



General Risk Disclosure

Investment Products and Services

Xquotes offers a range of investment products, including **stocks, Exchange-Traded Funds (ETFs), and cryptocurrencies**, through which clients may obtain exposure to, or ownership of, the underlying asset, subject to the applicable product terms.

Xquotes also offers **Contracts for Difference (CFDs)**, which provide exposure to various financial markets, including currencies, commodities, indices, and other eligible instruments.

Where Xquotes provides leverage on stocks or ETFs, permits short selling, or where certain copy-trading transactions or portfolio strategies involve leveraged or derivative exposure, such transactions may be treated as CFD transactions in accordance with the applicable terms.

Clients may also purchase and hold certain underlying stocks, ETFs, or cryptocurrencies without leverage, where such products are available. Cryptocurrency transactions are subject to the applicable **Cryptocurrency Trading Addendum** and related terms.

Important Risk Warning

All investment products involve risk, and certain products carry a **high level of risk and may not be suitable for all investors**.

This disclosure is intended to provide an overview of the principal risks associated with our products and services. It does not describe every possible risk or explain how those risks may apply to your individual circumstances.

Before trading or investing, you should carefully consider your investment objectives, financial circumstances, level of experience, knowledge, and risk tolerance. Where appropriate, you should seek independent professional advice.

You should only invest or trade with funds that you can afford to lose.

Trading involves the risk of loss of capital. You should carefully monitor your positions and ensure that you have sufficient financial resources to meet your obligations.

Unless otherwise specified by applicable law or the terms of a particular product, your maximum loss will be limited to the equity available in your account.

CFD Trading

What Are CFDs?

A **Contract for Difference (CFD)** is a derivative instrument that provides exposure to the price movement of an underlying asset without requiring you to own that asset.

CFDs are generally traded on margin, meaning that you are required to deposit only a proportion of the total position value. This creates **leverage**, which can magnify both potential gains and potential losses.

Even relatively small movements in the underlying market may therefore have a significant impact on your account.

Leverage and Losses

If the market moves against your position, you may incur substantial losses.

Before trading CFDs, you should carefully consider whether you understand how leverage works and whether you have sufficient financial resources and risk tolerance to withstand adverse market movements.

CFDs are complex instruments and carry a **high risk of losing money rapidly due to leverage**.

[Insert current, jurisdiction-specific percentage of retail investor accounts that lose money when trading CFDs, where legally required.]

You should consider whether you understand how CFDs work and whether you can afford the high risk of losing your money.

Liquidity and Market Risk

CFDs are generally not listed on a centralised exchange. Consequently, market liquidity cannot always be guaranteed and it may be difficult to close a position at the price or time you expect.

The prices and trading conditions offered by Xquotes are determined in accordance with our applicable execution arrangements and obligation to seek best execution.

The characteristics, pricing, liquidity, and other conditions of a CFD may differ from those of the underlying market or instrument.

Corporate actions affecting underlying assets—including rights issues, takeovers, mergers, distributions, consolidations, or open offers—may be reflected in the treatment of the relevant CFD. However, because you do not own the underlying asset, the treatment you receive may differ from that available to a direct owner of the underlying instrument.

Long-Term Holding Costs

CFDs are generally not designed for long-term investment.

Holding a CFD position for an extended period may result in additional costs, including overnight financing or other applicable charges. Depending on your objectives and circumstances, purchasing the underlying asset may be more appropriate than maintaining a CFD position over a long period.

Market Gapping

Sudden market movements, commonly known as **gapping**, can cause an underlying asset to open at a substantially different price from its previous closing level.

Gapping may occur when the underlying market is closed or during periods of significant market volatility. As a result, your CFD may be executed at a significantly less favourable price than expected.

Margin Requirements

You are responsible for ensuring that your account continuously meets applicable margin requirements.

Margin requirements may change due to market conditions, volatility, liquidity, or other factors. If the market moves against your position or your margin requirements increase, you may be required to provide additional funds at short notice.

If sufficient funds are not provided within the required timeframe, Xquotes may close some or all of your positions. You will remain responsible for any resulting losses, subject to applicable law and the terms governing your account.

Appropriateness

Before providing certain products or services, Xquotes may be required to assess whether they are appropriate for you based on the information you provide.

Where our assessment indicates that a particular product or service may not be appropriate for you, we may issue an appropriate warning.

