



Precontractual

Information

Responsable Proceso	Cumplimiento Normativo
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Definitions

"CNMV": Comisión Nacional del Mercado de Valores, the Spanish National Securities Market Commission, which regulates the financial markets in Spain.

"Eligible Counterparty": entities with extensive knowledge of financial markets and their products that are traded on these markets. The following entities are included in this category: (i) credit institutions; (ii) investment companies; (iii) insurance companies; (iv) pension funds and their respective management companies; (v) other authorized financial institutions; (vi) national governments and related services.

"FOGAIN": Investment Guarantee Fund that protects investors in the event of insolvency of Spanish agencies adhering to the fund. Website of the fund (www.fogain.com).

"Financial Instruments": These are products that allow trading in different financial assets. Some examples are Stocks, CFDs, Forex, Futures and Options. Some are traded on organized markets, e.g. futures and equities, while CFDs and Forex are traded on over-the-counter (OTC) markets. Each "Financial Intermediary", with whom HUGO Hugo Broker Agencia de Valores S.L. has an "Introducing Broker" agreement, offers different "financial instruments" through its "Trading Platform".

"Financial Intermediary": Financial entity with which Hugo Broker Agencia de Valores S.L. has an "Introducing Broker" agreement and selected by the client. Hugo Broker Agencia de Valores S.L. has TWO "Introducing Broker" agreements with the following entities: "Saxo", "Interactive", "Saxo" and "Interactive".

"Introducing Broker": Entity that provides services of presentation and promotion of financial services of a "Financial Intermediary" together with the Client.

"Retail": According to the Spanish legislation, Law 47/2007 of 19 December 2007 and Royal Decree 217/2008 of 15 February 2008, and in compliance and application of the European directive on Markets in Financial Instruments (MiFid), financial institutions are obliged to classify their clients according to their level of investment expertise, according to this expertise they will be classified as retail, professional and eligible counterparties. Retail customers are those with the least knowledge and experience of financial markets, and are therefore the most protected under current legislation.

"Trading Platform" means a trading platform that allows trading in the financial markets through various "financial instruments".

Agencia de Valores S.L., the trading platform belongs solely and exclusively to the "Financial Intermediary" selected by the Client and, consequently, is solely responsible for it.

"Principal": means that the "Financial Intermediary" does not act as an agent for the client's orders, i.e. it does not transmit them to an organised market for execution. In this case, client orders are executed directly with the "Financial Intermediary" acting as the client's counterparty for all orders that are executed.

"Professional": is a possible classification of the client. These are entities providing investment services, entities engaged in investment activities or large firms, provided that these, according to their latest individual accounts, meet two of the following criteria:

(i) net position of EUR 2 million; (ii) total assets of EUR 20 million; (iii) net turnover of EUR 40 million. A "Retail" client wishing to be classified as "Professional" must meet at least two of the following three requirements:

- To have carried out transactions with a significant volume in the relevant market, with an average frequency of ten transactions per quarter during the last year;
- It must have a portfolio of "financial instruments", including cash deposits, exceeding EUR 500 000;
- Has been or has been employed in the financial sector for at least one year in a position requiring knowledge of the financial services or transactions in question.

"Saxo": Saxo Bank A/S, registered and supervised by the Financial Supervisory Authority (FSA), number 1149, registration number 15731249, with registered office at Philip Heymans Allé 15, DK-2900 Hellerup, Denmark, is an entity with which Hugo Broker Agencia de Valores S.L. has an agreement as "Introducing Broker" to promote its financial services under the name Hugo Investing.

1 Introduction

Hugo Broker Agencia de Valores S.L. (hereinafter referred to as "Hugo or Hugo Broker") is a company that provides investment services. It has its registered office in Marbella (29602), Urb. La Carolina Local N - Edif. Aries, with Tax Identification Code B02926194 and registered with the Comisión Nacional del Mercado de Valores (CNMV) under number 312, and in the Registro Nacional del Mercado de Valores (CNMV) under number 312.

Hugo Broker is an investment services company authorised and subject to supervision by the Spanish National Securities Market Commission (CNMV), with address in Madrid, C/ Edison nº 4 and registered under number 312. Hugo Broker's programme of activities is available on the CNMV's website, with the scope of services and the financial instruments on which the entity is authorised to provide these services.

Among the investment services that Hugo Broker is authorised to provide, and offers its clients the following investment and ancillary services:

- Reception and transmission of orders

Clients of Hugo Broker may contact the Company in writing at the registered office indicated above, by telephone on 951 56 56 56 and by e-mail at info@hugoinvesting.com.

Clients may communicate with the Company in Spanish, English, Dutch and German and receive documents and information in English and Spanish.

2 MIFID II Regulations

The updated Markets in Financial Instruments Directive (MiFID) with the entry into force of Directive 2014/65/EU and its implementing regulations (together MiFID II) impacts on aspects such as the way in which financial institutions do business with each other and with investors, including the way in which clients are classified and the obligations they have towards their clients, strengthens market transparency and seeks to reduce transaction costs. The aim is to make the market for financial instruments in the European Union (EU) a single, open, safe and properly supervised market.

3 Scope of financial services

Hugo Broker Agencia de Valores S.L. is authorised by the "CNMV" to perform the service of reception and transmission of orders in relation to one or more "financial instruments".

4 Role and responsibilities

Hugo Broker Agencia de Valores S.L. is an "Introducing Broker" of a "Financial Intermediary". The role and responsibilities of each of these entities, Hugo Broker Agencia de Valores S.L. and "Financial Intermediaries", are detailed in the Service Provision and Telematic Trading Access Agreement.

5 "Financial Intermediaries" promoted by Hugo Broker Agencia de Valores S.L.

Hugo Broker Agencia de Valores S.L. promotes the services of several "Financial Intermediaries", identified in the SUMMARY OF TERMS AND CONDITIONS OF EACH "FINANCIAL INTERMEDIARY",

6 Classification of Clients

The MiFID II regulations require investment firms to adopt different levels of protection according to a certain categorisation of their clients, in accordance with the criteria established by the aforementioned regulations based on the profile of each client in terms of their experience, knowledge and capacity to assess the risk of their own investment decisions.

