



## **RISK DISCLAIMER STATEMENT**

### **Trading Is Very Speculative and Risky**

Trading CFDs and FX Contracts is highly speculative, involves a significant risk of loss and is not suitable for all investors but only for those customers who:

- (a) understand and are willing to assume the economic, legal and other risks involved;
- (b) are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
- (c) are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

Neither CFDs nor FX Contracts are appropriate investments for retirement funds. CFD and FX transactions are among the riskiest types of investments and can result in large losses. Customer represents, warrants and agrees that Customer understands these risks, is willing and able, financially and otherwise, to assume the risks of trading CFDs and FX Contracts and that the loss of Customer's entire account balance will not change Customer's lifestyle.

### **Risks Related to Long CFD positions, i.e. for Purchasers of CFDs**

Being long in CFD means you are buying the CFDs on the market by speculating that the market price of the underlying will rise between the time of the purchase and sale. As owner of a long position, you will generally make a profit if the market price of the underlying rises whilst your CFD long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your CFD long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

### **Risks Related to short CFD positions, i.e. for sellers of CFDs**

Being short in CFD means you are selling the CFDs on the market by speculating that the market price of the underlying will fall between the time of the purchase and sale. As owner of a short position, you will generally make a profit if the market price of the underlying falls whilst your CFD short position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your CFD short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

### **High Leverage And Low Margin Can Lead To Quick Losses**

The high degree of "gearing" or "leverage" is a particular feature of both CFDs and FX Contracts. The effect of leverage makes investing in CFDs riskier than investing in the underlying asset. This stems from the margining system applicable to CFDs which generally involves a small deposit relative to the size of the transaction, so that a relatively small price



movement in the underlying asset can have a disproportionately dramatic effect on your trade. This can be both advantageous and disadvantageous. A small price movement in your favour can provide a high return on the deposit, however, a small price movement against you may result in significant losses. Your losses will never exceed the balance of your account, which is balanced to zero, if the losses are higher than the amount deposited. Such losses can occur quickly. The greater the leverage, the greater the risk. The size of leverage therefore partly determines the result of the investment.

### **Margin Requirements**

Customer must maintain the minimum margin requirement on their open positions at all times. It is Customer's responsibility to monitor his/her account balance. Customer may receive a margin call to deposit additional cash if the margin in the account concerned is too low. Your broker has the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained and this may result in Customer's CFDs or FX Contracts being closed at a loss..

### **Spread**

The difference between the bid price and the ask price is "The Spread". The Spreads are set in our absolute discretion, since brokers are acting as market maker, and any changes are effective immediately. Information in relation to The Spread, leverage, rollover fees and trading hours for each market is stated in CFD Trading Conditions and FX Trading Conditions pages on the respective brokers website.

### **Cash Settlement**

Customer understands that CFD and FX Contracts can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

### **OTC Transactions**

When trading CFDs or FX Contracts with a broker, such transactions will not be executed on a recognized or designated investment exchange and are known as OTC transactions. All positions entered into with the broker must be closed with the broker and cannot be closed with any other entity. OTC transactions may involve greater risk than investing in on-exchange contracts because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and ask prices may not be quoted, based on best execution policies applicable in the market. There is no central clearing and no guarantee by any other party, thus Customer is exposed to credit risk.

Prices for a given market are calculated by reference to the price of the relevant underlying asset which the broker obtains from third party external reference sources or exchanges. For CFD and FX Contracts, the broker obtains price data from wholesale market participants.



### **Rights to Underlying Assets**

You have no rights or obligations in respect of the underlying instruments or assets relating to your CFDs or FX Contracts. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities.

### **Currency Risk**

Investing in FX Contracts and CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD or FX Contract is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

### **Recommendations Are Not Guaranteed**

The generic market recommendations provided by AeGis Technology Holdings are based solely on the judgment of AeGis Technology Holdings personnel and should be considered as such. Customer acknowledges that Customer enters into any Transactions relying on Customer's own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of AeGis Technology Holdings and/or its affiliates. The generic market recommendations of AeGis Technology Holdings are based upon information believed to be reliable, but AeGis Technology Holdings cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will reduce or eliminate the risk inherent in trading CFDs and/or FX Contracts.

### **No Guarantees Of Profit**

There are no guarantees of profit nor of avoiding losses when trading CFDs and FX Contracts. Customer has received no such guarantees from AeGis Technology Holdings or from any of its representatives. Customer is aware of the risks inherent in trading CFDs and FX Contracts and is financially able to bear such risks and withstand any losses incurred.

### **Internet Trading**

When Customer trades online (via the internet), AeGis Technology Holdings shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction, disruption or failure of any transmission, communication system, computer facility or trading software, whether belonging to RICHTEAM Incorporated, or one of its recommended brokers. Customer, any exchange or any settlement or clearing system.

### **Quoting Errors**

Should a quoting error occur (including responses to Customer requests), AeGis Technology Holdings is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account.