If you choose to proceed after receiving such a warning, you acknowledge that you have considered the information provided and understand the associated risks.

Position Monitoring

You are solely responsible for monitoring your account and open positions.

You should regularly review your positions, available funds, margin requirements, applicable fees, and market conditions.

Xquotes does not assume responsibility for continuously monitoring your positions on your behalf.

Order Execution

Although the Xquotes trading platform may use automated order execution, market conditions can change between the time an order is submitted and the time it is executed.

Consequently, the execution price may differ from the price displayed or requested when the order was placed. The resulting price may be more or less favourable than expected.

During periods of high volatility, low liquidity, market disruption, or rapid price movements, execution may be delayed or occur at a materially different price.

Stop-Loss Orders

Stop-loss orders may be used to help manage potential losses by automatically closing a position when a specified price level is reached.

However, stop-loss orders **do not guarantee a specific execution price**.

During periods of extreme volatility, market gaps, insufficient liquidity, market closures, or other exceptional conditions, a stop-loss order may be executed at a price significantly different from the selected level.

Electronic Trading Risks

Online trading systems are subject to operational and technical risks, including:

- Internet or network interruptions;
- Hardware and software failures;
- Communication failures;

- System outages or delays;
- Cybersecurity incidents;
- Data transmission errors; and
- Other technical or operational disruptions.

Such events may result in orders being delayed, rejected, duplicated, or executed at a different price than expected.

Copy Trading

Xquotes may provide copy-trading or social-trading functionality that allows clients to automatically replicate the transactions or strategies of other traders.

Copy trading is **highly speculative** and does not guarantee that the copied trader's historical performance will be repeated.

Before copying a trader or strategy, you should consider your overall financial circumstances, investment objectives, risk tolerance, and financial commitments.

Risks include, but are not limited to:

- Trades being opened or closed automatically without your manual intervention;
- Differences between the copied trader's execution price and your execution price;
- Market volatility and slippage;
- Changes to the strategy being copied;
- Leverage and margin requirements;
- Concentration risk; and
- Significant or total loss of the funds allocated to copy trading.

Past performance is not an indication of future results.

Cryptocurrency Trading

Regulatory Status and Investor Protection

Cryptocurrency markets are decentralised and operate across multiple platforms and jurisdictions. Depending on the jurisdiction and the specific services provided, cryptocurrency trading may not be subject to the same regulatory framework or investor protections that apply to regulated investment services.

Accordingly, clients using Xquotes cryptocurrency services may not benefit from certain investor compensation schemes, statutory dispute-resolution mechanisms, or other protections available in relation to regulated financial products.

The specific regulatory status and protections applicable to cryptocurrency services will depend on the Xquotes entity providing the service and the jurisdiction in which the client is located.

Where applicable, Xquotes will seek to comply with the regulatory requirements governing matters such as best execution, client asset protection, and the safeguarding of client funds.

Clients should carefully review the applicable Cryptocurrency Trading Addendum and jurisdiction-specific terms before using cryptocurrency services.

Cryptocurrency Market Risks

Cryptocurrency prices are primarily driven by supply and demand and may be affected by market sentiment, speculation, technological developments, regulatory changes, economic conditions, and other factors.

Cryptocurrency markets can be **extremely volatile, speculative, and susceptible to market manipulation**.

In extreme circumstances, the value of a cryptocurrency may decline substantially or become worthless.

You should therefore consider cryptocurrency trading to be a **high-risk activity** and should never invest funds that you cannot afford to lose.

Indicative and Executable Prices

There may be a distinction between indicative prices displayed on charts and the executable prices available for trading.

Because cryptocurrency markets are decentralised and do not operate through a single central exchange, different market participants and liquidity providers may quote different prices.

Accordingly, prices displayed on charts or provided by third parties may be indicative only and may differ from the actual price available when an order is executed.

Liquidity Risk

Under certain market conditions, you may be unable to open, close, or liquidate a cryptocurrency position at your desired price.

This may occur due to insufficient liquidity, extreme market movements, exchange disruptions, trading restrictions, or other market conditions.

Low liquidity may result in wider spreads and significant price differences between expected and actual execution prices.

Weekend and Market-Hour Risk

Cryptocurrency markets may continue operating outside traditional financial market hours, including weekends.

