3D GLOBAL FINANCIAL SERVICES LTD

DISCLOSURE AND MARKET DISCIPLINE REPORT 2021

INTRODUCTION

3D Global Financial Services Ltd. ("The Company") is regulated as an investment firm by the Cyprus Securities & Exchange Commission (063/06) for the provision of investment services with respect to financial instruments.

SCOPE AND MEASUREMENT OF RISKS REPORTING

In assessing risk, the management of the company makes use of a number of internal reports or information relating to its activities such as external audit, internal audit, internal financial reports, capital adequacy returns and client information regarding AML documentation, new accounts opening and accounts closed, size of account, Funds under Management.

SUMMARY OF APPROACH TO ASSESS INTERNAL CAPITAL

The Company is required to hold a minimum of €50,000 to satisfy CySec capital adequacy requirements as reported in form 144-14-10. The company's paid up share capital as at 31/12/2021 was €75,000.

This report, which is reviewed annually and is published on The Company's website (www.3dglobal.com), discloses information relating to The Company's capital and risk management as set out in directive DI144-2007-05 for the Capital Requirements of Investment Firms and subsequent directive DI 2014-144-14.

REGULATORY REPORTING

The Company makes annual reports to its regulator with respect to Capital Adequacy.

RISK APPETITE AND MANAGEMENT

The Company's overall appetite for risk is low and it maintains effective policies and procedures for the identification, analysis and control of risk. For example, internal controls and management systems include:

- Board of Directors (with 2 independent non-executive directors).
- Internal Audit (Baker Tilly)
- External Auditors (BDO)
- Risk Management Committee (managers and directors)
- Compliance and Anti-Money Laundering Officer
- Investment Committee (senior advisors and investment managers)

DISCLOSURE REQUIRMENTS THAT ARE NOT APPLICABLE

The Company has no subsidiaries and therefore the disclosure relating to its ability to transfer promptly own funds to subsidiaries is not applicable. The Company does not undertake any form of securitization and therefore securitization disclosures do not apply. In addition, interest rate and counterpart risks are not applicable to The Company and therefore no measurement or mitigation is carried out in respect of these.

REMUNERATION POLICY

In accordance with Article 450 of the EU regulation EC 575/2013, The Company sets out its policy with respect to remuneration:

The Company has designed and implemented a remuneration policy in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA) as endorsed by the Cyprus Securities & Exchange Commission.

The policy applies to all relevant persons as defined in the ESMA guidelines namely *"all persons who can have a material impact on the services provided and/or corporate behaviour of the firm, including persons who are client-facing from-office staff, sales force staff and/or* *other staff indirectly involved in the provision of investment and/or ancillary services whose remuneration may create inappropriate incentives to act against the best interests of their clients."*

The purpose of the Company's remuneration policy is to ensure consistent implementation of the MiFID conflicts of interest and conduct of business requirements, ensuring that client interests are not impaired by this policy in the short, medium or long term.

The Company's remuneration policy is reviewed annually by the Board of Directors and is designed to set remuneration of directors and relevant staff members that is sufficient to attract, retain and motivate them to improve personal and corporate performance, being market competitive, but not excessive to the detriment of the clients.

Due to the size, nature, scope and complexity of the activities of The Company and, taking into account the principle of proportionality, the board of directors have not appointed a remuneration committee and are happy that the policies in place are appropriate.

In accordance with the ESMA guidelines, the remuneration policy addresses the relevant person's skills and performance and covers both fixed and variable components:

· **Fixed component:** The fixed component is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

· **Variable component:** This component includes fees and commissions payable to sales staff which are linear in their nature and do not favour any one product or service over another.

In addition, at The Company's discretion, it may reward high performers who significantly contribute to sustainable results in accordance with their contribution. This may take the form of a profit sharing bonus or equity participation in The Company. The board of directors will agree on any variable remuneration in this category.

The Company paid the following during 2021:

Executive Directors	€55,069
Independent Non-Executive Directors	€3,170
Administration	€23,026
Sales and Advisory Staff	€582,571

CAPITAL RESOURCES/ OWN FUNDS

The Company's eligible audited own funds (as at 31/12/21), are €396,369 (€288,014 in 2020). These funds comprise paid-up share capital and eligible reserves.

LEVERAGE RATIO

In accordance with the legal framework, The Company's leverage ratio is 67% being the ratio of Tier One capital (€396,369 to Total Assets €589,140).

RISK ASSESSMENT, MANAGEMENT, MITIGATION AND CAPITAL PROVISION

1. Credit Risk

   It should be noted that The Company does not hold client funds and consequently clients' investments are not at risk in the Company. The assessment of Credit Risk therefore applies purely to The Company's own funds.

   Credit Risk is risk of loss due to default by credit institutions. The Company uses the standardized approach for assessment and assignment of capital with respect to credit risk.

   The Company does not have any large exposures of clients' funds.

   The Company's assets are own funds and are held mainly in institutions in Europe and the Isle of Man, the credit rating of which range from AA to CCC, with the majority of assets at AA.

   The credit assessment of the institution is provided by an Eligible Credit Assessment Institution.

2. Foreign Exchange Risk

   This is the risk of holding assets in a currency other than The Company's reporting currency (the Euro). The Company uses the standardized approach for assessment and assignment of capital with respect to foreign exchange risk.

   Risk is mitigated through the minimization of exposure where this is appropriate from an operational and investment perspective. However, The Company holds more funds in Sterling that a year ago due to the perceived weakness of the Euro.

3. Operational Risk

   Operational risk is the risk of loss due to factors such as inadequate systems, management failure, inadequate internal controls, fraud or human error. The Company uses the Basic Indicator Approach for assessment and assignment of capital with respect to operational risk.

   The Company mitigates these risks through its culture and value system which is one of integrity and transparency. This is reflected in its system of internal controls, back-up facilities, contingency planning and internal audit procedures, specifically:

   a. The Company benefits from 4 directors, two of whom are independent non-executive directors with a great deal of experience in the financial services industry.
   b. 4-eyes approach: The Company is supervised by two senior members both of whom are based in The Company's Head Office
   c. The Company employs a compliance officer and anti-money laundering officer

d. The Company uses Baker Tilly for its internal auditor function. This adds a greater level of independence than directly employing an IA.
e. The Company has in place a robust disaster recovery system

4. Fixed Overheads

The exposure relating to fixed overheads costs.

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