

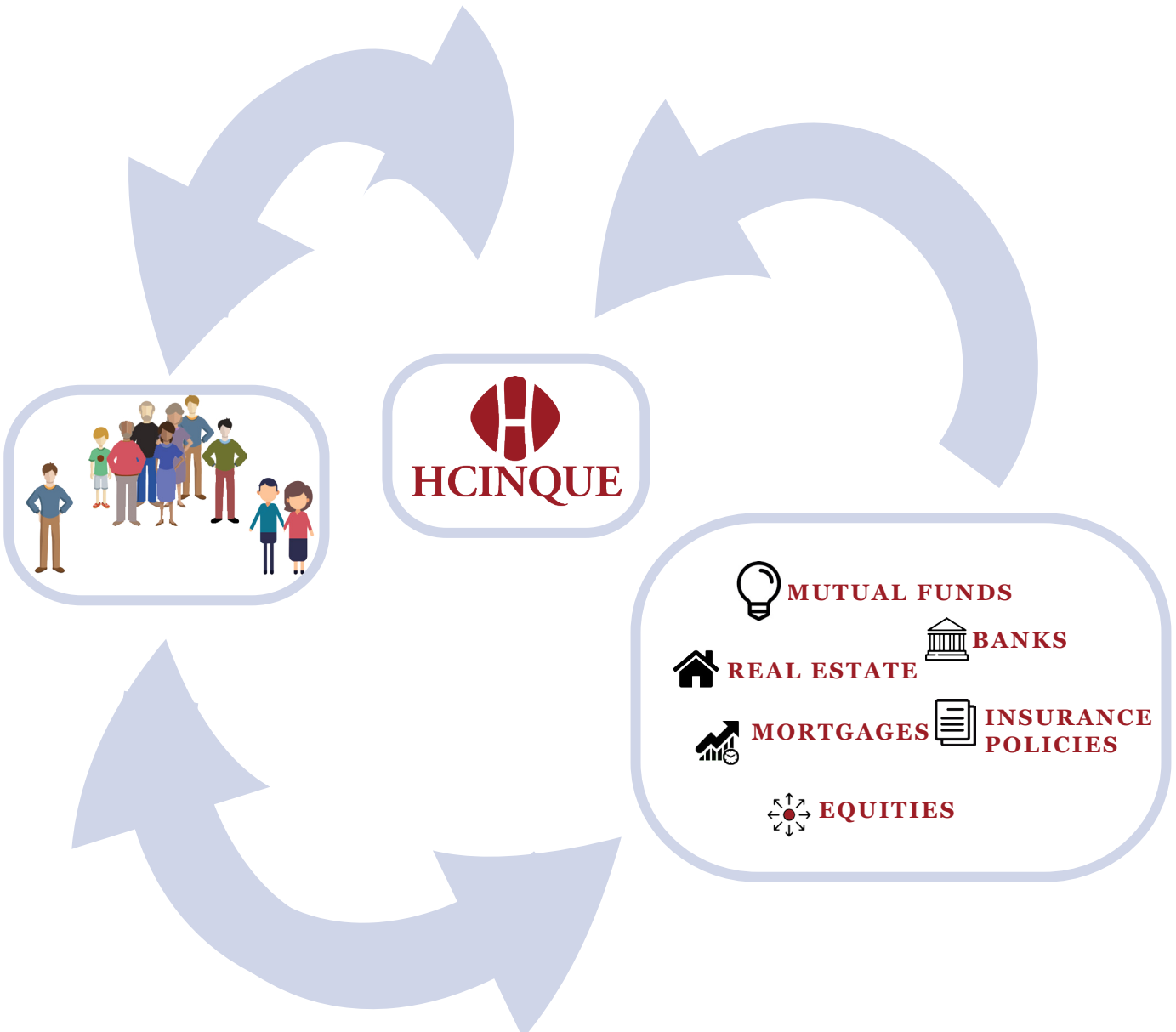
SHORT INTRODUCTION

- Independent Financial Advisory started taking root in Italy in the past decade, while in countries such as the United States of America and Great Britain, where a more mature investment culture is popular, it has been well established for the last 40 years and it is the one savvy investors rely on.
- It is normal to turn to a CPA firm to better deal with administrative issues, a tax advisor for tax matters, or a lawyer for legal issues, and then pay them for their services. Then, why should you leave your wealth management to the directions of somebody who sells financial products or even try to attempt a do-it-yourself management?
- It is not a good choice to construct and manage a portfolio of financial products through those who sell these products. Moreover, you should give some thought to the fact that the seemingly free advice brokers offer, in reality is not free at all and is certainly biased advice.
- HCinque helps building and maintaining a portfolio of financial instruments tailored to each individual investor, ensuring accurate control over the selection of products, intermediaries, and sometimes invisible costs borne by the Client.
- The complexity of the financial world hides expenses, commissions, and other costs that the Advisor identifies, points out, and often renegotiates for the Client. For that reason, the fee paid to HCinque represents a cost, if not totally, partly alternative and not an additional one.
- After the infamous 2008 season, today's investors look for performance, security and transparency. They want to know what is in their portfolios and what risks do they run. The only way to meet these needs is to access a truly independent and external support.
- Money and securities stay deposited with the intermediaries, preferably more than one. HCinque intercepting the data flow intermediary/Client provides a global picture in which the investments appear as a whole, aggregating stocks, bonds, mutual funds, as well as real estate, mortgages, and equity investments.
- Thanks to the Advisory Service offered by HCinque, the Client acquires targeted professional suggestions and a clearer view of a very complex world of investments.

WHAT WE DO

- Fee Only Financial Advisory was introduced in Italy in 2007 thanks to the European Parliament's Directive 2004/39/EC Markets in Financial Instruments Directive, known as MiFID. With the last MiFID II (Directive 2014/65/EU) fully implemented on January 2, 2018 all features of Independent Financial Advisory were finally clarified.
- The transparency of Fee Only Financial Advisory is guaranteed by the absence of concealed costs resulting from commissions embedded in the products subscribed by the Client, hence benefiting unbiased financial investments. It is an Independent Advisory Service, free from arrangements with banks and insurance companies. The professional Advisor maintains a focus on the Client's investment goals, proposes the most adequate products and is compensated exclusively for the service provided.
