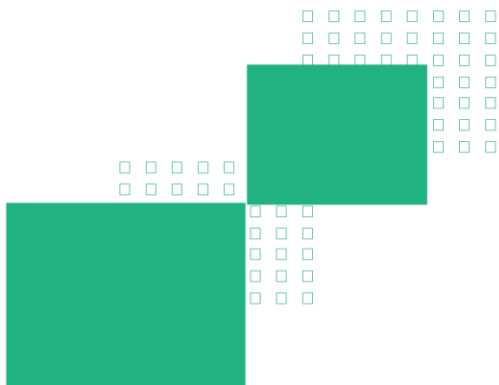




# Risk Disclosure



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## 1. Introduction

- 1.1. **Plexy Trade Limited** (hereinafter referred to as the “**Company**”, “**PlexyTrade**”, “**us**”, “**we**”, “**our**”), is a registered financial services company, incorporated within Saint Lucia, Top Floor, Rodney Court Building, Rodney Bay Gros Islet, with Registration No 2023-00662. The Company is operating under the name “**PlexyTrade**”.
- 1.2. The objects of the Company are the following activities, including – but not limited to – all commercial, financial, lending, borrowing, trading, service and the participation in other enterprises as well as the provision of brokerage, training and managed account services in currencies, commodities, indices, metals, CFDs, cryptocurrencies and other leveraged financial instruments.

## 2. Risk Warnings

- 2.1. The Client should not engage in any investment directly or indirectly in Financial Instruments unless he/she fully acknowledges and understands the risks involved for each of the Company’s Financial Instruments/services. Before applying for an account, the Client should deliberate whether investing in a specific Financial Instrument is suitable for him/her, taking into consideration his/her financial status, goals, experience, and his/her trading know-how. It is noted that the Risk disclosure cannot and does not disclose, explore or explain all the risks and other significant aspects involved in dealing in Financial Instruments and investment services.

2.2. The Client must ensure that any decision to engage in trading must be made on an informed basis. If the Client does not understand the risks involved in each Financial instrument, he/she should seek advice and consultation from an independent financial advisor. Following the consultation, if the Client still does not understand the risks involved in trading in any Financial Instruments, he/she should refrain from trading.

2.3. The Company does not provide clients with any investment advice or recommendations, including but not limited to investment, financial, legal, tax, regulatory or other advice relating to trading.

### **3. General Risks and Acknowledgements**

3.1. The Risk disclosure was designed to explain in general terms the nature of the risks involved when trading Financial Instruments on a fair and non-misleading basis. The Client is warned of the following risks, including but not limited to:

- a. The Company does not and cannot guarantee that the deposits in a Client Account will not be lost as a result of the Client's transactions.
- b. The Client should understand that the value of any investment in Financial Instruments may both increase and decrease, and it is even possible that the investment may become of no value.
- c. The Client should acknowledge that he/she runs a great risk of incurring losses and damages because of the purchase and/or the sale of any Financial Instrument and accepts that he/she is willing to undertake this risk.

- d. Information on the previous performance of a Financial Instrument does not guarantee its current and/or any future performance. The use of historical records does not bind or serve as a forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- e. The Client is hereby advised that the transactions undertaken through the dealing services of the Company may be speculative.
- f. The Client is hereby advised that large losses may occur in a short time period and may be equal to the total of funds deposited with the Company.
- g. Some Financial Instruments may not become immediately liquid as a result of reduced demand, for instance. The Client may not be able to sell them or easily obtain information on their value or the extent of the associated risks.
- h. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may negatively affect its value, price, and performance.
- i. A Financial Instrument on foreign markets may entail risks different from the usual risks of the markets in the Client's country of residence. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- j. A Derivative Financial Instrument (i.e., future, forward, swap, contract for difference) may be a non-delivery spot transaction giving an opportunity

to make a profit on changes in currency rates, commodity, stock market indices, or share prices called the underlying instrument.

- k. The value of the Derivative Financial Instrument may be affected directly by the price of the security or any other underlying asset which is the object of the acquisition.
- l. The Client must not purchase a Derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he/she has invested, including any additional commissions and other expenses incurred.
- m. Under certain market conditions (including, inter alia, force majeure event, technical failure, communications network failure, poor or no liquidity, market news or announcements etc.), the execution of an order may be difficult or impossible.
- n. Placing Stop-Loss Orders serves to limit your losses. However, under certain market conditions, the execution of a Stop-Loss Order may be worse than its stipulated price and the realised losses can be larger than expected.
- o. Should the Equity of the Client be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so within the time required may result in the liquidation of positions at a loss, and he will be liable for any resulting deficit.

- p. The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counterparty.
- q. Trading online does not reduce risks associated with currency trading.
- r. The Client should assume responsibility for any taxes and/or any other duty which may accrue in respect of his/her trades, which may be or become subject to tax and/or any other duty, for example, because of changes in legislation or his/her personal circumstances.
- s. Before the Client begins to trade, he should obtain details of all commissions and other charges for which he/she will be liable. If any charges are not expressed in money terms (but, for example, as a dealing spread), the Client should ask for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- t. Due to situations, movements and/or conditions (occurring at the weekend, at the beginning of the week or intra-day after the release of significant macroeconomic figures, economic or political news) causing currency markets to open with price levels substantially different from previous prices, a significant risk exists that orders issued to protect open positions and open new positions may be executed at prices significantly different from those designated.

