Hidden Road Partners– Risk Disclosure

These disclosures are supplemental to any agreements, terms of business or other documentation you may have in place with any Hidden Road entity (including, but not limited to Hidden Road Partners CIV UK Ltd, Hidden Road Partners CIV (BVI) Limited, Hidden Road Partners CIV NL B.V., Hidden Road Partners CIV US OTC LLC and Hidden Road Partners CIV US LLC (collectively "Hidden Road", "us")) and may be amended or supplemented by additional disclosures from time to time and are intended for use by professional clients and eligible counterparties. Defined terms used but not defined herein have the meanings ascribed to them in the Terms.

These disclosures contain information about certain designated investments, including guidance on and warnings of the risk associated with such investments. They are provided to assist you in understanding the nature and risks of the service and of the specific type of investment being offered and, consequently, to be able to take investment decisions on an informed basis.

Notwithstanding the foregoing, these notices are non-exhaustive, does not set out all risks arising in relation to all investments and services we may offer and should not be relied upon as doing so. You should refrain from entering into transactions unless you fully understand their nature and the extent of your exposure to risk and potential loss and you should be satisfied that such investments are appropriate and suitable for you in light of your own circumstances and financial position and where there is any doubt, you should seek professional advice. Applicable law allows us to deem professional clients, eligible counterparties and eligible contract participants as having the necessary knowledge and experience to understand the risks in the services provided to you or transactions entered into with you. As such, services, activities and transactions offered will be deemed to be appropriate for you.

By providing instructions to us after receipt of this notice, you will be taken to have acknowledged and you accept that you have been properly notified by Hidden Road of the risks listed herein and you acknowledge and accept that any one or more of these risks could lead to loss which could, in certain circumstances, exceed your initial investments and capital.

General

All financial products carry a degree of risk and even low-risk strategies contain an element of uncertainty. Prices may fluctuate and there is a risk that you may lose some or all of your investment. The types of risk involved may depend on various factors including, how the product is structured, the counterparty you are facing and the terms upon which you transact.

The nature of investment risk varies with, amongst other things, the type of investment, the location or domicile of the issuer, the diversification or concentration in a portfolio, the complexity of the transaction and/or the use of leverage. The price or value of an investment will depend on fluctuations in the financial markets and current performance, past performance or forecast performance are not a reliable indicator of future performance.

Types of risk that may impact your investment include, without limitation, liquidity risk, market risk, insolvency risk, credit risk, settlement risk, currency risk, operational risk, business risk, tax risk, regulatory risk, legal risk, interest rate risk, risks relating to margin requirements or leverage and/or risks related to "over the counter" derivatives ("**OTC Derivatives**"). Risks may occur simultaneously and may have an unpredictable effect on your investment.

Different instruments involve different levels of exposure to risk. In deciding whether to trade in such instruments, you should be aware of the following areas.

Currency Risks

Investments denominated in currencies other than your base currency carry the risk or exchange rate movements. The profit or loss in transactions involving foreign currency denominated contracts will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of a contract to another currency.

The weakening of a country's currency relative to a benchmark currency will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate significantly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of currency.

OTC Derivatives

Derivatives are financial instruments whose characteristics and value depend upon the characteristics and value of an underlying asset (e.g. bond, equity, commodity) or an index (e.g. equity, interest rate). OTC derivatives include options, forwards and swaps.

