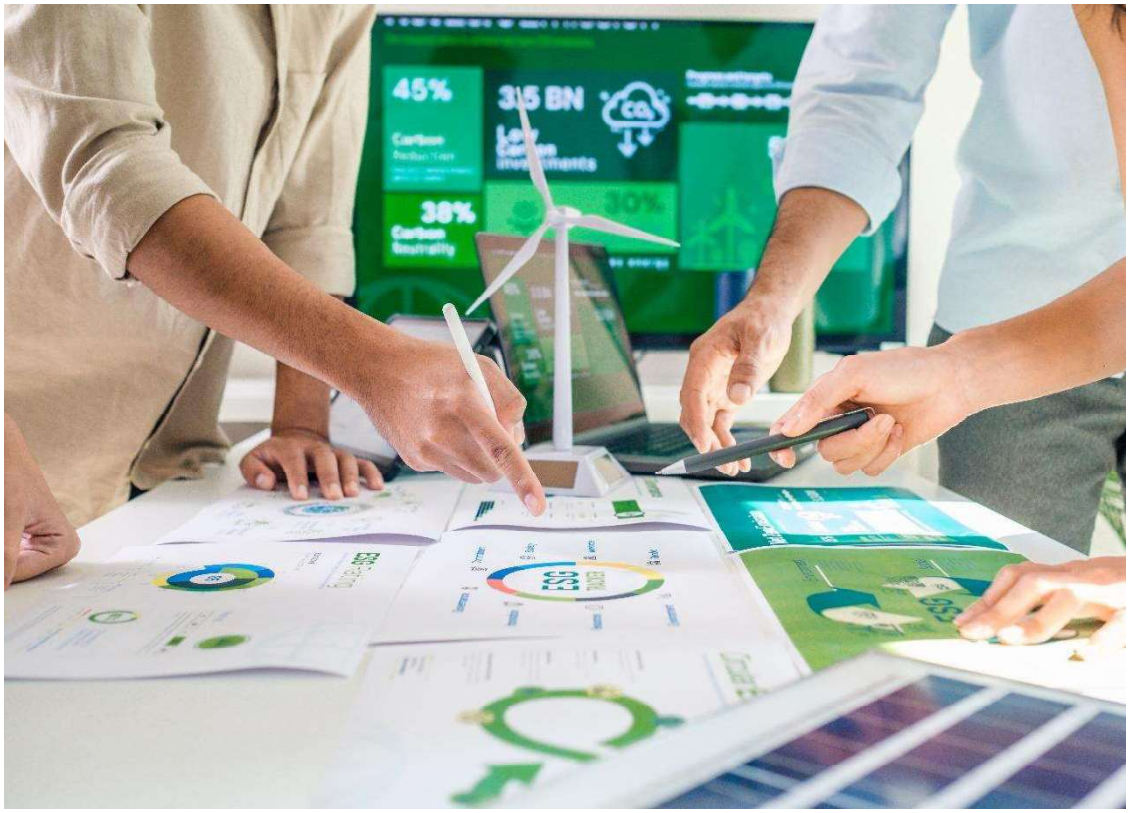
2. Sustainable Investment

This is a more all-encompassing description of both environmentally and socially sustainable investments. The Sustainable Finance Disclosure Regulation (SFDR) is the regulatory regime governing the definition of sustainable investment (SI). For an investment to be classify as SI, it must (1) follow principles of good governance (e.g., having in place sound management structures, tax compliance, employee relations and so on), (2) its economic activity contributes to a social or environmental objective, whilst (3) ensuring such economic activity does not cause harm to people or the planet.

The SFDR also classifies investment products in terms of being Article 8 or 9 aligned, which describes the extent to which a product is committed to SI. Both types of products must follow principles of good governance, however, they have varying requirements when it comes to % alignment with sustainable investment, with Article 9 products required to have 100% of the investments aligned with SI criteria. Article 8, on the other hand, promote environmental and social characteristics and can set their own minimum % alignment with environmental and social characteristics.

When defining environmentally sustainable activities under the SFDR, there is overlapping with the definition provided by Taxonomy-aligned economic activities. Therefore, a Taxonomy-aligned activity can automatically be defined as sustainable investment.

