

LUXEMBOURG FINANCIAL STRUCTURE

# Risk Disclosure

Carrera Finance SA

AS OF JANUARY 2025

**Important Notice:** The financial services and investment products offered by Carrera Finance SA involve risks that may result in the complete loss of the capital invested. Please read these risk disclosures carefully before making any investment decision.

## § 1 General Risk Warning

The financial services and investment products offered by Carrera Finance SA are associated with risks that may lead to a complete loss of the capital invested. This Risk Disclosure is provided pursuant to the requirements of Directive 2014/65/EU (MiFID II) and Commission Delegated Regulation (EU) 2017/565.

Before making an investment decision, you should carefully read the following risk disclosures and take into account your individual financial situation, your investment objectives, and your risk tolerance.

## § 2 Market Risk

The value of financial instruments is subject to market fluctuations. Past performance is not a reliable indicator of future results. The prices of securities, equities, and crypto-assets may rise as well as fall. The Client bears the full market risk of their investment decisions.

## § 3 Cryptocurrency Risks

Trading in cryptocurrencies is associated with particularly high risks:

- **Volatility:** Cryptocurrencies may experience significant value fluctuations within a very short period of time.
- **Regulatory Risks:** Changes in legislation, in particular the EU Regulation on Markets in Crypto-Assets (MiCA — Regulation (EU) 2023/1114), may significantly affect the trading or value of cryptocurrencies.
- **Technological Risks:** Blockchain networks may experience technical failures, security vulnerabilities, or protocol changes.
- **Liquidity Risk:** Under certain market conditions, the disposal of cryptocurrencies may be difficult or impossible.
- **Custody Risk:** Despite the use of state-of-the-art encryption technology, a residual risk exists in the digital custody of assets.

## § 4 Equity and Securities Risks

Trading in equities and securities entails, among other things, the following risks:

- **Price Risk:** Share prices may be influenced by corporate developments, market conditions, and macroeconomic factors.
- **Dividend Risk:** Dividend payments are not guaranteed and may be suspended or reduced.

- **Issuer Risk:** In the event of the insolvency of the issuer, a total loss may occur.
- **Currency Risk:** When investing in foreign currencies, exchange rate fluctuations may affect returns.
- **Concentration Risk:** Insufficient diversification may increase the risk of loss.

## § 5 Securitisation Risks (ABS/RMBS)

Securitisation instruments pursuant to Regulation (EU) 2017/2402 are subject to specific risks:

- **Credit Risk:** Risk of default on the underlying receivables.
- **Interest Rate Risk:** Fluctuations in interest rates may affect the value.
- **Prepayment Risk:** Early repayments may reduce the expected return.
- **Liquidity Risk:** Limited tradability on secondary markets.
- **Structural Risk:** The complexity of the securitisation structure requires an in-depth understanding.

## § 6 Operational Risks

The following operational risks exist:

- **System Risk:** Technical disruptions may temporarily restrict access to the Trading Terminal.
- **Cyber Risk:** Despite comprehensive security measures, a residual risk from cyber-attacks exists.
- **Third-Party Risk:** Failures of service providers or partner banks may have an impact on business operations.

## § 7 Capital Protection

**Capital Protection Notice:** The Company offers capital protection of up to EUR 500,000 per client in accordance with its internal standards and banking practices. This protection is guaranteed by the Company and the legal framework in accordance with the Company's official turnover, which is publicly accessible and verifiable at any time (RCS B175289). Capital protection may be increased on an individual basis.

Capital protection relates to cash deposits held with the Company and does not cover market value losses of investment products.

## § 8 No Investment Advice

The information, analyses, and market data provided via our Trading Terminal are for informational purposes only and do not constitute individual investment advice within the meaning of Art. 4(1)(4) of Directive 2014/65/EU (MiFID II). Each investment decision is made by the Client on their own responsibility.

## § 9 Suitability Assessment

Pursuant to Art. 25 of Directive 2014/65/EU (MiFID II), the Company conducts a suitability assessment prior to providing investment advice or portfolio management. This includes an assessment of the Client's knowledge and experience, financial situation, and investment objectives. The Client is obliged to provide truthful information for this purpose.

## § 10 Recommendation

We strongly recommend consulting an independent financial, legal, or tax advisor before making any investment decision. Only invest amounts that you can afford to lose.

<b>COMPANY</b>	<b>Carrera Finance SA</b>
<b>ADDRESS</b>	<b>22 Boulevard Royal, L-2449 Luxembourg</b>
<b>RCS</b>	<b>B175289</b>
<b>LEI</b>	<b>52990025NF4XF55YSG18</b>
<b>E-MAIL</b>	<b>official@carrera-finance.com</b>
<b>WEBSITE</b>	<b>www.carrera-finance.com</b>
<b>VERSION</b>	<b>As of January 2025</b>