YOGARISE

Estimated reading time: 2 min.

Risk Summary for Non-readily Realisable Securities which are Shares (*COBS 4 Annex 1 R)

Disclaimer: The following risk summary is provided to ensure clarity when investing in shares. Please note that investing in non-readily realisable securities, specifically shares, entails significant risks. The Financial Conduct Authority (FCA) considers this type of investment to be high risk.
* *Risk summaries - FCA Handbook*

Key Risks:

1. Risk of Total Loss of Investment: Investing in shares carries the possibility of losing all the money you invest. In the event of business failure, there is a high likelihood that you will lose 100% of your invested capital. It is important to recognise that a substantial number of businesses do not succeed.

2. Limited Protection in Case of Adverse Events: Please be aware that protection from the Financial Services Compensation Scheme (FSCS) does not extend to covering losses resulting from poor investment performance. The FSCS provides compensation in relation to claims against failed regulated firms. To determine if your investment is covered by the FSCS, you may utilise the FSCS investment protection checker, accessible at the following link: https://www.fscs.org.uk/check/investmentprotection-checker. Furthermore, the Financial Ombudsman Service (FOS) does not cover losses due to poor investment performance. While FOS may consider complaints against

FCA-regulated firms, its protection does not extend to investment performance. Additional information regarding FOS protection can be found here: https://www.financialombudsman.org.uk/consumers.

3. Limited Liquidity and Lengthy Investment Recovery Timeframe: Even if the business in which you invest proves successful, it may take several years to recoup your invested funds. It is unlikely that you will be able to sell your investment prematurely. The most probable means of recovering your investment is if the business is acquired by another entity or if its shares are listed on an exchange, such as the Alternative Investment Market (AIM), or the London Stock Exchange. Please note that these events are infrequent. Dividends are not typically paid by businesses unless specified; hence, you should not expect to recoup your investment through dividend distributions immediately.
4. Diversification Reduces Risk: Investing all your funds in a single business or type of investment is inherently risky. To mitigate risk, it is advisable to spread your capital across various investments. This diversification strategy decreases your dependence on any one investment's performance. As a general guideline, it is recommended not to allocate more than 10% of your funds to high-risk investments. For further information, please refer to the following resource: [https://www.fca.org.uk/investsmart/5-questions-ask-you-invest].
5. Potential Decrease in Investment Value: The value of your investment may decrease if the business issues additional shares, thereby diluting your ownership percentage. Consequently, the growth of the business can impact the value of your investment. It is common for start-up businesses and established businesses to conduct multiple rounds of share issuance. The newly issued shares may possess additional rights that are not accorded to your existing shares, such as the right to receive a fixed dividend. These circumstances could further reduce your likelihood of obtaining a return on your investment.

If you wish to acquire more information on how to protect yourself, we recommend visiting the FCA's website at https://www.fca.org.uk/investsmart.