MERIDIAN
PRIVATE CREDIT & OPPORTUNI

RISK FACTORS

Private Credit & Opportunities Note

12-Month Term · Annual Rollover · 10% p.a.

TARGET RAISE	ANNUAL YIELD	MIN. LOCK-IN	ROLLOVER
£500,000	10.00% p.a.	12 Months	Perpetual

CAPITAL AT RISK: The value of investments can go down as well as up. You may not get back the amount you invest. This Note is illiquid. There is no fixed maturity date and no secondary market for these Notes. Past performance is not a reliable indicator of future results.

A. INTRODUCTION & SCOPE

This section sets out the material risk factors associated with an investment in the Meridian Private Credit & Opportunities Note (the "Note"), issued by Compass Wealth International Ltd (the "Issuer"). This document should be read in full alongside the Term Sheet and, when available, the Loan Note Instrument.

This list is not exhaustive. Each risk factor could, individually or in combination with others, have a material adverse effect on the Issuer's ability to meet its repayment obligations and on the return an investor receives. Prospective investors are strongly advised to seek independent legal, financial, and tax advice before subscribing.

B. STRUCTURAL & INSTRUMENT RISKS

01 Annual Rollover Mechanism

The Note operates on a 12-month term with annual rollover. If no Redemption Notice is served by the end of month 9 of any 12-month period, the Note automatically rolls over for a further 12 months. Capital is not automatically returned. An investor who misses the month 9 deadline remains invested for a further full year. Affirmative action is required before the notice deadline each cycle.

02 Month 9 Notice Deadline

To exit at the end of any 12-month term, a Redemption Notice must be received by the Issuer no later than the end of month 9 of that term. The earliest possible redemption from inception is therefore month 12. A notice served after month 9 will not take effect until the end of the following 12-month rollover period, meaning the investor must wait a further full year. Investors with near-term liquidity requirements should not subscribe.

03 No Partial Redemption

Investors cannot redeem a portion of their holding. Redemption must be for the full subscription amount outstanding, unless approved by the Manager. This prevents investors from managing liquidity on a phased basis.

04 Bullet Repayment Structure

No interest is distributed during the life of the Note. All accrued interest and principal are returned in a single bullet payment on the Redemption Date. Investors who require periodic income distributions should not subscribe. The bullet structure also concentrates repayment risk at a single point in time.

05 **Issuer Early Redemption Right**

The Issuer retains the right to redeem the Note in whole or in part at any time on 30 days' written notice. While the Issuer is obligated to pay all accrued interest to the date of redemption, early redemption may disrupt an investor's investment horizon.

C. REPAYMENT & CREDIT RISKS

06 **Issuer Credit Risk**

The Issuer's unconditional repayment obligation is only as strong as its financial position at the relevant Redemption Date. If the Issuer becomes insolvent, enters administration, or ceases business, its ability to meet repayment obligations will be materially impaired. The Issuer is not rated by any credit rating agency.

07 **Structural Repayment Gap — Sleeve B Drag**

40% of the total raise (£200,000) is allocated to Sleeve B, which carries no contractual return obligation and may generate no recoverable proceeds within any given redemption window. The Issuer's repayment obligation of principal plus 10% p.a. interest therefore cannot be fully funded from within the Note's own investment proceeds unless Sleeve A significantly outperforms its 20% p.a. target. Any shortfall must be funded from the Issuer's own balance sheet.

08 **Security — Currently Senior Unsecured**

The Note is currently expected to rank as senior unsecured unless a fixed or floating charge over identifiable Issuer assets is executed prior to closing. Senior unsecured means investors rank behind secured creditors in any insolvency scenario.

09 **Multiple Noteholder Redemption Concentration**

If multiple noteholders serve Redemption Notices contemporaneously, the Issuer may face simultaneous large repayment demands. There is no formal redemption queue or gate mechanism in the current Term Sheet.

