

To Our Customers:

We are writing to inform you that, on February 28, 2018, we were the target of a cyber-hacking incident that resulted in the compromise of certain email accounts that contained customer information.

At that time, we believed that only two corporate customers were affected by the breach. Although we have no evidence to date that any individual client's personal information was compromised, in hindsight we could have conducted a more extensive investigation. Hence, as an added precaution, we are currently contacting all our customers as we cannot be certain that personal information of our customers in the affected email accounts was not accessed by the attacker.

What Happened?

On February 28, 2018, Phillip Capital received a phishing email from a third-party vendor. Phillip Capital responded to this phishing email by logging onto what we believed was the vendor's legitimate platform. This enabled the attacker to access a few of our employees' email accounts before we discovered the incident and cut off all unauthorized access.

What information were the hackers targeting?

It appears the goal was to identify corporate clients that frequently made large wire requests and to impersonate such clients to redirect large wires to offshore bank accounts controlled by the attacker.

What Information Was Involved?

Personal information you provided to us was contained in the compromised email accounts, and may have been compromised as a result. This information may have included, but was not necessarily limited to, the following: (i) name; (ii) address; (iii) telephone number; (iv) email address; (v) social security number; (vi) trading account number(s); (vii) banking information; (viii) wire instructions; and (ix) other information that you may have provided through email to or from Phillip Capital.

What We Are Doing.

Phillip Capital has since implemented additional protections and controls to mitigate the risk of future breaches, including strengthening password policies, enhancing business processes, and expanding use of multifactor authentication. We have contacted and cooperated with U.S. and international law enforcement authorities. Phillip Capital is fully committed to providing all our clients with a secure and safe data platform, identifying and enacting proactive improvements as needed.

To help protect your identity, we are offering a **complimentary** 12-month membership of Experian's® IdentityWorksSM. This product provides you with identity detection and resolution of identity theft. To activate your membership and start monitoring your personal information please follow the steps below:

1. Ensure that you **enroll by:** **[enrollment end date]** (Your code will not work after this date.)
2. **Visit** the Experian IdentityWorks website to enroll: **[URL]**

3. Provide your **activation code**: [code]

If you have questions about the product, need assistance with identity restoration or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at [customer service number] by [enrollment end date]. Be prepared to provide engagement number [engagement #] as proof of eligibility for the identity restoration services by Experian.

Additional details regarding your 12-MONTH Experian IdentityWorks Membership:

A credit card is **not** required for enrollment in Experian IdentityWorks.

You can contact Experian **immediately** regarding any fraud issues, and have access to the following features once you enroll in Experian IdentityWorks:

- **Experian credit report at signup:** See what information is associated with your credit file. Daily credit reports are available for online members only.¹
- **Credit Monitoring:** Actively monitors Experian file for indicators of fraud.
- **Identity Restoration:** Identity Restoration agents are immediately available to help you address credit and non-credit related fraud.
- **Experian IdentityWorks ExtendCARE™:** You receive the same high-level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- **Up to \$1 Million Identity Theft Insurance²:** Provides coverage for certain costs and unauthorized electronic fund transfers.

If you believe there was fraudulent use of your information and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent at [customer service number]. If, after discussing your situation with an agent, it is determined that Identity Restoration support is needed, then an Experian Identity Restoration agent is available to work with you to investigate and resolve each incident of fraud that occurred (including, as appropriate, helping you with contacting credit grantors to dispute charges and close accounts; assisting you in placing a freeze on your credit file with the three major credit bureaus; and assisting you with contacting government agencies to help restore your identity to its proper condition).

Please note that this Identity Restoration support is available to you for 12 months from the date of this letter and does not require any action on your part at this time. The Terms and Conditions for this offer are located at www.ExperianIDWorks.com/restoration. You will also find self-help tips and information about identity protection at this site.

What You Can Do.

To protect against possible identity theft or other financial loss, Phillip Capital encourages you to remain vigilant, review your account statements, monitor your credit reports and change your passwords. Consult the attached "**Additional Actions to Help Reduce Your Chances of Identity Theft**" for more information about steps you can take to help protect yourself.

For More Information.

Phillip Capital is committed to maintaining the privacy and security of customer information entrusted to us. We sincerely apologize for any inconvenience this may cause you. Your confidence in our ability to safeguard your personal information and your peace of mind is important to us.

Please contact Phillip Capital at +1 (312) 356-9000 or support@phillipcapital.com should you have any additional questions.

Sincerely,

Lynette Lim
Director & Co-CEO

¹ Offline members will be eligible to call for additional reports quarterly after enrolling.

² Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

ADDITIONAL ACTIONS TO HELP REDUCE YOUR CHANCES OF IDENTITY THEFT

➤ ORDER YOUR FREE ANNUAL CREDIT REPORTS

You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide consumer reporting agencies. To order your annual free credit report, please visit www.annualcreditreport.com or call 1-877-322-8228. Contact information for the three nationwide consumer reporting agencies is as follows:

- **Equifax**, PO Box 740241, Atlanta, GA 30374. www.equifax.com, 1-800-685-1111
- **Experian**, PO Box 2002, Allen, TX 75013. www.experian.com, 1-888-397-3742
- **TransUnion**, PO Box 1000, Chester, PA 19016. www.transunion.com, 1-800-916-8800

Once you receive your credit reports, review them for discrepancies. Identify any accounts you did not open or inquiries from creditors that you did not authorize. Verify all information is correct. If you have questions or notice incorrect information, contact the consumer reporting agency.

