

Co-Funding LTD

Risk Disclosure

All entities (personal or business) who use the Co-Funding Investor automation platform must carefully read the following warnings before using the online portal.

Introduction

The Co-Funding Investor automation platform has been designed to support the property community through the use of the investor portal which enables property developers to directly connect with their private investor network using digital automation.

However, it should be noted that investing in property involves a level of risks that mean investors may not get back all the money they invest.

The Co-Funding platform is designed to help automate, protect and bring transparency to the property investment process, however this in itself is not sufficient to fully mitigate property investment risk.

It is therefore important to ensure that both developers that subscribe to the platform and their private investor network clearly identified the risks involved and ensure everything is done to mitigate that risk in the best way possible. Risk mitigation should include, but not be limited to:

- ✓ Due Diligence
Each project should include detailed and independent valuations, detailed financial analysis and forecasts, as well as detailed project plans allowing for an informed investor decision making process.
- ✓ Expertise
Engage with independent experts across all fields of property to provide the best input to support project analysis which promotes higher levels of certainty around project outcomes.
- ✓ Security Charge
Where appropriate secure charges against property investments for the benefit of all investors.

Investors in property should bear in mind the following general risks involved when investing through Co-Funding portal instances.

Personal Decision to Invest

When registering to invest using a Co-Funding portal instances, investors must be sufficiently sophisticated and knowledgeable to understand the risks and make their own investment decisions. Investors will only be able to access the Co-Funding platform and invest in projects once they have successfully completed the investor eligibility assessment and deemed sufficiently sophisticated, it is therefore essential they answer the questions in a way that reflects their level of investment sophistication.

As a precaution, it is recommended that investors never lend more money than they can afford to lose without altering their standard of living. For added security, it is also recommended that investors diversify their investments by lending across a range of different projects to reduce concentration risk (avoid having all your eggs in too few baskets).

Invested Funds

Investments in property projects should be considered long term investments and therefore highly illiquid in that capital cannot be withdrawn before the end of investment terms without suffering capital loss. Ask the Property Developer whether they have a secondary market for investments to determine the earliest you can exit an investment agreement.

Investors must be aware that property values are subject to external market influences and therefore subject to fluctuations which could increase or decrease their value which could affect the amount of capital returned at the end of an investment term.

Always read loan agreement terms and conditions before investing and if in doubt seek independent legal advice.

Tax

Developers and independent investors are directly responsible for settling their own investment tax liabilities. The Co-Funding platform does not provide tax advisory or liability calculations. All parties making use of Co-Funding as an investment platform are responsible for their own tax affairs and should seek independent tax advice.

Investment Advice

The Co-Funding platform does not offer advice to either developers or investors and would recommend that if there is doubt they should seek independent third-party financial advice. Co-Funding always encourages developers and investors to do their own due diligence on all property investments.

Co-Funding Platform Security

The Co-Funding Platform has been engineered with security considerations at its core, this ensures data and funding e-wallets remain secure. The Co-Funding platform is integrated with [MangoPay](#) (e-wallet) and [SumSub](#) (KYC/AML) to give developers and investors the best and most secure experience possible.

However, security integrity also relies on property developers and Investors who should take every precaution to protect passwords and never share platform access credentials.

If at any time an investor becomes suspicious that their investor account has been compromised, they should contact their Co-Funding developer admin immediately.

Financial Services Compensation Scheme (FSCS)

Funds invested using Co-Funding platform are not covered by the Financial Services Compensation Scheme.