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RISK DISCLOSURE STATEMENT

PART A: RISK WARNING

The Risk warning disclosure statement sets out the risk associated with the dealing in OTC Derivatives ("CFDs and Spot Forex") and other Futures and Options products while dealing with the CFI Financial Markets L.L.C (the "CFI Financial"; the "Firm").

CFI Financial is domiciled in the mainland under the Dubai Economic Department jurisdiction regulated by the Securities Commodities Authority ('SCA'). The SCA has granted the Category 1 license to carry out (a) Trading broker in the international markets; and (b) Trading broker of OTC derivatives and currencies in the Forex Spot Market. This notice is provided to you in compliance with the SCA requirements because you are proposing to undertake dealings in financial instruments in the form of OTC derivatives and other commodities products with a Firm which is carrying on dealing in investment activities related to this. This notice cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in such products.

CFI Financial does not (will not) provide you with investment advice relating to investments or possible transactions in investments or from making investment recommendations of any kind. We can give you factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimised. Further, before deciding to participate in the spot Forex market, you should carefully consider your investment objectives, level of experience and risk appetite.

OTC derivatives are complex instruments and come with a high risk of losing money rapidly due to leverage. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which the trade is based. For many members of the public, these Transactions are not appropriate. You should, therefore, consider carefully whether they are appropriate for you considering your knowledge/experience, financial resources and investment objectives. **In considering whether to engage in this form of investing, you should be aware of the following:**

- The high degree of "gearing" or "leverage" (i.e., the funds required at the outset, compared with the size of the trade you can place) is a particular feature of this type of Transaction. Therefore, a relatively small movement in the underlying market can have a disproportionate effect on your Transaction.
- If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of your entire deposit.

CFD/ Spot Forex trading is a leveraged product and carries a high degree of risk. You should not engage in CFD or spot forex trading unless you understand the nature of CFD and/or spot forex trading, how they work, how you make a profit or a loss and the extent of your exposure to risk and loss. Note in particular that your losses can be unlimited and no deposit or other amount you have paid (such as Initial Margin (we also call this Margin) or Variation Margin) will limit your losses. You should be satisfied that CFD and spot forex trading is suitable for you in the light of your circumstances and financial position. You may lose all your invested capital and initial investment. Only speculate what you can afford to lose. Please refer to the detailed risk warnings.

You may be called upon to deposit a substantial additional margin, at short notice, to maintain your position. If you do not provide such additional funds within the time required, your position may be closed at a loss, and you will be liable for any resulting deficit.

Part B contains the detailed risk disclosure statement that the clients should read and understand prior to signing this Risk Disclosure statement.

If you are in any doubt, seek professional advice.

The purpose of an OTC derivatives and/or trading in commodities products is to secure a profit or avoid a loss by reference to fluctuations in the price of underlying property or an index (the "Underlying Market"). In the context of our activities, the Underlying Market may be a single security, a basket of securities, an exchange rate between two currencies, a treasury product, a bullion, a commodity or such other investment as we may from time to time agree in writing. It is an express term of each CFD or Spot Forex Transaction that neither you nor us:

- acquire any interest in or right to acquire or is obliged to sell, purchase, hold, deliver or receive the Underlying Market; and
- that the rights and obligations of each party under the CFD or Spot Forex Transaction are principally to make and receive such related payments.

Transactions with CFI Financial in OTC derivatives are not transacted on a recognised or designated investment exchange and, accordingly, they may expose you to greater risks than exchange transactions. The Transactions structure and rules will be established solely by CFI Financial in accordance with SCA regulations. For example, if you wish to close the position earlier than the time at which it would otherwise automatically expire, you will have to close it at CFI Market's quotation which may reflect a premium or discount to the Underlying Market. When the Underlying Market is closed, CFI Market's quotation can be influenced by the weight of other client's buying or selling with CFI Financial. You will have to close any position with the same provider with whom it was originally entered.

Transactions with CFI Financial in products that are listed on the recognized exchanges are also subject to risk associated like the market volatility and other factors associated with it. Therefore, the clients must make prudent judgment while trading in the products that are offered by CFI Financial.

Where entering into such Transactions, CFI Financial will do so under a two-way client agreement i.e., CFI Financial Terms and Conditions and documents incorporated by reference therein in accordance with the SCA applicable regulations and rules unless exempted from doing so. You should satisfy yourself that dealing is conducted throughout in strict conformity with that client agreement. Asset out in the client agreement CFI Financial will automatically add a 'stop loss' to positions in respect of certain Transactions (unless agreed otherwise). All market prices quoted by CFI Financial include CFI Market's spread.