Finally, an Article 6 designation refers to a product that does not have a sustainable investment as its objective nor promotes ecological or social characteristics.



3. Principle Adverse Impact (PAIs)

Principle Adverse Impact indicators are a collection of data points where investments can be screened to highlight their sustainability risks against one another. They cover environmental, social and governance metrics (ESG risks).

Investors interested in understanding the principal adverse impacts from their investment decisions can choose from a total of 64 PAI indicators and track their performance in their portfolios. PAI's can be either quantitative or qualitative elements.

Clients can also exclude from their investments specific economic activities on the basis of relevant PAIs. For example, specific economic activities that are linked to certain principal adverse impacts on sustainability factors, and are considered as significantly harmful, can be avoided from investment. Examples of PAIs include:

- Carbon emissions
- Fossil fuel sector activity
- Human rights violations
- Involvement in controversial weapons
- Activities negatively affecting biodiversity
- Rule of law
- Board gender diversity
- etc...

What is the Difference Between Products with and without Sustainability Features?

One of the key differences between products with sustainability features and without is that the former goes through examinations pertaining to the sustainability of a government / business in terms of ESG standards at the same time as the financial performance of such investment is taken into consideration. Products without sustainability features, on the other hand, only focus on the financial performance of such investments.

What Happens if I don't have Sustainability Preferences?

Once you inform us that you have no preferences for sustainability in your investment decisions, you will be considered *sustainability neutral*, meaning that you can be offered products with and without sustainability features.

What are the Challenges?

We acknowledge that investors looking for sustainable investment solutions face a variety of obstacles as well as possibilities. Company data to allow for a more efficient matching of products with client's sustainability preferences is still under development. This is mostly due to another relevant regulatory framework, the Corporate Sustainability Reporting Directive (CSRD), having a different timeline for implementation to the other regulatory regimes assisting in the integration of sustainability preferences in investment decisions. The CSRD timeline is being done through a phased approach, meaning that only large corporates are currently in scope for disclosure of sustainability data, with more companies falling in scope every year from 2025 to 2029. The reason behind such an approach was to give companies enough time to prepare these more extensive reporting requirements. The CSRD is also creating rigor around sustainability disclosure with such information becoming part of companies audited annual financial accounts.

The mismatch between timelines in companies' public disclosure of sustainability data may lead to a shortage of suitable products, as fund managers may lack relevant data to address a sustainability issue. For example, an area many investors may care about is biodiversity loss. However, the extent of the impact of companies' activities on biodiversity may require more disclosure than it is currently available to be better understood. In turn, an advisor may be unable to recommend a financial product to match a client's sustainability preferences.

What is Understood by "Minimum Proportion"?

During the collection of sustainability preferences, we ask for what "minimum proportion" you would like allocated to sustainable or taxonomy-aligned investments. This minimum proportion is collected as a specific percentage range, which is then used as guidance for the portfolio manager/advisor on what proportion of a client's portfolio should ideally be exposed to sustainable or taxonomy-aligned investments.

What Happens when no Product is Available to meet my Sustainability Preferences?

Your financial advisor/portfolio manager will inform you that, after searching for a suitable product that would meet not only your sustainability preferences, but other aspects of suitability (e.g., risk tolerance, liquidity, etc.), no product can be recommended at this time. The client can then be afforded the opportunity to adapt their sustainability preferences, and the advisor/portfolio manager will keep a record of the client's decision and reason for that decision.

Following this decision, the advisor/portfolio manager can then recommend an alternate product that would meet the client's other suitability objectives and assessment criteria. Under suitability rules, clients will be subject to a periodic review. This means clients will be contacted every two or three years, depending on their risk profile. During this review, all client's suitability criteria as mentioned above will be reviewed, including sustainability preferences.

At any time, if a client's circumstances or objectives change, you are encouraged to contact your portfolio manager to inform them of same. This will trigger a suitability review to ensure all information related to you is kept accurate and up to date. This ensures that any products or services you are invested in will continue to remain suitable to your needs.