If Xquotes limits or suspends cryptocurrency trading during certain periods, significant price differences may arise between the last available price and the next available trading price.

This may result in orders being delayed, rejected, or executed at a substantially less favourable price.

Newly Issued Crypto Assets

Newly issued or less-established cryptocurrencies may carry additional risks, including:

- Limited trading history;
- Low liquidity;
- Significant price volatility;
- Limited market acceptance;
- Difficulty selling the asset;
- Uncertain technological development; and
- Increased susceptibility to market manipulation.

Xquotes cannot control these external market factors.

Blockchain and Protocol Risks

Cryptocurrencies depend on blockchain networks and underlying protocols that are generally operated independently of Xquotes.

Xquotes does not control the operation, security, availability, or development of these networks and cannot guarantee that a blockchain will function continuously or without interruption.

Blockchain networks may experience:

- Network congestion;
- Technical failures;
- Software vulnerabilities;
- Cybersecurity incidents;
- Consensus failures;

- Transaction delays;
- Network attacks; or
- Other unexpected events.

You may be affected by changes to the underlying blockchain even where those changes are outside Xquotes's control.

Forks and Protocol Changes

Blockchain protocols may undergo changes, including **hard forks, soft forks, upgrades, or other protocol modifications**.

Such changes may affect the functionality, security, availability, liquidity, or value of a cryptocurrency.

Where a fork occurs, Xquotes may, subject to applicable law and its terms, temporarily suspend trading, modify its systems, support one protocol over another, or cease supporting a particular cryptocurrency or fork.

Xquotes does not guarantee that any particular fork will be supported or that clients will receive any resulting assets.

Third-Party and Custody Risks

Xquotes may use third-party service providers for the execution of transactions, custody, payment processing, liquidity, or other services.

The failure, insolvency, operational disruption, misconduct, or cybersecurity breach of a third-party provider may result in delays, restricted access, or loss of assets.

Where cryptocurrency assets are held through third-party custody arrangements, additional risks may include:

- Cybersecurity breaches;
- Loss or compromise of private keys;
- Asset commingling;
- Inadequate record-keeping;
- Custodian insolvency;
- Restricted access to assets; and
- Uncertainty regarding recovery or ownership rights.

The level of legal or regulatory protection available in relation to third-party providers may vary depending on the applicable jurisdiction and contractual arrangements.

Delisting and Unsupported Assets

Xquotes may suspend or cease offering trading in a particular cryptocurrency for regulatory, operational, liquidity, technical, market, or other reasons.

If a cryptocurrency is delisted or becomes unsupported, Xquotes may be required to close, convert, or otherwise process the relevant position in accordance with the applicable terms and circumstances.

Where reasonably practicable, Xquotes may seek to provide notice of such actions. However, circumstances may arise where immediate action is required and advance notice may not be possible.

Automated Trading, Internet and Cybersecurity Risks

Trading through online platforms and applications involves inherent technological risks.

System failures, internet interruptions, communication errors, cyberattacks, malware, phishing, spoofing, ransomware, viruses, spyware, or other malicious activity may interfere with your ability to access your account or execute transactions.

You should take appropriate measures to protect your account credentials, devices, passwords, authentication methods, and other security information.

You should also exercise caution when responding to emails, SMS messages, websites, or other communications that appear to originate from Xquotes, as electronic communications may be subject to spoofing or phishing attacks.

Fees and Costs

Trading and investing may involve fees, spreads, commissions, financing charges, custody fees, conversion costs, or other expenses.

Applicable fees and charges are published in the relevant Xquotes fee schedule and/or applicable product terms.

You should ensure that you understand all applicable costs before entering into a transaction, as fees and charges may materially affect your overall returns.

Market Information

Any market commentary, news, research, analysis, prices, charts, educational material, or other information provided by Xquotes or third parties is provided for **general informational purposes only** and should not be considered personal investment advice.

Market information may be inaccurate, incomplete, delayed, or outdated despite reasonable efforts to maintain its accuracy.

You should not rely solely on such information when making investment decisions.

Any investment decision made based on market information is made at your own risk.

Past Performance

Past performance is not an indication of future results.

The value of investments can rise as well as fall, and investors may receive less than the amount originally invested.

Historical performance, projected returns, or simulated results should not be regarded as a guarantee of future performance.