Slippage occurs when a stop loss does not get filled at the exact order price, but slips to a higher or lower price. This may be because the Underlying Market has become unusually volatile for a period of time. Where this happens a Stop Loss may not be effective, and the Position will be closed at the current CFI Financial Quote.

A gap is when the Market jumps overnight, resulting in your stop loss being missed and your trade closed at a much higher or lower price than intended. Accordingly, where you have an open Position in a volatile market environment you must understand the potential impact of these events.

Foreign markets will involve different risks from UK and European markets. In some cases, risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency denominated markets will be affected by fluctuations in foreign exchange rates, and also, potentially, time differences.

Under certain trading conditions it may be difficult or impossible to liquidate a Position. This may occur, for example at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading is restricted or suspended.

No credit is extended to you. Neither a Variation Margin credit allocation, nor an Initial Margin credit allocation constitute a credit facility. CFI Financial may maintain our financial stability by hedging against large trades or significant accumulations of trades.



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CFI Financial is required to hold your money in segregated accounts in accordance with the applicable regulations of SCA, but this may not afford complete protection. Your business with CFI Financial may be covered by the indemnity insurance covered by CFI Financial. Client money will be deposited into a client money bank account opened at an approved bank.

In the event that CFI Financial were to become insolvent all client money held in the third-party bank account would be protected. In the event that the third-party bank was to become insolvent you may be entitled to compensation from the Indemnity Insurance cover if the third-party bank were unable to meet their obligations. This depends on the type of business you undertake, your status, and the circumstances of the claim.

CFI FINANCIAL WILL IMPLEMENT APPROPRIATE SYSTEMS AND CONTROLS FOR THE SAFEGUARDING AND SEGREGATION OF CLIENT ASSETS ARE IN PLACE TO PROTECT THE CLIENTS' MONIES. CFI FINANCIAL SHALL FOLLOW THE BELOW PROCESS AND WILL ENSURE THAT:

- a) all client accounts are titled "Client Account:
- b) adequate, prior assessment of the suitability of the bank at which the firm holds its client account(s), including assessing whether bank will "provide protections equivalent to the protections conferred by clients money segregation rules.
- c) a written acknowledgement from the bank at which the firm CFI Financial shall hold its client account(s) stating that all money standing to the credit of the account is held by the firm and that the bank is not entitled to combine the account with any other account or to exercise any charge, mortgage, lien, right of set-off or counterclaim against money in that account in respect of any sum owed to it on any other account of the firm.
- d) appropriate and good record keeping shall be followed in respect of reconciliations to validate those reconciliations have been properly undertaken.
- e) the reconciliation is carried within 10 days of the end of the month of clients' money in the bank account. Further, it will ensure such reconciliation reports are ready not later than 25 days of the end of the month of clients' money.
- f) ongoing suitability of the bank at which CFI Financial shall hold its client account(s). This would typically involve a periodic review of the ongoing suitability of the bank and recording of the CFI Market's basis for considering the bank to remain suitable to hold client money.
- g) In the event any discrepancies are observed, CFI Financial make good any shortfall in the client money account whilst any discrepancies are being resolved.

If you have reason to believe that CFI Financial is not acting in accordance with representations that it has made to you, the terms of your client agreement or the rules of the SCA, you should report it to the Securities Commodities Authority at the Abudhabi Office.

CLIENT ACKNOWLEDGMENT

I _____ [Client name] hereby acknowledge that I have received, read and understood the risk associated with trading on OTC derivative products and other products that are offered by CFI Financial Markets under the SCA regulatory regime.



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RISK DISCLOSURE STATEMENT

PART B: DETAILED RISK DISCLOSURE STATEMENT

THIS STATEMENT SETS OUT THE RISKS IN TRADING CERTAIN PRODUCTS BETWEEN CFI FINANCIAL MARKETS LLC (CFI FINANCIAL; THE FIRM”) AND THE CLIENT:

The client should note that other risks will apply when trading in emerging market and risky products. The client must assess the suitability of its investment, in particular in light of its skills, objectives and financial resources.

OTC derivatives are complex instruments and come with a high risk of losing money rapidly due to leverage. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which the trade is based.