In this respect, the following categories are established:

- Retail: individuals and small and medium-sized enterprises. The level of protection afforded by MiFID regulations is maximum as they have greater information rights both before and after the provision of investment services.

- Professional: generally large firms and clients with a higher degree of experience and financial knowledge, and therefore require less protection and fewer information rights.

Clients classified as Retail clients have the right to request treatment as a Professional client and renounce being classified as a Retail client, at which point they would no longer have the protection they would have as a Retail client. This request must be made in writing to Hugo Broker, and will be granted when the customer meets the requirements established in the applicable regulations. Likewise, customers classified as Professional Customers may request in writing to Hugo Broker that they be treated as Retail Customers.

7 "Financial Instruments".

In accordance with the new regulations requiring the provision of certain information to customers, the producers of "financial instruments", in this case "Financial Intermediaries", are obliged to produce the basic information documents DIF (or KID - Key Information Document), Retail Investment Packages and Insurance-based Investment Products (or PRIIP - Packaged Retail and Insurance-based Investment Products), which they must provide to their customers prior to the provision of the service, or conclusion of the transaction on this type of financial product.

For each of the "financial intermediaries", the originals of these documents can be consulted by following the instructions below:
- Saxo", via the following link: <https://www.home.saxo/legal/key-information-documents/kid>;

8 Service Provision Access and e-Business Contract

If the client is classified as a "Retailer and/or professional", current legislation requires the conclusion, in written form, of an Access to Service Provision and Telematic Trading Agreement for the reception and transmission of orders that defines the scope of the relationship initiated between the financial intermediary and the Client, as well as a description of the rights and duties of both parties.

Since Hugo Broker Agencia de Valores S.L. is an "Introducing Broker" for several "Financial Intermediaries", the scope, rights and duties of these entities are also described in this contract.

9 Suitability Assessment and Target Market

Another key objective of MiFID is to ensure the suitability of products and services marketed by institutions to customers.

Suitability test To check the suitability of the product for the client, Hugo Broker has designed a suitability test. The suitability test will be carried out to assess the customer's knowledge and experience in taking out complex products and non-complex products actively marketed by the institution.

For this purpose, Hugo Broker will ask the Customer for all the information necessary in relation to the services or products contracted under the conditions set out in current regulations and, in particular, the information necessary to carry out the suitability assessment where appropriate, as well as any information it deems necessary to comply with the regulations relating to the provision of the service. In the event that the Customer provides Hugo Broker with such information, Hugo Broker shall presume, unless there is evidence to the contrary, or it becomes aware that the information is manifestly out of date, inaccurate or incomplete, that the information provided by the Customer is up to date, accurate and complete.

The client is also warned that, if he/she does not provide the information requested by Hugo Broker or responds in an untruthful manner, Hugo Broker will not be able to determine whether the investment services or products envisaged are suitable for him/her.

The result of this test will determine whether or not certain "financial instruments" are suitable for the client. In the case of clients who transmit an order on the "trading platform" in a financial instrument for which Hugo Broker does not consider suitable, he will receive an alert and will have to fill in a declaration to proceed with the order.

Hugo Broker, being a distributor of "financial instruments" produced by "financial intermediaries", in particular "financial instruments" traded outside organised exchanges (CFDs and Forex CFDs), is obliged to ensure that these "financial instruments"

are not promoted to potential clients for whom the characteristics are not appropriate, taking into account: (i) type of client; (ii) knowledge and experience; (iii) financial situation, in particular the capacity to absorb losses.

In any case, the customer shall keep its data up to date and shall inform Hugo Broker of any circumstance that could lead to a change in the classification made. Hugo Broker informs you that it reserves the right to make any change in the customer's classification in accordance with the conditions established in its customer classification policy and in the regulations in force, which will be communicated to you.

In compliance with current regulations, Hugo Broker has defined and approved a series of policies including the Best Execution Policy, the Conflicts of Interest Policy and the Incentives Policy. These policies are updated and available to customers, including potential customers, on the website www.hugoinvesting.com/legaldocuments, and information on them may also be requested through any of the usual information channels of the entity provided for in this document.

The main features of Hugo Broker's policies are detailed below:

10 Best execution policy

This Policy summarises the procedures that Hugo Broker has developed to comply with the obligations established by current regulations and, in particular, Royal Decree 217/2008 of 15 February, on the legal regime governing investment services firms and other entities providing investment services, to adopt all reasonable measures to obtain the best possible result for its customers' transactions, taking into account price, costs, speed and probability of execution and settlement, volume, the nature of the transaction and any other relevant element for the execution of the order.

For these purposes, Hugo Broker has order management procedures and systems that allow for rapid and correct execution and subsequent allocation, in such a way that no client is disadvantaged when trading for several clients or acting on its own account. Such procedures or systems allow for the execution of client orders, which are equivalent, according to the time at which they were received by the investment firm.

Hugo Broker is an Introducing Broker of Saxo Bank and therefore its best execution policy is very narrow in scope and considers a limited number of criteria. As a general rule, the client should take into account the execution policy of the selected "Financial Intermediary".

To find out about our execution policy and that of the "Financial Intermediaries", you can use the following instructions and links:

- "www.hugoinvesting.com in the legal documents section, "Best Execution Policy".

"Saxo

- Link: <https://www.home.saxo/legal/saxo-bank-as-> Section: General Business Terms- Document: Best Execution Policy

10.1. Application of the Policy

The Policy applies to both professional and retail clients (as defined in the Consolidated Text of the Securities Market Law). This order execution policy applies when Hugo Broker:

- receives and transmits client orders;

Hugo Broker Agencia de Valores S.L. adopts different positions in the execution chain for each type of financial instrument, depending on the type of client or channel used, and may execute transactions in relation to the following financial instruments: domestic listed equities, international listed equities, derivatives in organised markets (listed), money markets (Euro and currency), public debt, private fixed income and over-the-counter (OTC) derivatives.

