

FIDELISCO CAPITAL MARKETS LTD

Risk Warnings Notice

Fidelisco Capital Markets Ltd (“**Fidelisco**”) is an investment firm regulated by the Cyprus Securities and Exchange Commission under license no. 181/12. The Risk Disclosure and Warnings Notice (“**the Notice**”) is issued under Law 144(I)/2007 (The Cyprus Investment Services and Activities and Regulated Markets Law of 2007), and the European Parliament Markets in Financial Instrument Directive (“**MiFID**”).

1. Risk Warning

- 1.1. This Notice is directed towards all prospective Clients, and should be read carefully by all interested parties towards which it is directed. It should be noted that the Notice alone cannot and does not, contain nor explain all of the risks and practices involved when a Client is dealing in Financial Instruments and/or Contracts for Difference (“CFDs”). The purpose of this Notice is to explain fairly, clearly and in general terms, the nature of the risks involved when dealing in Financial Instruments.
- 1.2. The Client must only engage, directly or indirectly in investments in Financial Instruments when the Client knows and understands the risks involved in each one of the Financial Instruments. Fidelisco shall not, at any given time during investment or otherwise, be providing the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments. Further, Fidelisco will not, at any given time during investment or otherwise, be making investment recommendations of any kind to the Client.
- 1.3. It is the Client's responsibility, taking into account his personal circumstances and financial resources, to take particular care and make careful considerations independently, both prior to applying for a trading account with Fidelisco, and prior to making any individual order. Where the Client does not understand the risks involved in applying for a trading account with Fidelisco or in making any individual order, the Client should seek advice and consultation from an independent Financial Advisor. If the Client continues to not understand the risks involved in trading in any Financial Instruments, the Client should not trade at all.
- 1.4. The Client must acknowledge that the purchase and/or sale of any Financial Instrument poses a great risk of incurring losses and damages, and the Client must accept that he is willing to undertake this risk.

2. General Risks

- 2.1. Fidelisco makes known and warns the Client of the following, non-exhaustive list of risks:

- a. The Initial Capital of the Client's portfolio and/or its value and or any money invested by the Client in any Financial Instrument cannot be, and are not guaranteed by Fidelisco.
- b. The Client accepts that, the value of any investment in Financial Instruments may fluctuate downwards or upwards and also accepts the probability that any investment may, at any given time become of no value in spite of any information (to the contrary or otherwise) which may be offered by Fidelisco at any time.
- c. The Client acknowledges that information known of a Financial Instrument's previous performance does not in any way guarantee its current and/or future performance. Using historical data does not amount to a binding or safe forecast with regards to the current and/or future performance of the Financial Instruments to which the said information refers.
- d. Fidelisco advises the Client that any transactions that may take place via the Company's dealing services may be of a speculative nature. The Client is advised that large losses may occur in a short period of time.
- e. The Client acknowledges that there are cases whereby Financial Instruments may not become immediately liquid (for example, as a result of reduced demand). The client further acknowledges that in these cases the Client may not be in a position neither to sell the said Financial Instruments nor easily obtain information on their value and/or the extent of their associated risks.
- f. Where Financial Instruments are traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on the Financial Instruments' value, price and performance.
- g. Fidelisco hereby advises the Client that Financial Instruments traded on foreign markets may entail risks that are different and/or greater than the usual risks of the Client's country of residence market. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- h. The Client is acknowledges that Derivative Financial Instruments (such as options, futures, forwards, swaps, CFDs, NDFs) may be non-delivery spot transactions which may give rise to an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called by their respective underlying instruments. Fidelisco advises the Client that the value of the Derivative Financial Instrument may be directly affected by the price of the relevant underlying instrument.

- i. The Client is hereby advised not to purchase a Derivative Financial Instrument unless the Client is willing to undertake the risk of losing the investment he has made entirely, as well as any additional commissions and other expenses incurred.
- j. The Client acknowledges that a prospective insolvency of Fidelisco and/or of a Bank and/or of a Broker used by Fidelisco may result in the Client's positions being closed out against his wishes.
- k. The Client is advised that the execution of an order may be difficult or impossible under certain market conditions. Further, Fidelisco advises the Client that Fidelisco could be dealing through Banks and Brokers that may have interests contrary to the Client's interests.
- l. The Client acknowledges that, in the course of trading, there are currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times. The Client's attention is expressly drawn to these currencies and he is warned that it may be difficult to effect transactions at a price which may be quoted, due to the absence of a counter party.
- m. The Client is advised that the risks associated with currency trading are not eliminated by trading on-line, regardless of the convenience or efficiency this mode of trading may provide.
- n. The Client's attention is expressly drawn to movements that occur after the release of significant macroeconomic figures, economic or political news which may take place at weekend, at the beginning of a week, during the course of a business day or at any other time, that may make currency markets to open at price levels which are substantially different from prices previously quoted. The Client is advised that the abovementioned movements poses significant risk that there may be orders issued to protect open positions and/or new positions which may be executed at prices which significantly differ from those designated.
- o. The Client is advised that changes in his personal circumstances, changes in legislation, and any other factor may pose a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty. Fidelisco cannot and does not warrant that the Client will not incur tax and/or any other duty. The Client is advised that any taxes and/or any other duty which may accrue in respect of his trades are the Client's own responsibility.
- p. Fidelisco strongly advises the Client to obtain details of all commissions and other charges for which the Client will be liable prior to the Client beginning to trade. In the event of charges that are not expressed in money terms (e.g. expressed as a dealing spread), the Client must ask for a written explanation,

including appropriate examples, in order to ensure that he is fully informed of what such charges are likely to mean in specific money terms.

- q. In accordance with current regulations, Fidelisco may be required to hold the Client's money in an account that is segregated from other Clients as well as from the Company's own accounts. The Client is expressly warned that this may not afford complete protection to the Client.

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