

E-Global Trade & Finance Group, Inc.,  
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## MANAGEMENT ASSERTION REPORT on total number of Active Client Accounts, total sum of Agent Commissions, total sum of Client Balances, and largest Client Balance

### Purpose

The purpose of the report is to inform current clients and agents about several important corporate indicators, as well as to attract new clients and agents by providing the following information:

- 1) Total number of Active Client Accounts for the Calendar Year 2018,
- 2) Total sum of Agent Commissions for the Calendar Year of 2018,
- 3) Total sum of Client Balances for the Calendar Year 2018, and
- 4) Largest Client Balance for the Calendar Year 2018.

### Definitions

E-Global	E-Global Trade & Finance Group, Inc., incorporated on British Virgin Islands at 02-FEB-2007 with registration number 1384287 and having legal address at First Floor, Mandar House, Johnson's Ghut, P.O. Box 3257, Road Town, Tortola, British Virgin Islands, operating under the trade mark "Forex4you".
Calendar Year of 2017	Period of time from 1st January 2018 00:00:00 till 31st December 2018 23:59:59.
MetaTrader4 Trading Servers	Trading servers with "MetaTrader4" professional trading software installed and running, consisting of the following ten servers: 1) "Classic1", 2) "Classic2", 3) "Classic3", 4) "Cent1", 5) "Cent2", 6) "Cent3", 7) "Cent4", 8) "Cent5", 9) "ProSTP", 10) "PAMM".
Trade Transaction	Transaction for opening forex trade position or closing forex trade position regardless of monetary value. Client accounts only depositing and/or withdrawing and other non-trade related transactions were excluded.
Client Accounts	Unique accounts identified by a unique account number registered on each MetaTrader4 Trading Server. One user may have several accounts on different MetaTrader4 Trading Servers; all such accounts are counted separately. Test accounts have been excluded from the calculation.
Active Client Accounts	Client Accounts who have performed any of Trade Transactions during the Calendar Year of 2018.

Agent	Partner (legal or private person) who is assisting E-Global with attracting clients.
Agent Commissions	Commissions that have been earned by agents on MetaTrader4 Trading Servers (trade operations related commissions). Rebates and agent commissions based on received invoices or other method of calculation of agents' contribution were excluded.
Client Balances	Balances of Client Accounts on MetaTrader4 Trading Servers on 31st December 2018 23:59:59.
Largest Client Balance	The value of the largest Balance of Client Accounts on MetaTrader4 Trading Servers on 31st December 2018 23:59:59.

## Methodology

- 1) We have obtained the reports from MetaTrader4 Trading Servers that list all trade transactions by all user/server combinations for the Calendar Year of 2018.
- 2) We have obtained the reports from MetaTrader4 Trading Servers that list all Agent Commissions for the Calendar Year of 2018.
- 3) We have obtained the reports from MetaTrader4 Trading Servers that list all Client Balances for the Calendar Year of 2018.
- 4) Based on the reports obtained from procedure 1) we have counted the number of unique Active Client Accounts.
- 5) Based on the reports obtained from procedure 2) we have summarized transactions which formed Agent Commissions.
- 6) Based on the reports obtained from procedure 3) we have summarized all Client Balances.
- 7) We have checked mathematical accuracy of the total Agent Commissions.
- 8) We have checked mathematical accuracy of the total Client Balances.
- 9) We have converted all Agent Commissions summarized in procedure 5) from EUR and RUB to USD using exchange rate at the date of the transaction when the transaction was made.
- 10) We have converted all Client Balances summarized in procedure 6) from EUR and RUB to USD using exchange rate at 31<sup>st</sup> December 2018.
- 11) We have used European Central Bank official currency exchange rate quotations that had been used for particular currency conversions into US dollars.
- 12) We have identified the amount of the largest Client Balance in the total list of Client Balances.

## Findings


1) Total Number of Active Client Accounts for the Calendar Year of 2018
95 985

2) Total Sum of Agent Commissions for the Calendar Year of 2018
USD 6.44 million

3) Total Client Balances on December 31, 2018
USD 38,66 million

4) Largest Client Balance on December 31, 2018
USD 1.77 million

  
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 Marina Strausa, Director

  
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 Aleksandrs Gromovs, Head of Accounting Department  
 Date: 30 June 2019



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## **Independent Reasonable Assurance Report to E-Global Trade & Finance Group, Inc. on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance**

We were engaged by the board of directors of E-Global Trade & Finance Group, Inc. to report on E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance as at and for the year ended 31 December 2018 as reported on pages 1 to 2 of the accompanying management assertion report. We report in form of an independent reasonable assurance conclusion based on our work performed about whether E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance as at and for the year ended 31 December 2018 is properly prepared, in all material respects, based on the methodology described in the accompanying report.