➤ USE TOOLS FROM CREDIT PROVIDERS

We recommend you remain vigilant for instances of fraud and identity theft. Carefully review your credit reports and bank, credit card, and other account statements. Be proactive and create alerts on credit cards and bank accounts to notify you of activity. If you discover unauthorized or suspicious activity on your credit report or by any other means, file an identity theft report with your local police and contact a consumer reporting agency.

➤ PLACE A FRAUD ALERT ON YOUR CREDIT FILE

There are two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. An **initial fraud alert** stays on your credit report for one year, while an **extended fraud alert** stays on your credit report for seven years and may be placed on your credit report if you have already been a victim of identity theft and have the appropriate documentary proof.

A fraud alert indicates to anyone requesting your credit file that you suspect you are a victim of fraud or identity theft. When you or someone else attempts to open a credit account in your name, increase the credit limit on an existing account, or obtain a new card on an existing account, the lender should take steps to verify that you have authorized the request. If the creditor cannot verify this, the request should not be satisfied. You can place a fraud alert on your credit report by contacting any one of the three nationwide consumer reporting agencies, who will contact the other two.

➤ CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE

You have a right to place a “security freeze” on your credit report, which is designed to prohibit the release of information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

Security freezes must be placed separately for each of the consumer reporting agencies. To place a security freeze on your credit report, you must send a separate request to **each** of the three nationwide consumer reporting agencies online, by telephone, or by regular, certified, or overnight mail as provided below:

- **Equifax Security Freeze**, P.O. Box 105788, Atlanta, GA 30348
1-800-685-1111 (Automated Security Freeze Line: 1-800-349-9960)
<https://www.equifax.com/personal/credit-report-services/>
- **Experian Security Freeze** P.O. Box 9554, Allen, TX 75013
1-888-397-3742
<https://www.experian.com/freeze/center.html>

- **TransUnion Security Freeze**, P.O. Box 2000, Chester, PA 19016
1-888-909-8872
<https://www.transunion.com/credit-freeze>

In order to request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
2. Social security number;
3. Date of birth;
4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years;
5. Proof of current address, such as a current utility bill or telephone bill;
6. A legible photocopy of a government-issued identification card (state driver's license or ID card, military identification, etc.); and
7. If you are a victim of identity theft, include a copy of the police report, investigative report, or complaint to a law enforcement agency concerning identity theft.

The consumer reporting agencies have one business day if requested by toll-free telephone or secure electronic means, or three business days after receiving your request by mail, to place a security freeze on your credit report. The consumer reporting agencies must also send written confirmation to you within five business days and provide you with a unique personal identification number (PIN) or password, or both that can be used by you to authorize the removal or lifting of the security freeze.

To temporarily lift the security freeze in order to allow a specific entity or individual access to your credit report, or to lift a security freeze for a specified period of time, you must contact the consumer reporting agencies through their websites, via telephone, or by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze as well as the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The consumer reporting agencies have one hour if requested by toll-free telephone or secure electronic means, or three business days after receiving your request by mail, to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must contact each of the three consumer reporting agencies through their websites, by telephone (where permitted), or by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The consumer reporting agencies have one hour if requested by toll-free telephone or secure electronic means, or three business days after receiving your request by mail, to remove the security freeze.

➤ **FAIR CREDIT REPORTING ACT**

You also have rights under the federal Fair Credit Reporting Act, which promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. The FTC has published a list of the primary rights created by the FCRA (<https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf>), and that article refers individuals seeking more information to visit www.ftc.gov/credit. The FTC's list of FCRA rights includes:

- You have the right to receive a copy of your credit report. The copy of your report must contain all the information in your file at the time of your request.
- Each of the nationwide consumer reporting agencies – Equifax, Experian, and TransUnion – is required to provide you with a free copy of your credit report, at your request, once every 12 months.
- You are also entitled to a free report if a company takes adverse action against you, like denying your application for credit, insurance, or employment, and you ask for your report within 60 days of receiving notice of the action. The notice will give you the name, address, and phone number of the consumer reporting agency. You are also entitled to one free report a year if you are unemployed and plan to look for a job within 60 days; if you are on welfare; or if your report is inaccurate because of fraud, including identity theft.
- You have the right to ask for a credit score.
- You have the right to dispute incomplete or inaccurate information.
- Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.
- Consumer reporting agencies may not report outdated negative information.
- Access to your file is limited. You must give your consent for reports to be provided to employers.
- You may limit "prescreened" offers of credit and insurance you receive based on information in your credit report.
- You may seek damages from violators.
- Identity theft victims and active duty military personnel have additional rights.

