

FXNX Global Markets Ltd - Risk Disclosure

Date of Issue: Feb 8, 2025

INTRODUCTION

1.1. This Risk Disclosure Statement (the “**Statement**”) is provided to you by **FXNX Global Markets Ltd** (the “**Company**,” “**we**,” or “**us**”) in accordance with applicable laws and regulations. It is designed to inform you of the significant risks associated with trading in Contracts for Difference (“**CFDs**”) and Foreign Exchange (“**Forex**”).

1.2. This Statement does not and cannot disclose all of the risks and other significant aspects of trading in leveraged financial products. It is provided to you as a general overview of the nature of the risks involved. You should not engage in trading these products unless you fully understand their nature and the extent of your exposure to potential loss. You should also be satisfied that the products are suitable for you in light of your circumstances and financial position.

1.3. Before opening an account and placing any trades with us, you must read, understand, and accept the terms of this Statement, in addition to our **Client Agreement** and other **Operative Agreements**.

HIGH-RISK INVESTMENT WARNING

2.1. Trading Forex and CFDs on margin carries a **high level of risk** and may not be suitable for all investors. The high degree of leverage available can work against you as well as for you. Before deciding to trade, you should carefully consider your investment objectives, level of experience, and risk appetite.

2.2. **You may sustain a loss of some or all of your invested capital.** Therefore, you should not speculate with capital that you cannot afford to lose. If you have any

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doubts as to the risks involved, you should seek advice from an independent and suitably qualified financial advisor.

KEY RISKS

3.1. Risk of Leverage (Gearing)

a) Leverage allows you to control a large notional value with a relatively small amount of capital (margin). While this can amplify potential profits, it also magnifies potential losses.

b) A small adverse market movement can have a disproportionately large negative impact on your trading account. This could result in the total loss of your deposited funds.

c) You are responsible for monitoring and managing your use of leverage. The Company is not responsible for losses incurred due to your use of leverage.

3.2. Market Volatility and Price Risk

a) The prices of Forex and CFDs are derived from the prices of their underlying assets (e.g., currency pairs, stock indices, commodities). These markets can be highly volatile and unpredictable.

b) Prices can fluctuate rapidly and over wide ranges due to various factors, including but not limited to, economic events, geopolitical news, central bank policies, and market sentiment. Such volatility can lead to significant and sudden losses.

c) Gapping: Market volatility may cause prices to "gap," where the market opens at a price significantly different from the previous closing price. This can result in

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stop-loss orders being executed at a worse price than intended, leading to larger-than-expected losses.

3.3. Liquidity Risk

a) Liquidity is the ability to buy or sell a financial instrument at a given price. In certain market conditions, such as during periods of extreme volatility or when trading less common instruments, it may be difficult or impossible to execute an order or liquidate a position at your desired price, or at all.

b) Reduced liquidity can lead to wider spreads and increased slippage, increasing your trading costs and potential losses.

3.4. Counterparty Risk

a) When you trade CFDs with us, you are entering into an over-the-counter (OTC) transaction directly with FXNX Global Markets Ltd. This means you are exposed to the risk of the Company not being able to fulfill its financial obligations to you.

b) The Company mitigates this risk by holding client funds in segregated bank accounts, separate from its own operational capital, in accordance with regulatory requirements.

3.5. Technical and System Risks

a) Trading is conducted via electronic systems, which are subject to risks of failure, interruption, or delay. This includes failures in hardware, software, internet connectivity, and power supply on your side or the Company's side.

b) Such failures could result in your orders not being executed according to your instructions, or not being executed at all. The Company does not accept liability for

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losses incurred as a result of such system failures, except in cases of gross negligence on our part.

3.6. Spreads, Commissions, and Swaps (Costs)

a) Before you can begin to make a profit, you must first cover the costs associated with the trade. These costs include the spread (the difference between the bid and ask price), commissions, and overnight financing charges (swaps).

b) These costs will reduce the net profit of your trades or increase your losses. You must fully understand all applicable costs before trading.

3.7. Margin and Stop-Out Risk

a) You are required to maintain a sufficient level of margin in your account at all times to support your open positions. It is your sole responsibility to monitor your account balance.

b) If your account equity falls below the required margin level (the Stop-Out Level), the Company's systems will automatically and without notice close your open positions, which may result in realizing losses.

3.8. No Guarantees of Profit

a) There are no guarantees of profit from trading Forex and CFDs. Past performance of any trading system or strategy is not indicative of future results. Any data, analysis, or opinions provided by the Company or third parties should not be construed as a promise or guarantee of any particular outcome.

SPECIFIC RISK OF THE NX AI TRADING ASSISTANT

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4.1. The NX AI Trading Assistant is an analytical tool provided for informational purposes only. It is not a "trading robot" and does not execute trades on your behalf.

4.2. No Advice: The analysis and data provided by the NX AI do not constitute investment advice or a personal recommendation to enter into any transaction.

4.3. No Guarantee of Accuracy: The NX AI operates on complex algorithms and historical data, which are not infallible. Its analysis may be incomplete, inaccurate, or not timely. Market conditions can change in ways that the AI cannot predict.

4.4. Sole Responsibility: You remain solely responsible for every trading decision you make. You should never rely exclusively on the NX AI or any similar tool to make trading decisions. Your own judgment and independent analysis are paramount.

ACKNOWLEDGEMENT

By accepting this Risk Disclosure Statement and proceeding to trade with FXNX Global Markets Ltd, you acknowledge, declare, and warrant that:

- You have read, understood, and accepted all the risks outlined in this Statement.
- You understand that trading in leveraged products is highly speculative and involves a substantial risk of loss.
- You are willing and able, financially and otherwise, to assume the risks of trading Forex and CFDs.
- You are aware that you could lose your entire deposited capital and that you are responsible for any losses that exceed your initial deposit if applicable under law.

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