- The Fee Only Advisor, unlike the bank advisor and insurance agent, does not sell products, instead he recommends and suggests the best investments to rely on. To the less experienced investor, the product indicated by the bank advisor or insurance agent may look the same as the one suggested by the Independent Advisor, but that is not the case. The bank advisor's and insurance agent's proposals relate to the intermediary they work for, while the advice of the Independent Advisor includes several financial products with different features and profit margins, selected amongst all those available on the marketplace.
- What investors are attracted to when choosing Fee Only Advisory Services is precisely the independence enjoyed by its players. Not tied to any bank or insurance company, they do not fall into the typical conflict of interest, i.e. proposing bank or insurance products for the sole purpose of earning the commission. HCinque Clients prefer to pay out of their pocket a professional who works for them rather than relying "for free" on an Advisor who works exclusively for a bank or certain insurance companies.
- In 2009, HCinque, strong of a team that was already active in Italy as Advisor for the Asset Management Company of a major banking and insurance group, started to offer its services to companies and private investors, both individuals and family groups, with a broad range of truly customized solutions and a 360° assistance on all financial issues.
- The key feature of HCinque Services is the maintenance of pre-existing relations between the Client and the intermediaries used (banks, brokerage companies, asset management companies, etc.). The Advisory Services under no circumstances involve the direct management and holding of the Clients' financial instruments or money. The latter maintain absolute control over their assets. HCinque's flexible softwares grant maximum efficiency in handling the Client/markets data flow and deliver an aggregated wealth vision in which all asset classes appear, both financial portfolios and real estate assets as well as private equity investments.

RELATIONSHIP MANAGEMENT SCHEME



FINANCIAL ADVISORY SERVICE TO PRIVATE INVESTORS AND FAMILIES

- Once the Client's financial, professional, and personal situation is ascertained, the Advisor examines the possible asset classes for investment. The Advisor subsequently designs a portfolio to be efficient across various financial market scenarios on the basis of the risk tolerance and the time horizon defining each investor's plan. After that, the Advisor identifies the financial products to construct a portfolio based on quality, transparency and expected results in order to create the optimal mix for the Client's goals.
- Once the proposal has been thoroughly discussed with the Client, recommendations then follow to implement the investments in the best possible way:
 - In the case of subscription of mutual funds, the Advisor defines the best share classes available and selects the most qualified intermediary;
 - In the case of subscription of listed products such as stocks and bonds, the Advisor verifies the appropriateness of the costs required by the intermediary for execution and custody.
- In addition, the Advisor assists the Client in preparing and compiling the necessary documentation requested by the chosen intermediary.
The instruments in the portfolio are subsequently monitored in order to quickly spot variations in the markets for a dynamic optimization of the whole investments. For this reason, the Financial Advisory Service is provided in conjunction with the Monitoring Service.