10.2. Execution Factors

When fulfilling our Best Execution obligation to our clients, the "Execution Factors" that Hugo Broker takes into consideration are as follows:

- price;
- cost;
- speed of execution;
- probability of execution and settlement;
- size of the order;
- nature of the order (e.g. whether it is a market, limit or care order);
- any other considerations relating to the execution of the order.

The relative importance of each of the execution factors varies depending on the financial instrument. In most cases, and in all instances if the order is from a retail client, the price and other costs associated with the transaction will be the most important execution factor. However, in certain circumstances, in particular those related to the execution criteria mentioned below, Hugo Broker may decide that other execution factors are of greater importance in seeking the best result for our clients.

Hugo Broker is obliged to take the following criteria into account when determining, in each individual case, the relative importance of these factors:

- the profile of the client, including the categorisation of the client;
- the characteristics of the order given by the client;
- the characteristics of the financial instruments to which the order relates;
- the characteristics of the execution venues or intermediaries to which the order is addressed.

10.3. Execution Venues

Hugo Broker acts as Introducing Broker for Saxo Bank A/S, and Saxo Bank A/S is responsible for the selection of execution venues. This information is available to clients via this link:

- Saxo: Via the following link - Link: <https://www.home.saxo/legal/terms-of-use/saxo-terms-of-use>

Where Hugo Broker is not responsible for the actual execution of orders because it is only transmitting such orders to another entity for execution, it shall ensure that the execution policy of the intermediary is consistent with its own as specified herein.

10.4. Specific instructions

Where a client transmits a specific instruction in relation to the execution of an order, Hugo Broker shall execute the order in accordance with such instruction. Where the customer's instruction relates to only part of the order, Hugo Broker will continue to apply its execution policy to those parts of the order that are not covered by that specific instruction. Any specific instruction from a client may prevent the entity from taking the measures included in its execution policy to obtain the best possible result for its clients, in relation to the elements included in those instructions.

10.5. Exceptional market conditions

This policy shall not apply in times of extraordinary market turbulence, and/or internal or external system failures that make it impossible to execute orders in a timely manner. In the event of a system failure, Hugo Broker may be unable to access all selected execution venues.

10.6. Monitoring and Review

Hugo Broker shall monitor the quality of its execution procedures and selected execution venues on a regular basis (in particular when changes occur that may make it difficult to achieve its best execution obligation in a consistent manner), and shall make the necessary modifications without delay. In any event, Hugo Broker will conduct such a review once a year in order to ensure the best possible result for our clients. Any changes to the selected execution venues will be duly informed to clients.

10.7. Prior express consent

Hugo Broker is obliged to obtain prior express consent in the case of orders to be executed outside an Organised Market or MTF when the financial instrument in question is admitted to trading on those markets.

Where a client transmits a specific instruction as to where or how it wishes to execute an order modifying any of the priorities set out above, such instructions shall prevail over the aspects set out in this Policy. Said order must be sent in detail in writing and be expressly accepted by Hugo Broker in order to prevail over the aspects set out in this Policy.

In general, orders will be sent to the market individually for each client. In exceptional circumstances, orders from different clients may be grouped together. In this case, the Entity shall ensure that the following requirements are met:

- The accumulation of client orders with each other or with the Entity's own orders must not prejudice any of the clients whose orders are to be aggregated.
- Each client shall be informed that the effect of aggregation of orders may be detrimental to them due to the loss of the timing criterion in the receipt of the order.
- Total executions shall be distributed equally to the orders received from each client.
- Partial executions shall be distributed equally to orders received from clients, taking into account their average price.

11 Asset Safeguarding Policy

Current regulations stipulate that Investment Services Firms must take appropriate measures to safeguard the property rights of clients and prevent the use of their assets without their express authorisation and always in accordance with conditions previously accepted by them.

Hugo Broker is not responsible for the safekeeping of the client's securities and/or cash. Hugo Broker is a member of FOGAIN. You can consult the operation and coverage through the website of this entity, at the following link:

- <https://www.fogafin.gov.co/default>

For more details on how Financial Intermediaries safeguard your assets, please visit the following address:

- Saxo - <https://www.home.saxo/legal/saxo-bank-as>

12 Conflict of Interest Policy

In accordance with the regulations in force, Hugo Broker has adopted a policy for detecting and managing possible Conflicts of Interest that may arise between the entity itself and its clients or between different clients.

Hugo Broker has a Conflict of Interest Management Policy and procedures and systems to ensure compliance with the applicable regulations, with the main objective of complying with the principle of honest, impartial and professional treatment of its customers. Thus, this policy makes it possible to identify situations of potential conflict and to prevent, manage and record them proactively in order to avoid them as far as possible, and in cases where this is not possible, to inform its customers of possible situations of conflict.

To this end, the policy specifies certain situations of potential conflict, seeking to identify Hugo Broker's activities that are likely to be detrimental to its customers. To this end, all of Hugo Broker's activities and their interrelationship have been analysed.

The policy identifies certain principles of action for Hugo Broker to avoid potential conflict situations, such as the creation of separate areas, whose employees are under separate supervision and remuneration schemes, as well as measures to safeguard the confidentiality of information that may be confidential or privileged.

The policy details the procedures for reviewing situations of potential conflict, and establishes the obligation to maintain internal records to monitor and analyse such situations.

It should be noted that for a conflict of interest to exist, it is not sufficient for Hugo Broker to obtain a benefit if there is not also a potential loss for a client, or for a client to obtain a gain or avoid a loss if there is no possibility of loss for another client.

In order to keep an exhaustive control of situations likely to create a conflict of interest, Hugo Broker will keep an updated record of the Conflicts of Interest that have occurred or are occurring on an ongoing basis so that they can be analysed and subsequently managed.