### **E-Global Trade & Finance Group, Inc.'s Responsibilities**

The management of E-Global Trade & Finance Group, Inc. is responsible for the preparation of the management assertion report on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance that is free from material misstatement in accordance with the management voluntary disclosure requirements and methodology described in therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the management assertion report on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance that is free from material misstatement, whether due to fraud or error. It also includes developing the methodology used in the report, selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance as at and for the year ended 31 December 2018.

The board of directors of E-Global Trade & Finance Group, Inc. is also responsible for preventing and detecting fraud and for identifying and ensuring that E-Global Trade & Finance Group, Inc. complies with laws and regulations applicable to its activities. The board of directors of E-Global Trade & Finance Group, Inc. is responsible for ensuring that E-Global Trade & Finance Group, Inc. and staff involved with the preparation of the management assertion report on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance are properly trained and relevant information systems are properly updated.

### **Our Responsibilities**

Our responsibility is to examine the management assertion report on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance prepared by E-Global Trade & Finance Group, Inc. and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance



Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance as at and for the year ended 31 December 2018 is properly prepared, in all material respects, based on the methodology described in the report.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance whether due to error or fraud.

In making those risk assessments, we have considered internal control relevant to the preparation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of E-Global Trade & Finance Group, Inc.'s internal control over the preparation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance. Our engagement also included: assessing the appropriateness of the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance, the suitability of the criteria used by E-Global Trade & Finance Group, Inc. in preparing the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance in the circumstances of the engagement, evaluating the appropriateness of the methodology used in the preparation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance and the reasonableness of estimates made by E-Global Trade & Finance Group, Inc and evaluating the overall presentation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance. Reasonable assurance is less than absolute assurance.

The procedures amongst others included:

- Obtaining the reports from ten MetaTrader4 trading servers (Classic1, Classic2, Classic3, Cent1, Cent2, Cent3, Cent4, Cent5, ProSTP and PAMM) that list all agent commissions for the period from 1st January 2018 00:00:00 till 31st December 2018 23:59:59;
- Obtaining the reports from ten MetaTrader4 trading servers (Classic1, Classic2, Classic3, Cent1, Cent2, Cent3, Cent4, Cent5, ProSTP and PAMM) that list all active client accounts for the period from 1st January 2018 00:00:00 till 31st December 2018 23:59:59;
- Obtaining the reports from ten MetaTrader4 trading servers (Classic1, Classic2, Classic3, Cent1, Cent2, Cent3, Cent4, Cent5, ProSTP and PAMM) that list all client balances as at 31st December 2018 23:59:59;
- Based on the reports obtained we counted the number of unique active client accounts that performed trade transactions, as per criteria presented in the management report



on pages 1 to 2, during the period from 1st January 2018 00:00:00 till 31st December 2018 23:59:59;

- Based on the reports obtained we summarized transactions, which formed agents' commissions during the period from 1st January 2018 00:00:00 till 31st December 2018 23:59:59;
- Based on the reports obtained we summarized the total client balances as at 31st December 2018 23:59:59;
- We have identified the amount of the largest client balance in the total list of client balances as at 31st December 2018.
- Testing underlying data on active user accounts, agents' commissions, and client balances for existence and accuracy on a sample basis using a combination of controls and substantive approach.

### **Criteria**

The management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance was assessed against the methodology described on pages 1 to 2 of the accompanying management assertion report.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified conclusion.

### **E-Global Trade & Finance Group, Inc.'s Assertion**

Management asserts that total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance is prepared, in all material respects, based on the methodology stated on pages 1 to 2 of the accompanying management assertion report.

### **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance as at and for the year ended 31 December 2018 is properly prepared, in all material respects, based on the methodology described in the report.

### **Restriction of Use of Our Report**

The management assertion report on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance has been assessed against methodology described on pages 1 to 2 of the accompanying management assertion report. These criteria are relevant only to the management of E-Global Trade & Finance Group, Inc.'s for the preparation of management assertion report on the total number of active client accounts, total sum of agents' commissions, total client balances, and the largest client balance and should not be considered suitable for any other party or in any other context.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than E-Global Trade & Finance Group, Inc. for any purpose or in any context. Any party other than E-Global Trade & Finance Group, Inc. who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at



its own risk. We accept or assume no responsibility and deny any liability to any party other than E-Global Trade & Finance Group, Inc. for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

KPMG Baltics AS  
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A handwritten signature in blue ink, appearing to read 'Ondrej Fikrle'.

Ondrej Fikrle  
Partner  
KPMG Baltics AS  
28 June 2019  
Riga, Latvia