

Pre-Contract Document for Discretionary Investment Agreement

Important Notes Regarding Discretionary Investment Agreements

This document outlines the risks and important considerations when entering into a discretionary investment management service (hereinafter referred to as the "Service"). Please read this document carefully before entering into the agreement, and if you have any questions, please consult with us before signing the contract.

- The Service involves transactions where NOVA CAPITAL LIMITED (hereinafter referred to as "we" or "us") receives a mandate from our users (hereinafter referred to as "the Client") under a discretionary investment agreement to invest in securities such as foreign investment trusts, domestic investment trusts, foreign bonds, domestic bonds, foreign stocks, domestic stocks (including ETFs and REITs), and financial derivative products (including futures, forwards, and options).
- The performance of the Service will vary depending on the price fluctuations of the securities managed under the discretionary investment agreement. Therefore, the amount of the contractual assets (principal) is not guaranteed, and there is a risk of principal loss. Any profit or loss from the investment will be borne entirely by the Client.
- The Service aims for optimal management of the contractual assets based on their market value. Changes in the composition of included securities may occur as needed, potentially resulting in realized gains or losses.

Fees and Charges

Management Fees

The management fees for the Service are calculated for each investment program and paid in aggregate for each calculation period as stipulated in the discretionary investment agreement. Management fees include VAT (Value Added Tax) at a rate of 18%. If the VAT rate changes in the future, the revised rate will be applied.

Fees Related to Investment Trusts

In addition to management fees, there are costs indirectly borne by the Client under the name of management company fees while holding investment trusts. These indirect costs may vary based

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on management conditions, and specific rates or caps cannot be provided in advance. Please refer to the prospectus of each investment trust for detailed information.

Foreign Stock Transactions

For transactions involving foreign stocks, local transaction (commission) fees, foreign exchange fees, and foreign exchange transaction taxes will apply, which will be included in the settlement amount of each transaction. These fees may fluctuate depending on local conditions, and specific rates or caps cannot be shown in advance.

Risks Related to Discretionary Investment Agreements

- Transactions under the Service carry risks of loss due to fluctuations in interest rates, currency prices, and market conditions in financial markets.
 - Since the Service primarily invests in securities such as foreign investment trusts, domestic investment trusts, foreign bonds, domestic bonds, foreign stocks, and domestic stocks (including ETFs and REITs), the market value of the contractual assets may fluctuate significantly depending on the prices of these investment targets. There is also exchange rate risk for assets denominated in foreign currencies.
 - There is a possibility of loss due to a deterioration in the performance or financial condition of the issuers or guarantors of the investment trusts. Changes in the credit status of the stocks, bonds, etc., included in the investment trust may lead to fluctuations in market prices, potentially resulting in losses.
 - As a liquidity risk associated with investment trusts, there may be cases where redemption orders are suspended or take time to process due to market conditions. Even if redemption is possible, it may only be under unfavorable conditions, potentially resulting in losses.
 - Foreign investment trusts, which are established and managed under foreign laws, may face specific situations or events in the countries where they are invested, causing market disruptions and significant fluctuations or declines in their net asset values.
 - If there is a sudden change in the market environment or a change in the investment strategy, there is a possibility that the asset allocation may temporarily deviate from the target allocation.
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Overview of Financial Product Trading Agreements

- **Basic Policy:** Based on our market outlook and investment policy, we aim to achieve long-term asset growth through diversified investments in traditional assets (such as stocks and bonds) and alternative investments (such as hedge funds, commodities, and real estate securities).
 - **Contract Content:** The Client delegates all investment decisions and trading of managed assets to us, and we execute investments based on this mandate. Please refer to this document and the individual contract for specific details.
 - **Contract Period:** The initial contract period is until the end of the month preceding the anniversary of the contract signing date. Unless otherwise notified, the contract period will automatically renew.
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Overview of Taxation

- **For Individuals:** Income from investment trust distributions and stock dividends is subject to dividend income tax. Interest on bonds is subject to interest income tax. Capital gains from the sale of listed stocks are treated as transfer income, etc.
- **For Corporations:** Income from investment trust distributions, stock dividends, bond interest, etc., is included in the calculation of corporate tax income.

Please consult with a tax professional or accountant for detailed advice. Note that tax laws and rates may change in the future.

Overview and Method of Financial Product Trading Business

- When entering into a discretionary investment agreement, you must agree to the terms of the discretionary investment account agreement and open a securities trading account.
 - Depending on the Client's investment experience, knowledge, and financial status, we may decline to enter into a contract.
 - The full amount of the contractual asset amount must be deposited in advance, based on which we will carry out the management operations.
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Investment Methods and Types of Transactions

- **Investment Method:** Based on selected financial products, we will make investment decisions and execute investments using either individual or common management methods. The main investment targets include domestic and foreign investment trusts, stocks, bonds, and financial derivatives.
 - **Types of Transactions:** Transactions may involve domestic and foreign stocks, bonds, investment trusts, and financial derivatives, including foreign exchange transactions and investments in hedge funds as necessary.
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Regarding Termination

- The Client may terminate the contract by submitting a written request. After the termination process is completed, the contractual assets will be returned.
 - We may terminate the contract in cases of violation or non-fulfillment of any contractual terms.
 - In the event of the Client's death or becoming a non-resident, the termination procedure will be promptly carried out.
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Overview of the Company

- **Company Name:** NOVA CAPITAL LIMITED
 - **Location:** Bonovo Road, Fomboni Island of Moheli
 - **Affiliated Association:** Banque Centrale des Comores
 - **Main Business:** International Brokerage and Clearing House
 - **Established:** September 27, 2023
 - **Contact Information:** info@novacapitallimited.info
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Status of External Audits

- Financial statements are subject to audit.
- Internal control audits related to financial reporting are conducted.

Privacy Policy

- **Purpose of Use:** Personal information handled in relation to discretionary investment agreements will be used only within the necessary scope for the following purposes: providing services based on discretionary investment agreements with Clients, reporting investment results and asset balances to Clients, and other necessary communication to ensure proper and smooth transactions with Clients.