Additional information regarding this Policy can be accessed through the Legal Information section of our website www.hugoinvesting.com.

13 Incentive Management Policy

In the course of providing services and/or marketing investment products, Hugo Broker may receive payments or fees from a third party. Hugo Broker will always act with the utmost diligence, honesty, impartiality and professionalism in the receipt of these payments or fees in strict compliance with the regulations in force at any given time in this regard, ensuring that they always aim to improve and increase the quality of the service provided to the client.

The incentives paid or received in no case affect Hugo Broker's pursuit of the best interests of its clients, an objective that is ensured by the strict application by Hugo Broker of all the mechanisms and measures established to ensure that the services and products offered to its clients are suitable and appropriate. Incentives charged by Hugo Broker from third parties:

Description of the incentive Paying entities Maximum % applied

Commissions paid for intermediation of financial instruments Saxo Bank A/S Up to a maximum of 50% of the commissions generated, for the activity of repetition and transmission of orders in the instruments indicated in the programme of activities.

The Incentive Management Policy can be obtained free of charge from the Hugo Investing website.

14 Privacy and Personal Data Protection Policy

Hugo Broker files and treats personal data with strict confidentiality and in compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

- Data Controller:

o Hugo Broker Agencia de Valores S.L. o Hugo Broker, an investment services company registered with the CNMV under no. 312 and domiciled at Urb. La Carolina Local N - Edif. Aries 29602 Marbella.

o The interested party may contact the persons designated by the Controller through femke@hugoinvesting.com.

- Purpose of Processing: commercial actions, execution of a contract and/or compliance with legal obligations.

o The data collected by Hugo Broker are provided by the data subject himself (on-line or through calls in response to a request for information from the data subject) or come from the existence of a legal relationship with Hugo Broker.

o Based on the lawfulness of the data obtained, your data will be used for commercial actions in relation to products and services that may be of interest to the Customer based on those contracted or the provision of contact data showing interest in the products and services of Hugo Broker as well as for the sending of general information (current or economic or market information) and for profiling in order to offer you products and services of Hugo Broker by any means (including electronic means such as telephone, e-mail or equivalent means), for which purpose you may communicate your personal data to companies of Hugo Broker.

o Prior to entering into a contract with Hugo Broker, your data will be processed in order to evaluate them in accordance with the regulations for the prevention of fraud and the protection of personal data.

o Once registration as a Client has taken place, the data will be used for the provision of the services covered by the corresponding contract and for Hugo Broker to fulfil its obligations as an investment services company.

o The personal data provided will be retained for as long as their deletion is not requested. If there is a legal relationship between Hugo Broker and the data subject, the data shall be retained for the duration of that relationship and for a further period of five years and up to ten years in accordance with the requirements of the regulations for the prevention of money laundering.

- Legitimation: Legitimate interest and consent of the data subject.

o Data processing is lawful when the data subject has provided his or her data to the controller in accordance with the requirements set out in the regulations, when there is a legal relationship between the data subject and the controller, and when the data subject has given his or her consent.

o By providing their data to Hugo Broker, the data subject consents to the processing of their data for the purposes set out herein.

o In the event that the data subject does not provide his or her data or withdraws his or her consent to its processing, Hugo Broker will not be able to finalise his or her registration as a Client, as it will not be able to comply with its duties of identification and categorisation under both the regulations for the prevention of money laundering and its obligations with regard to the rules of conduct applicable to investment services firms. The foregoing shall not apply in respect of the use of the data for purely commercial purposes by Hugo Broker.

o In cases where Hugo Broker obtains personal data which it is mandatory to obtain but which are not provided directly by the data subject (e.g. identity of the natural person who holds the beneficial ownership of legal entities, lists for the prevention of money laundering, etc.), the processing of such data is lawful as being in the legitimate interest of the data controller.

- Recipients:

o Hugo Broker Agencia de Valores S.L.

- Rights of the data subject: the data subject may exercise his/her rights of access, rectification, opposition, deletion, limitation and portability of his/her data under the following terms:

o In the event that you do not authorise the processing of your data for commercial purposes, this shall not affect the maintenance or fulfilment of the contractual relationship that you maintain with Hugo Broker and the products or services contracted through Hugo Broker.

- Hugo Broker may not remove your data from its records relating to your registration as a client and operations under the contract signed with the entity, as it is obliged to keep them in accordance with the legal deadlines indicated. or

o The interested party may exercise their rights by sending an email to femke@hugoinvesting.com or by writing to Hugo Broker Agencia de Valores S.L., Urb. La Carolina Local N - Edif Aries S/N 29602 Marbella.

o The data subject may lodge a complaint with the Spanish Data Protection Agency www.agpd.es.

To learn more about our Privacy Policy, please follow the instructions below or go to the website www.hugoinvesting.com.

15 Product information

In compliance with the provisions of the MiFID Directive, Hugo Broker must provide its clients, or potential clients, with comprehensible information on the nature and risks of the financial instruments with which it operates.

This information must be sufficient, impartial, clear and not misleading, so that clients or potential clients, as the case may be, can take each investment decision or contracting of the services offered on the basis of adequate information.

In compliance with the above, the aforementioned information is set out below, so that any client may have due knowledge of the conditions and characteristics of the financial instruments with which Hugo Broker operates within the framework of the

investment services it provides to its clients. This information will be updated periodically and in any case when Hugo Broker offers its clients or potential clients financial products or instruments other than those described herein.

NATURE AND RISKS OF THE PRODUCTS

Market risk: risk of loss that an investor may suffer due to price movements in the market or movements in the so-called risk factors (interest rates, exchange rates, etc.).

Issuer risk: the risk that the borrower or issuer will not meet its financial commitments in a timely manner.

Liquidity risk: risk caused by the impossibility of making/unmaking a position in the market because no counterparty can be found, because of a lack of liquidity in the market or because it has a high cost.

Foreign exchange risk: the risk of changes in the market value of positions denominated in currencies other than the country's currency of origin as a result of exchange rate fluctuations.

