TURLOV FAMILY OFFICE SECURITIES (PTY) LTD

RISK DISCLOSURE NOTICE

Date of issue/update	September 21, 2026	Version:	3
Policy Owner	Legal Department		
Approved by	Executive Director	Date of approval:	September 21, 2026

Introduction

TURLOV FAMILY OFFICE SECURITIES (PTY) LTD is a private company duly incorporated and existing under the laws of the Republic of South Africa under registration number 2022/274852/07 (hereinafter referred to as the "**Company**", "**we**" or "**us**") and is authorised and regulated by the Financial Sector Conduct Authority of the Republic of South Africa (the "**FSCA**") as a financial services provider under FSP Licence No. 52874.

This Risk Disclosure Notice (the "**Notice**") provides general information about certain risks associated with transactions in financial products (as defined in the Financial Advisory and Intermediary Services Act, 2002 (FAIS Act), as well as other financial instruments and assets treated as such, hereinafter – the "**Financial Instruments**") and should be read in conjunction with the General Terms. As different types of Financial Instruments have different characteristics and risk profiles, this Notice is intended to assist you in understanding the nature and principal risks of the relevant Financial Instruments and in making informed investment decisions. It is not intended to identify or explain every risk or other material consideration that may arise in connection with a particular Financial Instrument or transaction, nor does it replace your own knowledge, experience and assessment of such risks.

Before entering into any transaction, you should ensure that you understand the nature and characteristics of the relevant Financial Instruments, the risks involved and the extent of your potential exposure. You should carefully consider whether the transaction is appropriate for you, taking into account your knowledge and experience, investment objectives, financial circumstances and any other relevant factors.

The value of Financial Instruments may fluctuate as a result of market and other conditions, and you may lose some or all of the amount invested. If you are uncertain about the risks associated with, or the appropriateness of, any transaction or Financial Instrument, you should obtain independent professional advice before proceeding.

General Risks & Warnings associated with transactions involving Financial Instruments

Before entering into any transaction involving Financial Instruments, the Client is warned of the following information and risks:

(1) the Company does not guarantee the initial capital of the Client's portfolio or its value at any time or any money invested in any Financial Instrument;

(2) the Client should acknowledge that, regardless of any information which may be offered by the Company (or its personnel, agents or other representatives), the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value;

(3) the Client should acknowledge that they run a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that thay are willing to bear all the risks involved;

(4) the Client should not engage in any investment in Financial Instruments (directly or

indirectly) unless they know and understand all the risks involved regarding any of the Financial Instruments;

(5) information of the previous performance of a Financial Instrument does not guarantee 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;

(6) some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks;

(7) when a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance of the relevant Financial Instrument;

(8) a Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions involving Financial Instruments on foreign markets is also affected by exchange rate fluctuations;

(9) the prices and characteristics of over the counter (OTC) transactions are individually negotiated and there is no central source for obtaining prices, therefore there is a risk of inefficiencies in transaction pricing;

(10) under certain market conditions it may be difficult or impossible to execute an Order, initiated by a client;

(11) placing a Stop Loss Order may help limit your losses. However, it does not guarantee that losses will be limited to any particular amount. Under certain market conditions, including periods of high volatility, low liquidity or price gaps, a Stop Loss Order may be executed at a price materially different from the stipulated stop price. As a result, actual losses may exceed the amount anticipated and, in certain circumstances, may result in a shortfall or negative balance on your account;

(12) a bank, broker or other third-party service provider through which the Company executes or facilitates transactions may have interests that conflict, or may potentially conflict, with your interests;

(13) the insolvency of the Company or a bank, broker or other third-party service provider engaged by the Company in connection with your transactions may result in your positions being closed out without your consent and may affect your ability to access, or transfer your funds or Financial Instruments;

(14) the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or under their personal circumstances. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades, and the Company does not warrant that no tax and/or any duties will be payable;

(15) where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of your personal circumstances or your investment objectives, nor

is it an offer to buy or sell regarding specific Financial Instrument, or the solicitation of an offer to buy or sell regarding specific Financial Instrument. Each decision of the Client to enter into a transaction with the Company or to whether a transaction is appropriate for the Client, constitutes an independent decision by Client. In this regard the Client aggress and acknowledges that the Company acts solely as an intermediary and does not provide investment advice or recommendations tailored to the Client's individual circumstances. Any generic trading recommendations, market commentary, research, information or other materials provided by the Company are provided for general informational purposes only and should not be construed as investment advice or as a recommendation to enter into, refrain from entering into, or otherwise take any action in respect of a particular transaction or Financial Instrument. The Client remains solely responsible for making their own investment decisions and for assessing the merits and risks of any transaction;

