

Complex Financial Instrument Information Sheet

SHARES NOT ADMITTED TO TRADING

ON A REGULATED MARKET²

This Information Sheet is intended to provide you with an overview of the risks associated with shares which are not admitted to trading on a regulated market. These investments may not be right for all investors and before investing you should ensure that you are familiar with their features and risks. If you invest, your capital will be at risk and you may get back nothing at all. If you are unsure, we strongly suggest that before investing you seek advice from a qualified adviser.

This Information Sheet should be read in conjunction with the 'Complex Financial Instruments Assessment'.

What are 'shares not admitted to trading on a regulated market'?

A regulated market is one which is regulated by what is called a 'competent authority'. In the United Kingdom the 'competent authority' is the Financial Conduct Authority (FCA). The FCA is the main regulator for the UK financial services industry. Competent authorities such as the FCA define stringent conditions for the operation of the regulated market, the conditions for access and the conditions governing admission to listing on the market.

This Information Sheet relates to trading in shares which are not admitted to trading on a regulated market, or what is called an equivalent third country market (that is, one which is included on a list published by the European Commission and updated periodically). Such shares are not governed by the rules of a regulated market.

What are the risks and features associated with 'shares not admitted to trading on a regulated market' that mean they are 'complex'?

The risks of and features associated with shares not admitted to trading on a regulated market can vary widely between different shares and where applicable, the markets on which they are traded.

However, some of the main risk factors and features which may apply are set out in the list below.

- 1) The shares may be illiquid. Once invested, it may be difficult for investors to sell the shares at some point in the future.
- 2) There may not be an active secondary market where the shares can be freely traded between investors. Once invested, there may be infrequent (or no) opportunities to dispose of, redeem or otherwise sell your shares.
- 3) Share prices may not be publicly available to market participants. There may not be market prices or indicative prices available from (or validated by) valuation systems independent of the issuer of the shares. The company issuing the shares or someone acting for them – such as an investment firm – may set the price you pay or receive when trading.
- 4) Where shares are not admitted to trading on a regulated market, the methods of trading the shares may involve transactions with investment firms dealing on their own account. There may be conflicts of interest arising which are not obvious or easily identifiable.
- 5) Where shares are not traded on a regulated market, the standards for reporting and general transparency are likely to be less stringent than for shares traded on a regulated market. This may mean that it may not be possible to gain access to sufficient information on which to base sound investment decisions. Any available information may not be reliable.

For the specific risks associated with a particular share and/or market you should consider information about the company itself and if applicable, the procedures and practices of the market on which the share is listed/ traded.

If you have any queries regarding this Information Sheet or general questions about shares not admitted to trading on a regulated market, please contact us.