Counterparty risk: the risk that the counterparty will not deliver the asset of the transaction on the agreed terms, either on the maturity date or on the agreed transfer date.

Market Risk Issuer Risk Liquidity Risk Foreign Exchange Risk Counterparty Risk

	Market Risk	Issuer Risk	Liquidity Risk	Foreign Exchange Risk	Counterparty Risk
Equities	YES	NO	YES	YES	YES
Fixed Income	YES	YES	YES	YES	YES
Options	YES	NO	YES	YES	NO
Futures	YES	NO	YES	YES	NO
CFD	YES	YES	YES	YES	YES

In accordance with the regulation requiring the provision of certain information to clients on the service provided, producers of Financial Instruments, in this case Financial Intermediaries, are obliged to provide their clients with the basic information documents DIF (or KID - Key Information Document), Packaged Retail and Insurance-based Investment Products (or PRIIP - Packaged Retail and Insurance-based Investment Products).

For each of the Financial Intermediaries, the originals of these documents can be accessed by following the instructions below:

- Saxo, via the following link: <https://www.home.saxo/legal/key-information-documents/kid>

INFORMATION ON NON-COMPLEX INSTRUMENTS

Hugo Broker informs the client that it is not obliged to assess the suitability of the financial instrument offered or the service provided and that, therefore, the client does not enjoy the protection provided by the regulations in force in this area, in the

event that it provides the client exclusively with the service of execution or reception and transmission of orders provided by the client, with or without the provision of ancillary services, on non-complex investment products, under the conditions set out in the Securities Market Act.

Hugo Broker informs the client about non-complex products, shares and bonds, with a message informing them that Hugo Broker is not obliged to assess the suitability of the instruments Shares and Bonds, as they have the regulatory category of non-complex and that any future transaction is carried out on your initiative and not by Hugo Broker.

A non-complex product is defined as a product that meets each of the following four characteristics:

- They can be redeemed on a frequent basis at prices known to the public. In general, it is always easy to know their value at any time and to redeem them.
- The investor cannot lose more than its acquisition cost, i.e. what was initially invested.
- There is public information, complete and comprehensible to the retail investor, on the characteristics of the product.
- They are not derivative products.

A product that does not meet all or some of the above characteristics is considered a complex product. It may involve greater risk for the investor and tends to be less liquid and, in short, it is more difficult to understand both its characteristics and the risk associated with it.

15.1. EQUITIES

Shares represent a proportional part of a company's share capital; shareholders are therefore co-owners of companies in proportion to their shareholding. They are negotiable and freely transferable equity securities.

Investment in a company's shares can be made at the time they are issued or put into circulation or by going to the secondary market where they are traded.

Shareholders, as owners of the company, have a number of economic and political rights.

The return on the shares can come from two sources:

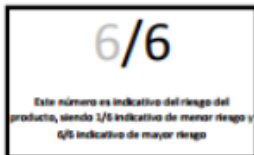
- Distribution of dividends to shareholders
- Capital gains or losses due to the evolution of the share price on the market. These capital gains or losses are only realised when the share is sold.

It should be borne in mind that one of the main risks associated with investing in equities is the uncertainty of their returns.

Characteristics of equities:

- Equities do not have a known, or even predictable, return.
- A stock's past performance is no guarantee of its future performance.

- The performance of the share does not depend only on the company itself, but also on external factors such as the state of the economy, the performance of other markets, interest rates, inflation, etc. This is why it can happen that some companies with good business results do not see their stock market value increase.
- They have no maturity, so the investment can only be unwound by selling the shares.



15.2. FIXED INCOME

The main sources of financing available to companies are basically three:

- Loans, granted by credit institutions.
- Capital increases
- Debt issuance

The latter option is the one that encompasses "fixed income products". They recognise a debt for the entity issuing them. Unlike equities, the holder of fixed income securities has economic rights, but not political rights, as he/she does not own the company.

A very important aspect to bear in mind is that the fixed-income investor is a creditor of the issuing company, while the shareholder owns part of the capital, so that in the event of liquidation of the company, the creditor has priority over the shareholders.

In general, fixed income products usually have a fixed term and a return known in advance or derived from a formula, which gives the right to receive the agreed interest and the return of all or part of the invested capital on a given date, depending on whether it is a simple fixed income or not.

The interest on fixed income may be fixed exactly from the time of issue until maturity (redemption) or referenced to some indicator: Euribor, a stock market index or the performance of a share or basket of shares.

The interest received by bond investors constitutes what is known as the "coupon". This coupon can be implicit, when it is obtained by the difference between the purchase value and the final redemption value, or explicit, which means that it is paid periodically (annually, half-yearly, quarterly, etc.).

One of the most widespread misconceptions is that investing in fixed income is risk-free. Any investment product contains risk to a greater or lesser extent.

In the case of fixed income, price risk is fundamentally linked to the evolution of interest rates, and is manifested when the time horizon of the investment is shorter than the maturity of the security. If the securities are sold on the secondary market prior to redemption, the price that the market is willing to pay at that time will be obtained.

When the issuer of fixed income securities is a government, the country credit risk is referred to as "country risk". On some occasions there have been unilateral suspensions in the payment of interest on external public debt issued by some countries. Any private issuer, no matter how creditworthy, carries a higher risk than government securities; hence, higher yields are also

often demanded. This yield differential that is demanded on private securities compared to government bonds is called the risk premium. Therefore, any investment in fixed income is subject to market risk, i.e. the possibility that the securities will underperform the price we pay for them.

On the other hand, in fixed income we find credit risk, which is defined as the risk that the issuer of a security will not be able to meet its payments, both coupon and principal repayments, or that there will be a delay in these payments. Before investing, it is therefore advisable to consider the credit quality of the issuer. For this purpose, the ratings issued by specialised agencies on the credit quality and financial strength of the issuing companies, States and Public Administrations can be consulted: this is known as a rating.

