

Independent Assurance Report to the Members of Trade Capital Markets (TCM) Limited

Verification of the Monthly Return for selected clients

Scope of assurance work

Deloitte has been engaged by the Board of Directors of Trade Capital Markets (TCM) Limited (the “Company”, “Trade Capital Markets”) to conduct a reasonable assurance engagement relating to the verification of the Monthly Return of selected logins (clients) provided by the Company for the trades executed through its MT4 platform for a defined period. The Monthly Returns for these logins are published on the Company’s website.

Basis of our assurance work, criteria used and level of assurance

Our engagement was carried out in accordance with the International Standard on Assurance Engagements (ISAE) 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (Revised).

Our report provides reasonable assurance as defined in ISAE 3000 (Revised). Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.



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Data

For the selected logins, the following transactions were extracted directly from the MT4 platform:

- Logins 204395 (Hyperion) & 202826 (Iapetus): transactions completed during the period from April to June 2021
- Logins 204600 (Zeus Growth) & 204601 (Cronus): transactions completed during the period from May to June 2021

Criteria Model

A complete set of buy / sell closed trades is included in the calculation of the Monthly Return of the selected logins. The Monthly Return is calculated as follows:

$$\text{Monthly Return} = \left(\frac{\text{Closing VAMI of current month}}{\text{Closing VAMI previous month}} - 1 \right) * 100$$

Closing VAMI of the month is the daily VAMI index at the end of the last day of the specific month.

Definitions:

1) *Daily VAMI* (Value Added Monthly Index) = *Daily gain (%)* * *VAMI of previous day*

A hypothetical investment of 1000 is assumed at the account opening.

2) *Daily gain (%)* = $\frac{\text{Opening Balance of the day} + \text{daily PNL}}{\text{Opening Balance of the day}}$

In the case where a deposit occurred within the day, the new account balance (including all closed trades and deposits up to that time) is used as the opening balance for any subsequent trades of this day.

3) $\text{PNL} = \text{Profit} - \text{Commission} - \text{Taxes} \pm \text{Swap}$

Key assurance procedures

Key procedures undertaken included:

- Obtaining an understanding of Trade Capital Markets business, including the collection of the information used and the calculation of Monthly Returns according to the applicable criteria model. This included discussions with Trade Capital Markets management responsible for operational performance in the areas responsible for the calculation of the Monthly Returns.
- Extraction of data for the selected logins directly from the MT4 platform using credentials provided by the Company.
- Following the introduction of the PAMM platform on 01/01/2021, commissions are presented as balance transactions. As a result, the calculation model above as of 01/04/2021 has been revised to include the balance operations representing actual commissions in the calculation of Daily PnL values (description "PerLot" in the MT4 transactions history). Thus, not treated as Deposits/Withdrawals of the investors as these represent real trading costs.
- Considering the risk of material misstatement of the calculations.
- Calculating the Monthly Return of the selected logins for the months of April 2021 to June 2021.
- Verify the calculated Monthly Returns of the selected logins with the Monthly Returns published on Company's website.

Respective responsibilities of the directors and assurance provider

Trade Capital Markets' Directors are responsible for developing the criteria model, calculating the Monthly Returns for selected logins based on these criteria and publishing them on the Company's investment platform. They are also responsible for establishing and maintaining appropriate performance management and internal control systems from which the data used in the calculations of the Monthly Returns is derived.



Our responsibility is to independently express a conclusion based on our procedures on the accuracy of the Monthly Returns for selected logins (clients) of the Company as published on its investment platform for the months of April 2021 to June 2021.

Our engagement provides reasonable assurance and was conducted in accordance with the ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether the Monthly Returns for the selected logins as published on the Company's investment platform have been calculated, in all material respects, in accordance with the applicable criteria model.

Our report is made solely to the Trade Capital Markets members, as a body, in accordance with the ISAE 3000 (Revised). Our work has been undertaken so that we might state to the entity those matters we are required to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trade Capital Markets and its members as a body for our work, this report, or for the conclusions we have formed.

Independence

In conducting our engagement, we have complied with Deloitte's independence policies, which address and, in certain areas, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants. We have confirmed to Trade Capital Markets that we have maintained our independence and objectivity throughout the period of our engagement and in particular that there were no events or prohibited services provided which could impair our independence and objectivity in the provision of this engagement.

Conclusion

In our opinion, the Monthly Return calculations have been prepared, in all material respects, in accordance with the applicable criteria model. According to the criteria model, the Monthly Returns of the selected logins for the months of April 2021 to June 2021 are:

Monthly Return				
Month	Account login			
	204395 - Hyperion	202826 - Iapetus	204600 - Zeus Growth	204601 - Cronus
April 2021	0,67%	1,40%	n/a	n/a
May 2021	(1,79%)	(5,83%)	(2,68%)	0,55%
June 2021	0,42%	2,20%	1,08%	(1,90%)

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for and on behalf of
Deloitte Ltd

Nicosia, 15 July 2021