➤ **REPORTING IDENTITY THEFT AND OBTAINING MORE INFORMATION ABOUT WAYS TO PROTECT YOURSELF**

Federal Trade Commission and State Attorneys General. If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should promptly contact the Federal Trade Commission and/or the Office of the Attorney General in your state. You can obtain information from these sources about steps you can take to identify and protect yourself against identity theft as well as information about fraud alerts and security freezes. The FTC may be reached at:

- **Federal Trade Commission**, Consumer Response Center, 600 Pennsylvania Avenue NW, Washington, DC 20580.
www.ftc.gov/idtheft, www.identitytheft.gov, ID Theft hotline: 1-877-IDTHEFT (438-4338)

Police Reports. If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should also contact your local law enforcement authorities and file a police report, and should consider obtaining a copy of the police report in case you are asked to provide copies to creditors to correct your records.

Internal Revenue Service. The Internal Revenue Service (IRS) provides identity theft-related resources at <https://www.irs.gov/identity-theft-fraud-scams/identity-protection>. To reduce the risk of tax-related fraud, you may contact: the **IRS Identity Protection Specialized Unit** at 1-800-908-4490 (Mon-Fri 7 am – 7 pm local time). You may also want to contact your state tax authority and tax advisors to notify them of the potential for identity theft and to protect against the possibility of a fraudulent tax return.

➤ RESIDENTS OF MARYLAND

Maryland residents can obtain information from the Maryland Attorney General about steps they can take to avoid identity theft at:

Maryland Office of the Attorney General

Identity Theft Unit

200 St. Paul Place, 25th Floor

Baltimore, MD 21202

1-888-743-0023 (toll-free in Maryland)

1-410-576-6491 (Identity Theft Unit direct line)

idtheft@oag.state.md.us

<http://www.marylandattorneygeneral.gov/Pages/IdentityTheft/default.aspx>

➤ RESIDENTS OF NEW MEXICO

You have rights under the federal Fair Credit Reporting Act (FCRA). These include, among others, the right to know what is in your files at consumer reporting agencies; to dispute incomplete or inaccurate information in your files at consumer reporting agencies; and to have consumer reporting agencies correct or delete inaccurate, incomplete, or unverifiable information in your credit file. For more information about the FCRA, please visit <https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf> or the FTC website at www.ftc.gov.

In addition, New Mexico Consumers Have the Right to Obtain a Security Freeze or Submit a Declaration of Removal.

You may obtain a security freeze on your credit report to protect your privacy and ensure that credit is not granted in your name without your knowledge. You may submit a declaration of removal to remove information placed in your credit report as a result of being a victim of identity theft. You have a right to place a security freeze on your credit report or submit a declaration of removal pursuant to the Fair Credit Reporting and Identity Security Act.

The security freeze will prohibit a consumer reporting agency from releasing any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. When you place a security freeze on your credit report, you will be provided with a personal identification number, password, or similar device to use if you choose to remove the freeze on your credit report or to temporarily authorize the release of your credit report to a specific party or parties or for a specific period of time after the freeze is in place. To remove the freeze or to provide authorization for the temporary release of your credit report, you must contact the consumer reporting agency and provide all of the following:

1. the unique personal identification number, password, or similar device provided by the consumer reporting agency;
2. proper identification to verify your identity;
3. information regarding the third party or parties who are to receive the credit report or the period of time for which the credit report may be released to users of the credit report; and
4. payment of a fee, if applicable.

A consumer reporting agency that receives a request from a consumer to lift temporarily a freeze on a credit report shall comply with the request no later than three business days after receiving the request. As of September 1, 2008, a consumer reporting agency shall comply with the request within fifteen minutes of receiving the request by a secure electronic method or by telephone.

A security freeze does not apply in all circumstances, such as where you have an existing account relationship and a copy of your credit report is requested by your existing creditor or its agents for certain types of account review, collection, fraud control, or similar activities; for use in setting or adjusting an insurance rate or claim or insurance underwriting; for certain governmental purposes; and for purposes of prescreening as defined in the federal Fair Credit Reporting Act.

If you are actively seeking a new credit, loan, utility, telephone, or insurance account, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around or specifically for a certain creditor, with enough advance notice before you apply for new credit for the lifting to take effect. You should contact a consumer reporting agency and request it to lift the freeze at least three business days before applying. As of September 1, 2008, if you contact a consumer reporting agency by a secure electronic method or by telephone, the consumer reporting agency should lift the freeze within fifteen minutes. You have a right to bring a civil action against a consumer reporting agency that violates your rights under the Fair Credit Reporting and Identity Security Act.

➤ **RESIDENTS OF NORTH CAROLINA**

North Carolina residents can obtain information from the North Carolina Attorney General about steps they can take to avoid identity theft at:

North Carolina Office of the Attorney General

9001 Mail Service Center

Raleigh, NC 27699

1-877-566-7226 (toll-free in North Carolina)

1-919-716-6400 (for calls outside of North Carolina)

<https://www.ncdoj.gov/Protect-Yourself/2-4-3-Protect-Your-Identity.aspx>