These ratings can be on the issuer or, in the case of private issuers, on the issuer and/or each of its issues. Investors should bear in mind that ratings can be revised, suspended or withdrawn at any time by the rating agency). The key criterion used to assess the creditworthiness of an issuer is usually the issuer's ability to generate profits in the future and, consequently, the ability to meet its payment commitments. Sometimes the creditworthiness of a particular issue may be linked to the provision of additional collateral (as in the case of securitisations).

Another relevant risk in this type of investment is liquidity risk, which can be defined as the risk of not finding a counterparty in the market and, therefore, there would be a penalty in the price obtained when unwinding the investment, in the event that it is necessary to sell quickly. In extreme cases, it may be impossible to get the money back at the desired time. Before choosing an asset, it should be remembered that lack of liquidity is a cost that is always borne by the investor.

These risks should always be detailed in the product's prospectus. In addition, on certain occasions, the prospectus may include warnings from the CNMV when it is considered that the conditions incorporate significant risks for retail investors.

"The commitment to return the capital (or xx% of the capital) is only at maturity and early sale may lead to losses".

The following are excluded from the classification

<div style="text-align: center; border: 1px solid black; padding: 5px;"> <h2 style="margin: 0;">2/6</h2> <p style="font-size: small; margin: 0;">Este número es indicativo del riesgo del producto, siendo 1/6 indicativo de menor riesgo y 6/6 indicativo de mayor riesgo</p> </div>	<p>Clase 2: en esta clase se incluirán todos aquellos instrumentos financieros de carácter no subordinado denominados en euros que dispongan al menos de un compromiso de devolución del 100% del capital invertido con un plazo residual igual o inferior a 3 años. El instrumento financiero, o en su defecto, la entidad originadora, emisora o garante de estos compromisos, deberá disponer de una calificación crediticia de nivel 1.</p>
<div style="text-align: center; border: 1px solid black; padding: 5px;"> <h2 style="margin: 0;">3/6</h2> <p style="font-size: small; margin: 0;">Este número es indicativo del riesgo del producto, siendo 1/6 indicativo de menor riesgo y 6/6 indicativo de mayor riesgo</p> </div>	<p>Clase 3: en esta clase se incluirán todos aquellos instrumentos financieros de carácter no subordinado denominados en euros que dispongan al menos de un compromiso de devolución del 100% del capital invertido con un plazo residual superior a 3 e igual o inferior a 5 años. El instrumento financiero, o en su defecto, la entidad originadora, emisora o garante de estos compromisos, deberá disponer de una calificación crediticia de nivel 2.</p>
<div style="text-align: center; border: 1px solid black; padding: 5px;"> <h2 style="margin: 0;">4/6</h2> <p style="font-size: small; margin: 0;">Este número es indicativo del riesgo del producto, siendo 1/6 indicativo de menor riesgo y 6/6 indicativo de mayor riesgo</p> </div>	<p>Clase 4: en esta clase se incluirán todos aquellos instrumentos financieros de carácter no subordinado denominados en euros que dispongan al menos de un compromiso de devolución del 100% del principal invertido con un plazo residual superior a 5 e inferior a 10 años. El instrumento financiero, o en su defecto, la entidad originadora, emisora o garante de estos compromisos, deberá disponer de una calificación crediticia de nivel 2.</p>

<div style="border: 1px solid black; padding: 5px; width: 60px; margin: 0 auto;"> <h2 style="margin: 0;">5/6</h2> <p style="font-size: 8px; margin: 0;">Este número es indicativo del riesgo del producto, siendo 1/6 indicativo de menor riesgo y 6/6 indicativo de mayor riesgo.</p> </div>	<p>Clase 5: en esta clase se incluirán:</p> <ul style="list-style-type: none"> • Instrumentos financieros de carácter no subordinado denominados en euros que dispongan de un compromiso de devolución del 100% del principal invertido con un plazo residual superior a 10 años. El instrumento financiero, o en su defecto, la entidad originadora, emisora o garante de estos compromisos, deberá disponer de una calificación crediticia de nivel 2. • Instrumentos financieros de carácter no subordinado denominados en euros que dispongan de un compromiso de devolución del 90% del principal invertido con un plazo residual igual o inferior a 3 años. El instrumento financiero, o en su defecto, la entidad originadora, emisora o garante de estos compromisos, deberá disponer de una calificación crediticia de nivel 2.
<div style="border: 1px solid black; padding: 5px; width: 60px; margin: 0 auto;"> <h2 style="margin: 0;">6/6</h2> <p style="font-size: 8px; margin: 0;">Este número es indicativo del riesgo del producto, siendo 1/6 indicativo de menor riesgo y 6/6 indicativo de mayor riesgo.</p> </div>	<p>Clase 6: para calificaciones crediticias inferiores a BBB-</p>
<p>Complejidad: La Renta Fija suele considerarse un producto NO COMPLEJO, salvo en determinados casos, en que será COMPLEJO:</p> <ul style="list-style-type: none"> • participaciones preferentes • Instrumentos del mercado monetario que incorporen un derivado implícito. • Renta fija privada que no tenga posibilidades frecuentes de venta o liquidación en mercados. <p>En ese caso puede tratarse de un " ! Producto financiero que no es sencillo y puede ser difícil de comprender".</p>	

Public debt of the State, regional governments, local entities, institutions, bodies and agencies of the European Union and central governments, regional or local authorities or other public authorities, bodies governed by public law or public undertakings of the Member States of the European Union similar to those of Spain indicated in this point are excluded from the risk classification. The risk classification of the rest of the (private) fixed income will depend on the following factors: - the term of repayment of the capital - the credit rating of the issuer, which may be: - level 1: credit ratings given to LP by External Rating Agencies equivalent to BBB+ or higher - level 2: credit ratings given to LP by External Rating Agencies equivalent to BBB- or BBB. Thus, depending on these factors, the fixed income risk rating may be of the following classes:

15.3. OPTIONS AND FUTURES

A future is a contract whereby the exchange of a specific quantity of the underlying asset (securities, indices, agricultural products, commodities, etc.) is agreed at a predetermined future date, at a price agreed in advance.

