

## Structured Products – Client Acknowledgment

You, the undersigned client, have elected to receive discretionary portfolio management services from Mora Capital Management LLC (“we” or “us”) in connection with investment assets in one or more of your accounts. Discretionary authorization permits us to determine the specific securities to be purchased or sold for your accounts without obtaining your approval prior to each transaction, including structured products. Structured products may include capital protection notes, reverse convertible notes, participation notes, credit linked notes, or other securities that are usually embedded with options or other derivatives and that have no or an uncertain payoff and may be linked to various indices or corporate or other debt or equity securities, or foreign currencies, commodities, interest rates, managed portfolios, credit default instruments or hedge funds.

Structured products are a valuable tool in portfolio construction and can enhance portfolios by providing leverage, capturing yield spreads and reducing the market risk of the exposure to the underlying asset at maturity when compared to a direct investment in the underlying asset. However, structured products present greater liquidity, volatility and loss of principal risks than traditional investments.

**The purpose of this acknowledgment is to confirm your understanding of the investment risks generally associated with the use of structured products in your discretionary investment portfolio. Below, we have identified certain risks that are characteristic of structured products. However, additional risks apply to structured products that are not described in this acknowledgment, including risks particular to a specific structured product and general investment risks such as loss of principal, foreign currency risks, credit risk of the issuer and lack of insurance or guarantee by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency. For a complete assessment of the risks associated with a structured products investment, you should review the offering circular or prospectus, term sheet and other related documentation for a particular structured product, which fully describe all terms, conditions and risks. You should also review our Form ADV Part 2 (Brochure) and Form CRS (Client Relationship Summary) for additional information on our business practices and general investment risks.**

**Investing in a structured product is not equivalent to investing directly in its underlying assets.** Changes in the market value of the underlying assets may not be fully reflected in the market value of a structured product, thus producing different returns than the underlying assets themselves. It is also possible that other factors influencing the value of the investment may counteract the performance of the underlying asset before maturity. In the case of structured products that are subject to a cap on maximum returns, investors may not participate in any increases or appreciation of the underlying assets that would cause the cap to be exceeded. Additionally, investors have no claim to the underlying assets or other rights associated with direct ownership of the underlying asset.

**Structured products may have little or no liquidity and low valuation upon resale.** As structured products are generally intended to be held to maturity, there may be no or only a very limited secondary market. You may be unable to sell a structured product before it reaches maturity. Moreover, structured products made available by us are generally not listed on an organized exchange or registered under the

U.S. Securities Act of 1933. Even if a secondary market can be found, restrictions on reselling such products to U.S. persons or in the United States, a lack of liquidity, and/or low trading volume in the market would decrease the value of structured products. The valuation, if any, at which structured products can be sold in secondary market transactions, if at all, will likely be lower than the original issue price and any sale prior to the maturity date could result in a substantial loss.

**The valuation of structured products is complex and this calculation can vary significantly from product to product, depending on the structure.** The value of structured products will be affected by a number of economic and market risk factors, including the volatility of the underlying assets, the time to maturity, dividend rates, interest rates, issuer creditworthiness and macroeconomic factors, such as financial, political, regulatory or judicial events. Complicated payoff structures linked to the performance of underlying assets can make it difficult to assess accurately the value, risk, and potential for growth of structured products.

**Investors in structured products generally do not receive dividend or interest payments and do not have voting rights.** However, you may have to pay income taxes on any imputed annual income, even though no payment is received until maturity of the structured product. You should consult with your tax advisors regarding the tax treatment of investing in any structured product.

**Structured products can involve high fees and raise a conflict of interest for us and our affiliates.** Various fees and costs of structured products are embedded in the issue price of the investment, such as selling commissions paid to distributors and structuring and hedging costs of the issuer and its affiliates. Additionally, some structured products may also include ongoing fees charged by the issuer that are shared with us or our affiliates, creating a conflict of interest and a financial incentive for us to favor such structured products in your portfolio over structured products that do not pay such fees or pay lower fees. Markups on structured products tend to be higher than those on more traditional financial products, reaching up to 1.5%. We generally execute securities transactions through our affiliated broker-dealer, Mora Capital Securities LLC. As a result, transactions in structured products generate trading revenues for our affiliated broker-dealer and the markups, markdowns or spreads are not negotiated freely. We may have a financial incentive to include structured products over less costly investments in your portfolio. Such fees and costs would be in addition to any investment advisory fees paid on the value of your account.

**Issuers of structured products may have conflicts of interest.** An issuer or its affiliates may engage in activities – such as trading the underlying investments for their own account, underwriting other financial instruments linked to the underlying assets, or serving as calculation agent for a structured product – that could affect the value of the structured product and create interests adverse to those of investors.

By signing below, you acknowledge that you understand the risks associated with structured products that may be included in your discretionary investment accounts with us, and you further agree to promptly notify us in the event of any changes to your investment objectives, strategies, financial or risk profile or residence (e.g., if you become a U.S. resident).

Account Number(s): \_\_\_\_\_

Name of Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Client : \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_