D. INVESTMENT & PORTFOLIO RISKS

10 **Manager Discretion Risk**

Meridian by TCG, as Manager, exercises full and unconditional discretion over all investment decisions within each sleeve. Noteholders have no right to direct, veto, or influence individual investment selections. The Manager's judgment determines the composition, concentration, and exit timing of the portfolio. Poor judgment, conflicts of interest, or adverse market conditions could materially impair the portfolio and the Issuer's repayment capacity.

11 **Sleeve A Concentration Risk**

Sleeve A is not broadly diversified, and adverse performance at either counterparty would directly impair the primary repayment source for the Note.

12 **Sleeve B Capital at Risk**

Sleeve B (£200,000, 40% of the raise) is deployed into dislocated assets, opportunistic co-investments, private equity positions, and working capital. There is no contractual return target and no defined recovery timeframe.

13 **Sleeve A Target Return Not Guaranteed**

Sleeve A targets a combined return of 20% p.a. This is a target, not a contractual obligation. Private credit and structured debt instruments may underperform, default, or become illiquid.

14 **Illiquidity of Underlying Investments**

Assets within both sleeves may be illiquid and not realisable within the redemption window triggered by a noteholder's Redemption Notice. The Issuer's balance sheet must fund any gap between realisable investment proceeds and the repayment obligation.

E. REGULATORY & LEGAL RISKS

15 **No FCA Regulation**

Neither the Issuer nor the Manager is authorised or regulated by the Financial Conduct Authority. UK investors subscribing to this Note do not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme (FSCS). Investors should understand that regulatory protections available for FCA-authorised investments do not apply.

16 **Cross-Border Distribution Risk**

This Note is directed exclusively at sophisticated or institutional investors in jurisdictions where its distribution is lawful. Distributing or subscribing in certain jurisdictions may be unlawful without local regulatory approval. Investors are solely responsible for ensuring their subscription does not breach applicable local laws.

17 **Governing Law and Jurisdiction**

The Note is governed by the laws of Mauritius and disputes are subject to the non-exclusive jurisdiction of the Mauritius courts. Investors outside Mauritius may find it difficult or expensive to enforce their rights.

18 **Legal Documentation Not Yet Executed**

The full Loan Note Instrument and Subscription Agreement have not yet been drafted or executed. This document is indicative only and not binding. The final Loan Note Instrument may include terms that differ from, or add to, what is set out herein.

F. OPERATIONAL RISKS

19 **Manager Replacement Risk**

Replacement of Meridian by TCG as Manager without noteholder consent by simple majority constitutes an Event of Default. The Issuer's capacity to fund an immediate full repayment in such circumstances cannot be guaranteed.

20 **Information Rights Limitation**

Noteholders are entitled to annual management accounts, semi-annual portfolio updates, and notice of material events. The Manager has no obligation to provide more frequent reporting or position-level detail beyond what is described herein.

G. MARKET & MACRO RISKS

21 **Interest Rate and Credit Market Risk**

A fixed 10% p.a. simple interest rate may underperform relative to other opportunities if market rates rise materially. Conversely, rising rates may impair the performance of Sleeve A's fixed income instruments if held at below-market rates.

22 **Currency Risk**

The Note is denominated in GBP. Investors subscribing from non-GBP jurisdictions bear exchange rate risk throughout the holding period. The Note does not include any currency hedging mechanism.

23 **Macroeconomic and Geopolitical Risk**

General economic conditions including recession, inflation, credit tightening, and geopolitical disruption may adversely affect the performance of the underlying portfolio and the financial position of the Issuer.

IMPORTANT NOTICE

This Risk Factors section is indicative only. It does not constitute investment advice, a binding offer, or a complete description of all risks associated with the Note. Prospective investors must read the full Term Sheet and Loan Note Instrument before subscribing. Capital is at risk and returns are not guaranteed.

The Note carries no FSCS protection. Neither the Issuer nor the Manager is liable for investment losses arising from the risks described herein.

I hereby understand and agree to the Risk Factors as detailed herein.

Investor Signature

Full Legal Name (Print)