A future is a forward contract traded on an organised market, whereby the parties agree to buy and sell a specific quantity of a security (underlying asset) at a predetermined future date (settlement date), at a price agreed in advance (futures price). In other words, it is a forward contract whose object are instruments of a financial nature (securities, indices, loans or deposits) or commodities (i.e. goods such as agricultural products, raw materials, etc.).

The operational characteristics that define and identify futures are as follows:

- The terms of each contract are standardised in terms of nominal amount, subject matter and maturity date.
- They are traded on organised markets and can therefore be bought or sold at any time during the trading session without having to wait for the maturity date.
- In order to buy or sell futures, participants must provide collateral to the market, i.e. an amount - determined according to the open positions they hold - as a sign of compliance with their commitment, so as to avoid counterparty risk.
- Futures investors should bear in mind that it is possible to sell a future without having bought it beforehand, since what is sold is the position in the contract for which the seller assumes an obligation. This is what is known in the market as opening short positions or going short.

OPTIONS

An option is a contract that implies a right for the buyer and an obligation for the seller to buy (or sell) a certain amount of the underlying asset within a stipulated period of time at a price agreed in advance (strike price).

The option price is what the buyer pays to obtain the right and is called the premium. When the expiry date arrives, the buyer will be interested in exercising it or not depending on the difference between the price set for the transaction and the price of the underlying asset on the spot market at that time.

There may be different types of options, depending on different criteria:

- Call option: the buyer has the right (but not the obligation) to purchase the underlying at a given price on the stated maturity date.
- Put option: the buyer has the right (but not the obligation) to sell the underlying at a fixed price on the maturity date.

15.4 CFDs AND FORWARDS WARNING

- The CNMV considers that, due to its complexity and risk, the purchase of this product is not suitable for retail clients.
- Due to the leverage, losses may exceed the amount initially paid for the purchase of the product.

A CFD is an agreement between a "buyer" and a "seller", under which they agree to exchange the difference between the current price of an underlying asset (shares, currencies, commodities, indices, etc.), and the price of the underlying asset when the contract is closed.

CFDs are "leveraged" products. They offer exposure to the markets, requiring the investor to provide only a small margin ("deposit") of the total value of the trade. They allow investors to profit from price movements upwards (by taking "long positions"), or downwards (by taking "short positions") of the underlying assets.

When the contract is closed, the investor will be paid the difference between the closing and opening value of the CFD and/or the underlying asset(s). If the difference is positive, the CFD provider will pay you. If the difference is negative, you must pay the CFD provider. CFDs may appear similar to more conventional investments such as shares, but they are very different, as the investor never actually acquires or owns the asset underlying the CFD.

Investing in CFDs on currencies, also known as the FOREX market, is classified by the CNMV as a financial product that is not straightforward and can be difficult to understand. The price of currencies is always adjusted in pairs. All trades are between two different currencies, which results in buying one currency and selling the other simultaneously. For example, when trading EUR/USD, the currency cross is euros against US dollars. One of the currencies would be bought (long position) while the other would be sold (short position).

The bid price is the amount at which the currency is sold. The ask price is the amount at which the currency is bought. The difference between the bid price and the ask price is known as the bid/ask spread or spread. This spread varies according to the types of currencies crossed, with the most common (major currencies) having tighter spreads.

To open a position in CFDs on currencies, only collateral is required to be posted and not the full amount of the asset. This collateral depends on the asset being traded, is required by the counterparty, and may be changed during the life of the contract. By paying up only part of the collateral, there is a leverage effect whereby the gains and also the losses in relation to the capital provided are multiplied and it is possible to lose more than initially paid up.

The position is liquidated daily, so if you want to maintain it, you close it and reopen it on the next value date. This operation is called rollover, and may involve a charge/credit derived from the interest rate differential between the two currencies in which it is traded. The costs of foreign exchange trading are the buy/sell and rollover fees.

16 Fees, Costs and Associated Expenses

Information on the rates applicable at any given time to customers and the associated costs and expenses, as well as all taxes payable by the Bank, are available to customers and are regulated in accordance with the regulations in force, but in no case may they be higher than those set out in the Maximum Rates Prospectus. The current rates can be consulted at www.hugoinvesting.com.

Hugo Broker Agencia de Valores S.L. has a commercial relationship with several "Financial Intermediaries". Each of them has its own costs and commissions.

We can divide the costs into 2 groups:

- Trading costs: commission for buying and selling financial assets.
- Financing costs: costs arising from the financing needs of derivative products.
- Market data: costs related to the acquisition of real time and market depth in different financial assets.
- Other costs: costs arising from account maintenance, foreign exchange translation, deposit and withdrawal of funds, transfer of securities and bank overdraft.
- Trading costs, funding costs and other costs:
- link: <https://www.hugoinvesting.com>

If the client wishes to know in depth the impact on profitability derived from the aforementioned costs, he/she should consult the KID (Key Information Document) prepared by the "Financial Intermediaries" and translated/adapted by Hugo Broker Agencia de Valores S.L.

17 Means of complaint available to customers

Hugo Broker Agencia de Valores S.L. provides a customer service department. The purpose of this department is to safeguard the rights and interests of customers, and to hear and respond to their complaints and claims.

For the resolution of any claims that the Client may have against Hugo Broker or the market as a result of this relationship, prior to any administrative, arbitration or legal action, the Client shall resort to the dispute resolution mechanisms which, where applicable, are provided for in the rules and regulations of the corresponding Market.

There is also a Hugo Broker Customer Service Department which will be responsible for processing and answering any claims or complaints that the Customer may have against Hugo Broker, which should be addressed to Hugo Broker Agencia de Valores S.L., Urb. La Carolina Local N - Edif. Aries 29602 Marbella, or by sending an email to oci@hugoinvesting.com.