## **4. Third-Party Risks**

- 4.1. The Company may be required to hold your money in an account that is segregated from other Clients and the Company's money in accordance with current regulations, without guaranteeing complete protection.
- 4.2. The Company may pass money received from the Client to a third party (e.g., a bank or a market or another financial institution) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- 4.3. The third party to whom the Company will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.
- 4.4. The Company may deposit Customer money with a depository who may have a security interest, lien or right of set-off about that money.
- 4.5. A Company or Bank or Broker through whom the Company may deal with could have interests contrary to the Client's interests.



4.6. The insolvency of the Company or of a Bank or Broker used by the Company to effect its transactions may lead to the Client's positions being closed out against their wishes.

## **5. Risks Associated with the Trading Platform**

5.1. Clients, who undertake transactions on an electronic trading system, will be exposed to risks associated with the system including the failure of hardware and software, which may result in the lack of execution of an order according to the instructions provided for it or at all. The Company does not accept any liability in the case of such a failure. The use of wireless connections or dial-up connections, or any other form of unstable connection at the client's end, may result in poor connectivity or lack of signal strength causing delays in the transmission of data between the client and the Company when using the Company's Electronic Trading Platform. Such delays or disturbances may result in the client sending to the Company out of date 'Market Orders'. In such circumstances, the Company will update the price and execute the order at the best available 'market price'.

5.2. The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client sends an Instruction, any further Instructions sent by the Client are ignored and the "Order is locked" message appears until the first Instruction is executed.

5.3. The Client acknowledges that the only reliable source of Quotes Flow information is that of the real-time/live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information

because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes may not reach the Client Terminal.

5.4. The Client acknowledges that when an Order is closed or being executed, it may not be cancelled or modified.

5.5. The Client may lose all amounts he/she has deposited with the Company as margin. The placing of certain orders available on the Trading Platform (e.g., “stop-loss” or “limit” orders) intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to prevent the execution of such orders. Note that for all orders (including guaranteed stop-loss orders) the Client may sustain the loss in a short period of time. In other cases, the execution of a Stop-Loss order may be worse than its stipulated price and the realized losses can be larger than expected.

5.6. In case the Client has not received the result of the execution of the previously sent Instruction but decides to repeat the Instruction, the Customer shall accept the risk of making two Transactions instead of one, however, the client may receive an “Order is locked” message as described in point 2.5 above.

5.7. The Client acknowledges that if the Pending Order has already been executed but the Client sends the Instruction to modify its level and the levels of If-Done Orders at the same time, the only Instruction, which will be executed, is the Instruction to modify Stop-Loss and/or Take-Profit levels on the position opened when the Pending Order triggered.

## 6. Technical Risks

- 6.1. The Client – and not the Company – shall be held liable for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems. The Company does not accept any liability in the case of any failures/malfunctions.
- 6.2. The Company has no responsibility if authorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company or any other party, using the internet or other any network communication facilities, telephone, or any other electronic means.
- 6.3. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- 6.4. At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's trading platform(s)/system(s), especially in fast Market (for example, when key macroeconomic indicators are released).
- 6.5. The Client acknowledges that the internet may affect his access to the Company's website and/or the Company's trading platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages

or losses resulting from any events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Website and/or Trading System or delay or failure in sending orders or Transactions.

6.6. The Client is warned that when trading in an electronic platform he/she assumes the risk of financial loss caused by (not exhaustive):

- a. Failure of Client's devices, software, and poor quality of connection.
- b. The Company's or Client's hardware or software failure, malfunction, or misuse.
- c. Improper work of Client's equipment.
- d. Wrong setting of Client's Terminal.
- e. Delayed updates of Client's Terminal.

6.7. In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks, amongst others:

- a. Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) serving the Client.
- b. Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client.

- c. Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client.
- d. Wrong or inconsistent with requirements settings of the Client Terminal or untimely update of the Client Terminal.
- e. The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company.
- f. Malfunction or non-operability of the trading system (platform), including the Client Terminal.
- g. Outage of communication via the channels used by the Company, in particular physical damage (destruction) of the communication channels by third parties.

The Company has no liability for any resulting loss due to the aforementioned cases.

## **7. Risks Associated with Transactions in Financial Instruments**

7.1. Investing in some Financial Instruments entails the use of “gearing” or “leverage”. In considering whether to engage in this form of investment, the Client should be aware that the high degree of “gearing” or “leverage” is a particular feature of Derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a

comparatively modest deposit or margin in terms of the overall contract value so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favour, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but may also expose the Client to a large additional loss. Regarding transactions in derivative Financial Instruments, a derivative Financial Instrument is a non-deliverable spot transaction giving an opportunity to make profit or loss on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The Client must not purchase derivative Financial Instrument unless he/she is willing to undertake the risks of losing entirely all the money which he/she has invested including any additional commissions and other expenses incurred.

- 7.2. Transactions may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the Execution Venue. The Client may only be able to close an open position of any given contract during the opening hours of the Execution Venue. The Client may also have to close any position with the same counterparty with whom it was originally entered into. Concerning transactions in Financial Instruments with the Company, the Company is using a Trading Platform for transactions in Financial Instruments which does

not fall into the definition of a recognized exchange or a Multilateral Trading Facility.

- 7.3. This notice cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in all Financial Instrument and investment services. This notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.