

## Introduction

Luna Wealth Asset Management Ltd (hereinafter the “**Company**”) is a member of the Investor Compensation Fund (the ‘ICF’). The objective of the ICF is to secure the claims of Covered Clients against members of the Fund by the payment at compensation for their claims arising from the failure by a member of the Fund to fulfil its obligations. Failure by the Company to fulfil its obligations consists of either (a) inability to return to its Covered Clients funds owed to them or funds which belong to them but are held by the Company, directly or indirectly, in the framework of the provision of covered services, or (b) inability to return to its covered Clients financial instruments which belong to them and which the Company holds or controls in its accounts on behalf of the Clients.

## Covered Services

Covered services are the investment and ancillary services that the Company has been authorised to provide by the Cyprus Securities and Exchange Commission (hereinafter the “**CySEC**”) under License No 379/19.

## Covered Clients

Covered Clients are all the Clients of the Company that are **NOT** included in the following categories of investors:

1. Institutional and professional investors such as:
  - a. Investment firms
  - b. Legal entities associated with the Company and in general, belonging to the same group of companies
  - c. Banks
  - d. Cooperative credit institutions
  - e. Insurance companies
  - f. Collective investment organisations in transferable securities and their management bodies
  - g. Social insurance institutions and funds
  - h. Investors characterised by the Company as professionals
2. States and supranational organisations
3. Central, federal, confederate, regional and local administrative authorities
4. Enterprises associated with the Company
5. Managerial and administrative staff of the Company
6. Shareholders of the Company, whose participation directly or indirectly in the capital of the Company amounts to at least 5% of its share capital, or its partners, who are personally liable for the obligations of the Company, as well as persons responsible for the carrying out of the financial audit of the Company, such as its qualified auditors;
7. Investors having enterprises connected with the Company and in general, of the group of companies to which the company belongs, positions or duties corresponding to the ones listed in paragraphs 5 and 6 above:
8. second degree relatives and spouses of the persons listed in paragraphs 5, 6 and 7, as well as third parties acting for the account of these persons:

9. Investors whose claim arises out of transactions involving individuals who have been convicted of a criminal offence for these transactions, pursuant to the Concealment, Investigation and Confiscation of proceeds from Criminal Activities Act 1996 as amended;
10. Investors - clients of the Company responsible for facts pertaining to the Company, which have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts;
11. Investors in the form a company, which due to its size, is not allowed to draw a summary balance sheet with the Companies Law, or a corresponding law of a member state of the European Union.

## Procedure for initiating the Compensation Payment

The ICF initiates the compensation payment procedure, when at least one of the following circumstances is satisfied:

1. CySEC has determined by a resolution that the Company is unable to meet its obligations arising from its investors/clients claims, in connection with the covered services it has provided, as long as such inability is directly related to the Company's financial position which has no realistic prospect of improvement in the near future, or;
2. A judicial authority has, on reasonable grounds directly related to the financial circumstances of the Company, issued a ruling which has the effect of suspending the investors' ability to lodge claims against it
3. the Company has submitted to the Fund or the CySEC a written statement declaring its failure to fulfil its obligations towards the clients
4. the Company files an application for liquidation in accordance with the Companies Law
5. the CySEC has revoked or suspended the Company's authorization to provide investment services and ascertains that the Company is not expected to be in a position to fulfill its obligations toward its clients in the near future, for reasons which do not consist of a temporary lack of liquidity.

Following the decision to initiate the compensation payment process in accordance with paragraphs 1 - 5 the Company publishes in at least three national newspapers an invitation to the covered clients to make their claims against the Company arising from covered services designating the procedure for the submission of the relevant applications, the deadline for their submission and their content.

## Amount of Payable Compensation

The amount of compensation payable to each covered Client is calculated in accordance with the legal and contractual terms governing the relation of the covered Client with the Company, subject to the set off rules applied for the calculation of the claims between the covered Client and the Company. The calculation of the payable compensation derives from the sum of total established claims of the covered Client against the Company, arising from all covered services provided by the Company and regardless of the number of accounts of which the Client is a beneficiary, the currency and place of provision of these services. The maximum amount any claimant can receive as compensation is the sum of €20,000 (Euros). The payment of any compensation by the Fund entails *ipso jure* subrogation at the Fund to the rights of the compensated Covered Client/claimant against the Company for an amount equal to the compensation payable to it.