(16) the generic market recommendations provided by the Company are based solely on the judgment of Company's personnel and should be considered as such. The Client acknowledges that it enters into any transactions relying on its own investment decisions and. any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates. The generic market recommendations of the Company are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will reduce or eliminate the risk inherent in trading financial instruments;

(17) there are no guarantees of profit nor of avoiding losses when trading Financial Instruments and the Client receives no guarantees from the Company or any of its personnel, agents or other representatives with regard to such trading. The Client is aware of the risks inherent in trading Financial Instruments and bears all the risks involved and withstand any losses incurred;

(18) in case of any quoting error occurs (including responses to Client requests, typing errors, etc), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant account within a reasonable time frame;

(19) before entering in any transaction in Financial Instruments, the Client should obtain details of all commissions and other charges to be charged. If any charges are not expressed in money terms (but for example as a dealing spread), it is the Client's responsibility to request and obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms;

(20) the Client should be aware of all relevant fees, as provided by the Company or set out in the Company's website https://tfos.com/, and such costs and charges that may influence the account profitability of the Client;

(21) the Client shall keep their passwords and other authentication credentials strictly confidential and shall take reasonable measures to prevent any unauthorised third party from gaining access to the Client's online account. In this regard, the Client shall be responsible for transactions executed through the Client's account using their valid authentication credentials, including where such credentials have been used without the

Client's authority, unless such unauthorised use results from any act or omission of the Company or otherwise as provided by applicable law;

(22) the Company may hold Client funds in accounts segregated from the Company's own funds and, where applicable, from the funds of other clients. However, such segregation may not provide complete protection against all risks, including the insolvency or default of the relevant bank, custodian or other third-party service provider.

Communication Risks

The Client is also informed and warned of the following communication risks:

- The Company shall not be liable for any loss arising from any delay, failure or disruption in the transmission or receipt of communications sent by the Company to the Client.
- The Client acknowledges that communications transmitted electronically may not always be encrypted or secure and may be intercepted or accessed by unauthorised third parties. To the extent permitted by applicable law, the Company shall not be liable for any loss arising from such interception or unauthorised access.
- The Company shall not be responsible for the Client's failure to access or read any message made available to the Client through the Electronic Trading Platform or any other platform used by the Company. The Client is responsible for regularly checking such platforms for communications from the Company. Messages may be automatically deleted from the relevant platform seven (7) calendar days after being made available to the Client.
- The Client is solely responsible for maintaining the confidentiality and security of communications and information received from the Company and for taking reasonable measures to prevent unauthorised access to such information.
- The Client is responsible for maintaining the security of their account credentials and for taking reasonable measures to prevent unauthorised access to the Client's trading account. The extent permitted by applicable law, the Company shall not be liable for losses resulting from unauthorised access by a third party, except where the Company is responsible under applicable law.
- Telephone conversations and other communications between the Client and the Company may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions and retained in accordance with applicable law. The Client acknowledges that such recordings may be used as evidence of communications, instructions or transactions between the Client and the Company.

Investment risks associated with transactions involving Financial Instruments

The following is a brief description of the general risks that should also be taken into account when entering into transactions involving Financial Instruments.

A. Credit Risk

Credit Risk is the risk of loss arising from the failure or inability of a counterparty, issuer, product provider or other relevant third party to meet its financial or contractual obligations

when due. This may include, among other things, a failure or delay in making dividend or interest payments, repaying principal, delivering Financial Instruments or funds, or otherwise performing obligations relating to a Financial Instrument or transaction.

The extent of Credit Risk depends on the amount and nature of the cash flows or other obligations at risk, the likelihood of the relevant counterparty failing to perform its obligations when due, and the amount, if any, that may ultimately be recovered in the event of such failure.