Any complaint or claim must be submitted in Spanish to this service prior to filing any claim with the Comisión Nacional del Mercado de Valores (CNMV). Once your complaint or claim has been received by the Customer Service Department, if you are not satisfied with the response or solution offered, or if two months have passed without you having obtained a resolution, you may contact the Comisión Nacional del Mercado de Valores (CNMV). CNMV Complaints Service. Calle Edison 4, 28006 Madrid. www.cnmv.es.

Complaints and claims may be submitted in person or by proxy, on paper or by computer, electronic or telematic means, provided that these allow the documents to be read, printed and kept. In any case, the use of computer, electronic or telematic means must comply with the provisions of Law 59/2003, of 19 December, on electronic signatures.

Customers may obtain further information by consulting Hugo Broker's Customer Protection Regulations, which are available on the website www.hugoinvesting.com.

18 Order management policy

Hugo Broker Agencia de Valores S.L. has an Order Management Policy, which can be consulted on the website <https://www.hugoinvesting.com>.

Hugo Broker Agencia de Valores S.L., when transmitting orders, shall ensure that it does so quickly, sequentially, unless the characteristics of the order do not allow it or the interests of the client require otherwise, and that it has been informed of any difficulties, if any, in transmitting and/or executing the order.

In general, Hugo Broker Agencia de Valores S.L. will not aggregate orders from its clients, executing them in accordance with the specific instructions received by them. Orders shall be sent to the market individually for each client.

In the event of aggregation of orders, Hugo Broker Agencia de Valores S.L. shall ensure:

- The grouping of client orders with each other or with those of the Company itself is not detrimental to any of the clients.
- Each client has been informed that the effect of the accumulation of orders may be detrimental to them.
- Total and partial executions will be distributed equally in accordance with the procedure established in the Hugo Broker Agencia de Valores S.L. Policy.

19 Information on recordings

Telephone recordings: the Client will be informed that telephone conversations will be recorded in connection with the provision of the service, in compliance with MiFID II regulations.

Electronic recordings: electronic communications or those made from channels authorised by Hugo Broker Agencia de Valores S.L. will be recorded in order to ensure the traceability of the order.

Face-to-face conversations with clients: Hugo Broker Agencia de Valores S.L. shall record face-to-face conversations with the Client, at least, when the intention is to give rise to transactions carried out within the framework of the provision of services that are related to the reception, transmission and execution of client orders, even if such conversations or communications do not give rise to the performance of such transactions or the provision of such services.

20 Information on the prevention of money laundering and terrorist financing

Hugo Broker Agencia de Valores S.L. is obliged to comply with the provisions of Law 10/2010, of 28 April, on the prevention of money laundering and the financing of terrorism, its Regulations, Royal Decree 304/2014, of 5 May and Royal Decree-Law 11/2018, of 31 August. Hugo Broker Agencia de Valores S.L. shall refrain from providing services to persons or entities suspected of being related to money laundering or the financing of terrorism.

Hugo Broker Agencia de Valores S.L. has specific procedures in this area and has an Internal Control Body.

Its client admission policy is based on the application of procedures for checking and identifying the client and the beneficial owner prior to entering into a contractual relationship.

The internal policy and procedures of Hugo Broker Agencia de Valores S.L. are reviewed annually by an External Expert registered in the files and registers of the Executive Service of the Commission (SEPBLAC).

ANNEX 1

FEES AND ASSOCIATED COSTS

<https://hugoinvesting.com/pricing-and-fees/>

ANNEX 2

MiFID CLIENT CATEGORY CHANGE APPLICATION

(Name and surname/Company name) with DNI/CIF (.....), hereby acknowledges that Hugo Broker Agencia de Valores S.L. (hereinafter "the Company") has duly notified you in due time and form of the client categorisation assigned to you, as well as the right to request a different classification and its implications in the protection rules applicable to you, of which you are fully aware, and requests, for all investment services that may be provided by the Company on any type of financial instrument, the change of the classification notified to you under the terms and conditions set out in this application.

Type of change requested: (mark with an "x" as appropriate).

To one of lesser protection, for which the Company will assess compliance with the requirements established by the MiFID directive and will inform the customer of the result:

- From retail client to professional client

Case 1 (legal entity client who has acquired, after its initial categorisation as a retail client, the objective condition to be considered as a professional client)

I declare that for the last closed accounting period I meet at least two of the following conditions:

- Total assets equal to or greater than EUR 20 million.
- Annual Turnover equal to or greater than 40 million euros.
- Own Resources equal to or greater than 2 million euros.

Case 2 (natural person client, or legal person client who does not meet the objective condition to be categorised as a professional client - see requirements of "case 1" above).

I declare that I meet at least two of the following conditions:

- I have carried out transactions on the relevant Securities Market with an average frequency of 10 or more transactions per quarter during the previous four quarters.
- That the value of my portfolio of financial instruments consisting of cash deposits and financial instruments exceeds EUR 500,000.
- That I hold or have held for at least one year a professional position in the financial sector that requires knowledge of the transactions or services requested.

From professional client to eligible counterparty

- I declare that I belong to at least one of the following groups:
- Financial entities and legal persons authorised by Regulatory Bodies to operate in the financial markets.
- Entities that form part of the State Administration; Central Banks; International and supranational bodies.

2. To one of greater protection (this change will be carried out directly, with the customer's simple request and signature being sufficient):

- From professional client to retail client.
- From eligible counterparty to professional client.

The client also hereby declares that he has received, in the categorisation letter sent to him by the Company, information on the following aspects:

- (i) Information on the legal regime applicable to him.
- (ii) Information on the nature and risks of the financial instruments.

iii) Consent form.

iv) A summary of the policies regulated by the MiFID Directive that are applicable, including:

- Conflicts of interest management policy

Ata.....de.....20xx

Hugo Broker Agencia de Valores S.L. The Client:

P.P.:

Fdo: Fdo:

CIF: B02926194 DNI./C.I.F.: A- DNI./C.I.F.:



HUGO INVESTING