Currency Risk

Your Xquotes account may be denominated in a currency that differs from the currency in which you deposit funds or the currency of the underlying investment.

Changes in foreign exchange rates may therefore affect the value of your investments, profits, losses, deposits, and withdrawals.

You should consider the potential impact of currency fluctuations when assessing the overall risk of your investment.

Stock Investment Risk

When investing in stocks through Xquotes, where ownership of the underlying asset is provided, you are exposed to the risks associated with equity markets.

Stock prices can fluctuate significantly due to company performance, economic conditions, market sentiment, interest rates, geopolitical events, corporate actions, and other factors.

There is no guarantee that you will recover the amount originally invested.

SPAC Investment Risks

Special Purpose Acquisition Companies (**SPACs**) involve risks that may differ from those associated with conventional listed companies.

A SPAC typically has no operating business when it becomes publicly listed. Investors therefore rely significantly on the SPAC's management team to identify and complete an appropriate acquisition or business combination.

There is no guarantee that a suitable transaction will be completed or that the management team will successfully achieve its stated objectives.

If an acquisition is not completed within the applicable timeframe, the SPAC may be liquidated. In such circumstances, investors may lose some or all of the amount invested.

Investors should carefully review the relevant prospectus, regulatory filings, financial information, and other available disclosures before investing in a SPAC.

Extended-Hours Trading Risks

Trading securities outside regular market hours may involve additional risks.

Lower Liquidity

Extended-hours markets generally have fewer participants and lower trading volumes. This may make it more difficult to execute orders and may result in wider bid-ask spreads.

Higher Volatility

Lower liquidity may contribute to sharper and more rapid price movements.

Increased Competition

Extended-hours markets may include professional and institutional participants with greater access to market information, technology, and resources.

Price Differences

Prices during extended-hours trading may differ materially from prices at the close of regular trading or the opening of the next regular session.

News and Market Events

Companies and other market participants may release significant announcements outside regular trading hours. Such announcements can result in substantial price movements, particularly when combined with limited liquidity.

Wider Spreads

The difference between the buying and selling price may increase during extended-hours trading, potentially increasing transaction costs and reducing execution quality.

Client Consent to Qualifying Money Market Funds

Where permitted under the applicable regulatory framework and Xquotes's licensing conditions, Xquotes may place eligible client funds into units or shares of a **Qualifying Money Market Fund (QMMF)** rather than holding those funds in a traditional client money account.

Where this arrangement applies:

- The funds may not be held as client money under the applicable client-money rules.
- The funds may instead be held as safeguarded or custodial assets under the applicable custody requirements.
- The relevant assets will be maintained separately from Xquotes's own assets, subject to applicable law and the relevant custody arrangements.

QMMF Risks

Money market funds are generally considered lower-risk investments but **are not risk-free**.

The value of a QMMF may fluctuate, and investors may potentially incur losses.

If a QMMF fails or suffers a loss, Xquotes may, where permitted, choose to compensate affected clients; however, unless expressly required by applicable law or contract, Xquotes may not be legally obligated to compensate clients for such losses.

Where required, your acceptance of the applicable terms and conditions constitutes your consent to the placement of eligible funds into a QMMF.

If you do not wish to provide such consent, or subsequently wish to withdraw your consent, you should contact Xquotes in writing. Any resulting account closure or withdrawal will be subject to the applicable terms and procedures.

Final Risk Statement

Investment and trading products involve risk. Certain products, including CFDs, cryptocurrencies, leveraged products, and copy-trading strategies, involve a high level of risk and may result in rapid and substantial losses.

Before using Xquotes's services, you should ensure that you fully understand the products you are trading, the associated costs and risks, and the level of loss you are prepared and financially able to withstand.

Do not invest or trade with money you cannot afford to lose.

If you are uncertain whether a particular product or service is suitable for you, you should seek independent professional advice before proceeding.

Important: Because this is intended as a legal/regulatory risk disclosure, the jurisdiction-specific statements—particularly the references to **MiFID, investor compensation schemes, FSCS, Financial Ombudsman Service, Cypriot protections, Vanuatu licensing/QMMFs, and the French resident loss-protection clause**—should be reviewed by qualified legal counsel before publication. The original text also contained references to multiple jurisdictions/entities; I have replaced those with Xquotes/general wording rather than carrying over potentially incorrect third-party legal provisions.