B. Inflation Risk

Inflation Risk is the risk that an increase in the general level of prices for goods and services will reduce the purchasing power of money and the real value of an investment or its returns. Where the rate of inflation exceeds the return generated by an investment, the investor may experience a loss in real terms even if the nominal value of the investment has increased. Higher-than-expected inflation may therefore adversely affect the real value and expected returns of certain Financial Instruments. For example, 1% inflation means that prices for goods and services increased by 1%, on average.

As inflation increases, the purchasing power of money generally decreases. If the rate of inflation exceeds the return generated by an investment, the real value of the investments and its returns will decline. The following are some of the effects of inflation:

- Reduction of purchasing power;
- Disruptions to stock and bond markets, which may cause volatility;
- Devaluation of income on interest-bearing securities;
- Squeezing of the profit margins of certain types of stocks.

C. Market Risk

Market Risk also referred to as the “systematic risk” or “non-diversifiable risk” and reflects the extent to which the return of the Financial Instrument varies in connection with, or in association with, variations in the overall market returns. Market risks are uncertain events that affect the entire securities market and the entire economy of the corresponding jurisdiction(s). It is the risk inherent in an investment related to movements in the overall market that cannot be diversified away.

If the market value of an investments declines, corresponding assets are reduced and. all the investments are exposed to this risk.

D. Unsystematic Risk

Unsystematic Risk also referred as “specific risk” or “diversifiable risk”, or “residual risk” is the risk associated with factors specific to a particular issuer, company or industry rather than with movements in the market as a whole. Such factors may include, among others, an issuer’s financial performance, operational or financial difficulties, labour disputes, adverse weather conditions, regulatory or industry-specific developments, or management decisions. Unsystematic Risk may generally be reduced through appropriate diversification, as the impact of an adverse event affecting a particular issuer or industry may be limited where investments are spread across different issuers, industries, asset classes or markets.

However, diversification does not eliminate other general investment risks or guarantee against losses.

E. Country risk

Country Risk, which includes political, economic, legal and regulatory risks, is the risk that events or changes affecting a particular country may adversely affect the value, liquidity, transferability or availability of investments, or the ability of an issuer, counterparty or other relevant person to perform its obligations.

Such risks may arise from, among other things, political or economic instability, changes in laws or regulations, capital or exchange controls, restrictions on the transfer or conversion of currencies, changes in taxation, currency or exchange-rate measures, sovereign defaults or debt moratoria, sanctions or other restrictive measures, expropriation, confiscation or nationalization of assets, trade restrictions or tariffs, or changes in laws affecting previously permitted business activities, investments or ownership structures. These events may result in losses, restrictions or delays in accessing or transferring funds or Financial Instruments, or an inability to dispose of an investment on expected terms or at all.

F. Liquidity risk

Liquidity risk is the risk that a Financial Instrument cannot be bought, sold or otherwise disposed of within a desired period, in the desired quantity or at a price reasonably close to its prevailing market value. This may arise where there are insufficient market participants, limited trading activity or market depth, or where market conditions otherwise make it difficult or impossible to execute a transaction on the expected terms.

Financial Instruments with limited trading activity or marketability generally involve greater Liquidity Risk. In such circumstances, the Client may be unable to enter into or close a position promptly or may only be able to do so at a materially less favorable price, potentially resulting in significant losses. Liquidity Risk may become particularly pronounced during periods of market stress, high volatility or market disruption. The liquidity of a Financial Instrument may be affected by a number of factors, including:

- **Bid-ask spread**: the difference between the price at which a Financial Instrument can be bought and the price at which it can be sold. A wider spread generally indicates lower liquidity and may increase the cost of entering into or existing a position;
- **Market depth**: the volume of a Financial Instrument available for purchase or sale at or near prevailing market prices. Limited market depth may result in a transaction materially affecting the execution price, particularly where a large order is placed; and
- **Market resiliency**: the ability and speed of a market to absorb temporary order imbalances and return to normal trading conditions following significant transactions, volatility or other market disruptions.

G. Exchange risk

Exchange risk also known as “currency risk” is associated with international transactions and is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). It is the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange

rates. It can also be described as the uncertainty of returns to an investor who purchases securities denominated in a currency different from his/her domestic currency.

The exchange risk associated with foreign denominated Financial Instruments is a key element in foreign investment.

H. Interest Rate Risk

Interest Rate Risk is the risk that changes in prevailing interest rates may adversely affect the value of Financial Instruments. Interest rate movements may affect different types of Financial Instruments in different ways.