1. UNDERSTANDING THE RISK OF DERIVATIVE PRODUCTS

1.1. The client acknowledges that they should not deal in derivative products unless they understand the nature of the product they are entering into, the extent of their exposure to risk and is satisfied that the contract is suitable for them in light of their circumstances and financial position.

1.2. Although futures and options can be utilised for the management of investment risk, different products involve different levels of exposure to risk, therefore some of these products are unsuitable for many investors. Derivative products will not always act in the same way as more traditional products. Relationships with CFI Financial may differ depending on the product and style of the transaction and clearing houses may not always owe the client a direct commitment.

1.3. The product information contained in this Risk Disclosure Statement is not necessarily a comprehensive description of all aspects of the products. Additionally, specific products may be tailored for a particular client or market and may differ in detail from the outline set forth herein. The terms of particular transactions will prevail over the product descriptions and information given in this Risk Disclosure Statement.

2. FUTURES

2.1. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash.

2.2. The risk of loss in trading futures contracts can be substantial. The client should, therefore, carefully consider whether such trading is suitable for it in light of its circumstances and financial resources. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit its losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.

2.3. Under certain market conditions, the client may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit (“limit move”).

2.4. The “gearing” or “leverage” often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of the client’s investment, and this can work for and against the client.

2.5. Futures transactions have a contingent liability, and the client should be aware of the implications of this, in particular

the margining requirements. The client may sustain a total loss of the funds that it deposits with CFI Financial to establish or maintain a position in the futures market, and the client may incur losses beyond these amounts. If the market moves against the client's position, the client may be called upon by CFI Financial to deposit a substantial amount of additional margin funds, on short notice, to maintain the client's position. If the client does not provide the required funds within the time required by CFI Financial, the client's position may be liquidated at a loss, and the client will be liable for any resulting deficit in its account.

2.6. The client should consult CFI Financial concerning the nature of the protections available to safeguard funds or property deposited in the client's account.

3. OPTIONS

3.1 There are many different types of options with different characteristics subject to the following conditions.

3.1.1 BUYING OPTIONS: Buying options involves less risk than selling options because, if the price of the underlying asset moves against the client, the client can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the client buys a call option on a futures contract and later exercises the option, it will acquire the future. This will expose the client to the risks described under "futures" and "contingent liability investment transactions".

3.1.2 WRITING OPTIONS: If the client writes an option, the risk involved is considerably greater than buying options. The client may be liable for margin to maintain its position and a loss may be sustained well in excess of the premium received. By writing an option, the client accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against it however far the market price has moved away from the exercise price. If the client already owns the underlying asset which it has contracted to sell (when the options will be known as "covered call options") the risk is reduced. If the client does not own the underlying asset ("uncovered call options") the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

3.2 Certain options markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the client may subsequently be called upon to pay a margin on the option up to the level of its premium. If the client fails to do so as required, its position may be closed or liquidated in the same way as a futures position.

4 CONTRACTS FOR DIFFERENCES (CFD)

4.1 CFDs are agreements to exchange the difference in value of a particular instrument or currency between opening time of the agreement and closing time. CFDs allow the Company's Clients to replicate the economic effect of trading in particular currencies or other instruments without requiring actual ownership of those assets. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option. Transactions in contracts for differences may also have a contingent liability and the client should be aware of the implications of this.

5 SHARES

5.1 A share is a right which a member of a company has to a certain proportion of the capital. The price of a share can go up and down, and the client may therefore lose his/her capital. However, most companies are limited by shares so that the client can limit its liability to the amount paid for (or owing on) the shares, should the company become insolvent.



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The performance of a share may be influenced by a number of risk factors which are outside the control of the company in question. Such factors may include the financial performance and prospects for the industry in which the company operates, and financial and stock market conditions – particularly where the company is listed.

5.2 There is an extra risk of losing money when shares are bought in some smaller companies, including penny shares. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, the client may get back much less than he/she paid for them. The price may change quickly, and it may go down as well as up.

5.3 When trading on shares, the client is deemed to be fully aware of the settlement rules and bear the entire responsibility in case of default to deliver the shares on the due settlement date ("buy-in procedure"). On request, CFI Financial can provide explanations of the relevant risks.

6 FOREIGN MARKETS

6.1 Foreign markets (meaning exchanges not being UK or a EU based) will involve different risks from the EU markets. In some cases, the risks will be greater. On request, CFI Financial will provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates. Such transactions may also be affected by exchange controls that could prevent or delay performance.