In general, OTC derivatives can involve the following risk:

- Market risk: derivatives are priced on the basis of an underlying asset or other value and you will be exposed to the market risks that affect that underlying. However, the economic return of a derivative may not be identical to the economic return of holding the underlying, and may include an adjustment for fees or commissions, financing charges, hedging costs or break costs.
- Loss of investment: there is a risk that the customer will pay an amount upfront but never receive any benefit from the transaction.
- Contingent liabilities: some derivative transactions can involve contingent liabilities which may result in a customer incurring losses far greater than their original investment if certain conditions are met e.g. the occurrence of a credit event.
- Unlimited loss: losses under certain derivatives can theoretically be unlimited. For example, an interest rate or FX swap where, as long as the interest or exchange rate rises, so too will the customer's loss if it is required to pay the variable rate under a transaction.
- Leverage risk: derivatives can involve a high degree of gearing or leverage so a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of derivatives can therefore be volatile.
- Collateral risk: parties to derivative contracts can be required to post collateral to mitigate their credit exposure to one another. If the market value moves against their position, substantial additional collateral may be required on short notice. Failure to meet such collateral requests may lead to contracts being closed out and any losses being crystallised. There is no guarantee that collateral will be returned to the collateral provider.
- Basis risk: where a derivative is entered into to hedge another risk e.g. price risk, the performance of the hedging derivative and the underlying asset being hedged may not be perfectly correlated and result in basis risk.
- Delivery risk: where a derivative is to be physically settled, you may be obliged to take delivery of the relevant asset. Additional operational changes or resources may be required in order to be able to take delivery.

- Early termination risk: derivatives may be subject to early termination due to voluntary or agreed early termination events within the contracts governing the same. Such events, which may be outside the control of the user and the termination may result in the need for a significant payment to be made by you, even in cases where the counterparty is in default.
- Liquidity risk: Since OTC derivatives have no exchange market on which to close out open positions, it may be impossible to liquidate an existing position, assess the value of a position or assess the exposure to risk.

Emerging Markets Risk

There may be special risks associated with transactions in securities or financial products, related to or linked to, issuers and obligors established under the laws of, based or principally engaged in, business in emerging markets countries. Emerging markets countries include all countries where financial markets are less well developed than those in countries such as those of the OECD.

The risks associated with emerging markets instruments may arise as a result of political and economic uncertainties which tend to be greater than those in OECD countries. Many emerging markets do not have fully developed or clear legal, judicial, regulatory or settlement infrastructure. Accounting standards may differ significantly. Liquidity within the markets may be far lower and less transparent than OECD countries. The foregoing is not intended to be an exhaustive list of risks arising from entering transactions in emerging markets.

Transactions in emerging markets should only be made by investors with the experience to understand the special risks and sufficient resources to bear the losses that may be incurred in such markets. Prior to entering into transactions in emerging markets, you should ensure that you fully understand the nature of the transaction, the terms governing the transaction and the extent of your exposure and risk of loss.

Digital Asset Risks

There may also be special risks associated with transactions in, linked or related to digital assets in particular:

- Cryptocurrencies and digital assets are a highly volatile asset class and based on decentralised monetary protocols which are still in experimental stage and subject to change at any time. Such assets are not backed by any government or central bank.
- Digital assets can undergo or be subject to volatile market price swings or flash crashes, market manipulation and cybersecurity risks.
- Digital assets can be unique in their features, functions, characteristics, operation and other properties which may be complex, technical or difficult to understand or evaluate.
- Digital assets may be vulnerable to attacks on security, integrity or operation, including attacks using such computing power sufficient to overwhelm the normal operation of a digital asset blockchain or related technology.
- Digital assets may also undergo changes or otherwise cease to operate as expected due to changes in their underlying technology or resulting from an attack. These changes could include a “fork”, a “rollback”, an “airdrop” or a “bootstrap”. Such changes may not be supported by us or a relevant exchange.
- In certain market environments, you may find it difficult or impossible to liquidate a digital asset position at a reasonable price. This can occur where, for example, the market for a particular asset suddenly drops or trading is halted due to particular market events or changes to the digital assets themselves.

- In addition to standard market risks, you may also experience loss due to one or more of the following: system failures, hardware failures, software failure, network connectivity disruptions and data corruption.
- The regulatory landscape for digital assets is immature and subject to change. Any regulatory action could negatively impact digital assets in various ways including restricting access to the same for certain persons or affecting the price and liquidity of digital assets.