The market value of fixed-income securities is generally inversely related to changes in interest rates: an increase in prevailing interest rates will typically result in a decrease in the market value of existing fixed-rate securities, while a decrease in interest rates will typically have the opposite effect. The degree of sensitivity may vary depending on, among other factors, the instrument's maturity, duration, coupon rate and other characteristics.

Changes in interest rates may also affect the value of equities and other Financial Instruments by influencing borrowing costs, expected corporate earnings, economic activity and the discount rates applied to future cash flows. However, the nature and extent of such effects may vary depending on market conditions, the relevant issuer, industry and other factors.

I. Leverage Risk

Leverage Risk arises where the Client obtains market exposure that exceeds the amount of capital committed to a transaction, including through margin transactions or other leveraged Financial Instruments. Leverage magnifies the effect of movements in the price or value of the underlying asset, meaning that relatively small market movements may result in disproportionately large gains or losses.

The use of leverage may therefore significantly increase the Client's exposure to losses. Adverse market movements may result in the loss of all capital committed to a transaction and, depending on the nature and terms of the relevant transaction, losses may exceed the amount initially committed. The Client may also be required to provide additional assets or funds, or positions may be reduced or closed out in accordance with the applicable terms and requirements.

J. Internet Trading Risks

The use of the Electronic Trading Platform and other internet-based systems involves risks associated with electronic communications, hardware, software, telecommunications networks and internet connectivity. Such systems may from time to time be unavailable, interrupted, delayed or otherwise affected by technical failures or circumstances beyond the Client's or the Company's control.

Such risks may include, among other things:

- hardware or software failures, malfunctions, errors or incompatibilities;
- failures, interruptions, delays or reduced performance of internet,

telecommunications or power supply services;

- loss, corruption, delay or incomplete transmission of data, Orders or other communications;
- delays in receiving quotes, market data, Account information or other information;
- system capacity limitations or reduced response times, particularly during periods of high trading activity or market volatility;
- incorrect configuration, malfunction, misuse or failure to update the Client's equipment, software or trading terminal;
- failures or disruptions affecting third-party software, networks, market infrastructure or other technology services used in connection with the Electronic Trading Platform; and
- other technical events or circumstances affecting the availability or operation of electronic trading systems.

As a result of any such event, the Client may be unable to access the Client's Account or the Electronic Trading Platform, obtain current market information, place, modify or cancel an Order, or otherwise communicate with the Company. An Order may be delayed, rejected, not transmitted or executed, executed only in part, or, where permitted by the applicable execution arrangements, executed at a price different from the price displayed or expected by the Client.

The Client is responsible for maintaining suitable equipment, software and internet connectivity and for ensuring that the Client understands the operation and functionality of the Electronic Trading Platform. The Client bears the risk of errors made when entering or submitting Orders, including Orders that do not reflect the Client's actual intentions due to input errors, incorrect settings or insufficient familiarity with the Electronic Trading Platform.

The Client shall also take reasonable measures to protect the Client's Account, passwords, authentication credentials and other confidential information against loss, disclosure or unauthorised use. Unauthorised access to the Client's Account may result in transactions or other actions being carried out without the Client's knowledge or consent.

Past Performance and Trading Strategy Risk

Past performance of any Financial Instrument, investment, trading strategy or model is not a reliable indicator of future performance, and no representation or guarantee is made that any particular result or level of performance will be achieved in the future.

Where the Client chooses to follow, replicate or otherwise use any trading strategy, model, signal or other information made available through the Electronic Trading Platform, code base, CRM system or any other system or source, the Client does so at their own discretion and risk. Any such strategy, model, signal or information is provided on a generic basis and does not take into account the Client's individual circumstances, investment objectives, financial situation or risk tolerance. The Client remains solely responsible for determining whether to implement or continue using it and for any transactions entered into as a result.

To the extent permitted by applicable law, the Company shall not be liable for any loss arising from the Client's decision to follow, replicate or implement any such strategy, model, signal or information, except where such liability cannot lawfully be excluded or limited.

The value of Financial Instruments and investments may decrease as well as increase as a result of movements in the price or value of the relevant underlying assets or other market factors, and the Client may lose some or all of the amount invested.