7 CONTINGENT LIABILITY TRANSACTIONS

7.1 Contingent liability transactions, require the client to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

7.2 If the client trades in futures, contracts for differences or sells options it may sustain a total loss of the margin it deposits with CFI Financial to establish or maintain a position. If the market moves against the client, the client may be called upon to pay substantial additional margin at short notice to maintain the position. If the client fails to do so within the time required, its position may be liquidated at a loss and the client will be responsible for the resulting deficit.

7.3 Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the client entered the contract.

8 WARRANTS

8.1 A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavorable or favorable, in the price of the warrant. The prices of warrants can therefore be volatile.

8.2 The right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the pre- determined timescale then the investment becomes worthless.

8.3 The client should not buy a warrant unless it is prepared to sustain a total loss of the money it has invested plus any commission or other transaction charges.

8.4 Transactions in off-market warrants may involve greater risk than dealing in market traded warrants because there is

no access to a market through which to liquidate the client's position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

9 SECURITIES DERIVATIVES

9.1 These instruments may give the client a right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment, or they may give the client rights under a contract for differences which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument".

9.2 These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavorable or favorable, in the price of the instrument. The price of these instruments can therefore be volatile.

9.3 These instruments have a limited life and may (unless there is some form of guaranteed return of the amount the client is investing in the product) expire worthless if the underlying instrument does not perform as expected.

9.4 The client should only buy this product if it is prepared to sustain a total or substantial loss of the money it has invested plus any commission or other transaction charges.

9.5 The client should consider carefully whether or not this product is suitable for it in light of his/her circumstances and financial position, and if in any doubt should seek professional advice.

10 GENERAL INFORMATION

10.1 Exchange-traded futures and options are not subject to a prospectus.

10.2 Exchange-traded futures and options may give rise to liabilities for the investor, calculated in accordance with market or clearing house rules.

10.3 CFI Financial may not deal directly in the relevant market but may act through one or more brokers or intermediaries. In such cases, the client's positions may be affected by the performance of those third parties in addition to the performance of CFI Financial. In addition, settlement of such transactions may not be affected via the market itself but may be affected on CFI Financial's books or of a broker or intermediary if such transactions can be crossed with equal but opposite orders of another participant transacting through the same firm, broker or intermediary. The client's rights in such circumstances differ from those it would enjoy if its transaction was affected in the market.

10.4 The price and liquidity of any investment depends upon the availability and value of the underlying asset, which can be affected by a number of extrinsic factors including, but not limited to, political, environmental and technical. Such factors can also affect the ability to settle or perform on time or at all.

10.5 Any payments made or received in relation to any investment may be subject to tax and the client should seek professional advice in this respect.

10.6 Where the client is unable to transfer a particular instrument which it holds, to exit its commitment under that instrument, the client may have to offset its position by either buying back a short position or selling a long position. Such an offsetting transaction may have to be over the counter and the terms of such a contract may not match entirely those of



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the initial instrument. For example, the price of such a contract may be more or less than the client received or paid for the sale or purchase of the initial instrument.

10.7 Further specific information about trading can be found on each Exchange website.

11 SUSPENSIONS OF TRADING

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant market trading is suspended or restricted or if the systems of the relevant market cannot function for any reason. Placing a stop-loss order will not necessarily limit the client's losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

12 CLEARING HOUSE PROTECTIONS

On many markets, the performance of a transaction by CFI Financial (or third party with whom CFI Financial is dealing on the client's behalf) is "guaranteed" by the market or clearing house as central counterparty. However, this guarantee is unlikely in most circumstances to cover the client and may not protect the client if CFI Financial or another party defaults on its obligations to the client. Not all markets act in the same way.

13 INSOLVENCY

CFI Financial's insolvency or default, or that of any other brokers involved with the client's transaction, may lead to positions being liquidated or closed out without the client's consent. In certain circumstances, the client may not get back the actual assets which it lodged as collateral and the client may have to accept any available payments in cash. On request, CFI Financial must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with the client's transactions.

14 REGULATORY COMPLIANCE

CFI financial will adhere to all relevant regulatory requirements related to risk disclosure, client protection, and best practices in the financial industry. This includes staying updated on regulatory changes and promptly implementing necessary adjustments to policies and procedures.

CFI financial will communicate any changes to its policies, procedures, or terms and conditions that may affect the risk profile or rights of the clients and will utilize all available communication channels. Clients are encouraged to periodically check for updates.

November, 2023