FINANCIAL ADVISORY SERVICE TO COMPANIES

- Financial Monitoring and Advisory Services are offered to Companies that need to effectively and dynamically manage a temporary or longer cash surplus, together with structural or temporary debt circumstances.
- HCinque supports the Company in the construction and maintenance of an efficient portfolio, taking into account its specific characteristics and goals, in order to optimize the return deriving from cash management and to minimize risks, while ensuring access to resources at times considered appropriate by the Corporate management.
- Therefore:
 - In the case of subscription of mutual funds, the Advisor defines the best share classes available and selects the most qualified intermediary;
 - In the case of subscription of listed products such as stocks and bonds, the Advisor verifies the appropriateness of the costs required by the intermediary for execution and custody.
- The Monitoring Service, among other things, produces the relevant reporting that is necessary to the administration and finance departments to complement their work.
- When appropriate, the Advisor analyzes the debt situation to define the accuracy of costs and, if required, prepares a report indicating alternative restructuring options.
- In the event of a dispute with a credit institution, the Advisor explores the possibility to take actions and coordinates the activities of the legal and administrative resources involved.

SECURITIES MONITORING SERVICE

- The Securities Monitoring Service begins with the acquisition by the Advisor of the data relating to the ongoing activities between the Clients and the financial intermediaries they have been using and the subsequent assessment of the current financial investments. The Advisor collects from the intermediaries, through the Client, documentation of all transactions occurring during the period in which the service is provided and of all operations generating economic variations in the bank account (payments, withdrawals, charged expenses, taxes etc). Data are processed on a platform that is totally independent from those used by the intermediaries and consolidated, even in the case of multiple intermediaries, in a single summary document.
- The Advisor measures whether the investments made are aligned to the Client's actual goals, points out any risks, and verifies the accuracy of fees charged by the intermediaries. The latter are evaluated and compared to minimum and average costs applied on the market in terms of both active/passive rates and bank fees, as well as the management, subscription and placing fees of the different instruments used. Periodic account statements issued by the intermediaries are also processed for each periodic reconciliation.
- The Advisor therefore assesses whether the overall Client's portfolio is appropriate for his/her personal, family, work situation, age and his/her very risk tolerance. During regularly scheduled meetings, normally held every three months at the HCINQUE offices, the Client receives a report of the activities carried out during the last period together with the analysis of the portfolio. In the event the Advisor perceives particular risk elements or anomalies, he/she will call for an extraordinary meeting or otherwise promptly inform the Client.
- At their convenience, Clients may choose to receive communications through mail, e-mail, fax, videoconferencing, etc.
- The Advisor will not be held responsible for the incompleteness of the analysis in the event of non-receipt or late receipt of the information relating to the work done by the intermediaries, and Clients will do their best to ensure that the information is received in a timely and accurate fashion.
- During the Monitoring Service, the Advisor analyzes the existing situation and its evolution over time without any proactive role in the selection of new investments or intermediaries other than those that are being used by the Client.

REAL ESTATE MONITORING SERVICE

- The Real Estate Property Monitoring Service includes the initial collection of the cadastral data regarding each property. After that, a hired professional will do an assessment of the property to define its state of preservation and determine its value in terms of market price and rentability. The Advisor also collects all documentation relating to any ongoing mortgages or other financing and lease agreements.
- Upon completion of the property's assessment, the Advisor provides the Client with a summary document showing the income situation generated by the property compared to the one obtainable under the current market conditions and the different possibilities to optimize the income generated, taking into account all tax related aspects. In the case of properties linked to debt situations such as mortgages or loans, the Advisor analyzes the formulas that can be exploited to restructure such fundings according to the Client's objectives.
- Once all the characteristics (value, profitability, taxation and costs) have been ascertained, the property is then included in the portfolio analysis and monitoring system forming part of the Client's wealth and also considered in the next selection process of new investment instruments. Clearly, the construction of a portfolio based exclusively on financial products will differ from the one of the investor who also relies on real estate, source of income and potential capital gain.
- In addition, the Advisor verifies that lease payments are timely and correct and registers them in the summary portfolio analysis and evaluation document.

COMPENSATION OF SERVICES

- The Investment Monitoring and Advisory Services are provided on a yearly-basis and are reimbursed with a percentage of the average value of the entire portfolio. However, these fees are not lower than a predetermined minimum level and are subject to VAT. The average value is calculated daily and services are billed on a quarterly basis.
- Consultant invoice is not an additional cost because his activity allows significant savings by selecting products that are less expensive than those normally offered by banks. Generally the cost of a portfolio followed by an Independent Consultant is much lower than that proposed by people that, often unscrupulous, make money sharing products costs. Paying a professional who offers an independent service, done in the exclusive interest of the customer is always better than having a “free” service where the costs (hidden) are tripled.
- Advisory Service on a single issue is estimated in advance and billed accordingly.