

Introduction

Luna Wealth Asset Management Ltd (hereinafter: “**LWAM**” or the “**Company**”), whose headquarters are at 40 Themistokli Dervi Street, Floor 2 Flat 201, 1066 Nicosia, Cyprus, 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 as those were determined on the Second Schedule of the Consolidated Directive DI87-07 and DI87-07(A) for the operation of the ICF:

1. *“The following categories of institutional and professional investors:*
 - a. *Investment Firms (IFs);*
 - b. *Legal entities associated with the Fund member and generally belonging to the same group of companies;*
 - c. *Banks;*
 - d. *Cooperative credit institutions;*
 - e. *Insurance Companies*
 - f. *Collective investment undertakings in transferable securities and their management companies;*
 - g. *social insurance institutions and funds;*
 - h. *investors characterized by the member as professionals upon their request, pursuant to the provisions of paragraph B of the Second Schedule of the Law.*
2. *Supranational institutions, government and central administrative authorities.*
3. *Provincial, regional, local and municipal authorities.*
4. *Enterprises that have close ties with the Fund member as the term «close ties» is construed in Article 2(1) of the Law.*
5. *Managerial and administrative staff of the Fund member.*
6. *Shareholders of the Fund member whose participation directly or indirectly in the capital of the Fund member amounts to at least 5% of its share capital, or its partners who are personally liable for the obligations of the Fund member as well as persons responsible for the carrying out of the financial audit of the Fund member as provided by the Law, such as its qualified auditors.*

7. *Investors having in enterprises connected with the Fund member and, in general, with the group of companies to which the Fund member belongs, positions or duties corresponding to those listed in sub-paragraphs (5) and (6).*
8. *Up to second-degree relatives and spouses of the persons listed in sub-paragraphs (5), (6) and (7), as well as third parties acting for the account of such persons.*
9. *Investors-clients of a Fund member responsible for facts pertaining to the Fund member that have caused its financial difficulties or have contributed to the worsening of its financial situation or have profited from these facts.*
10. *Other firms in the same group.*
11. *Investors in the form of a company, which due to its size, is not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State.”*

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 ICF publishes in at least two 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.