

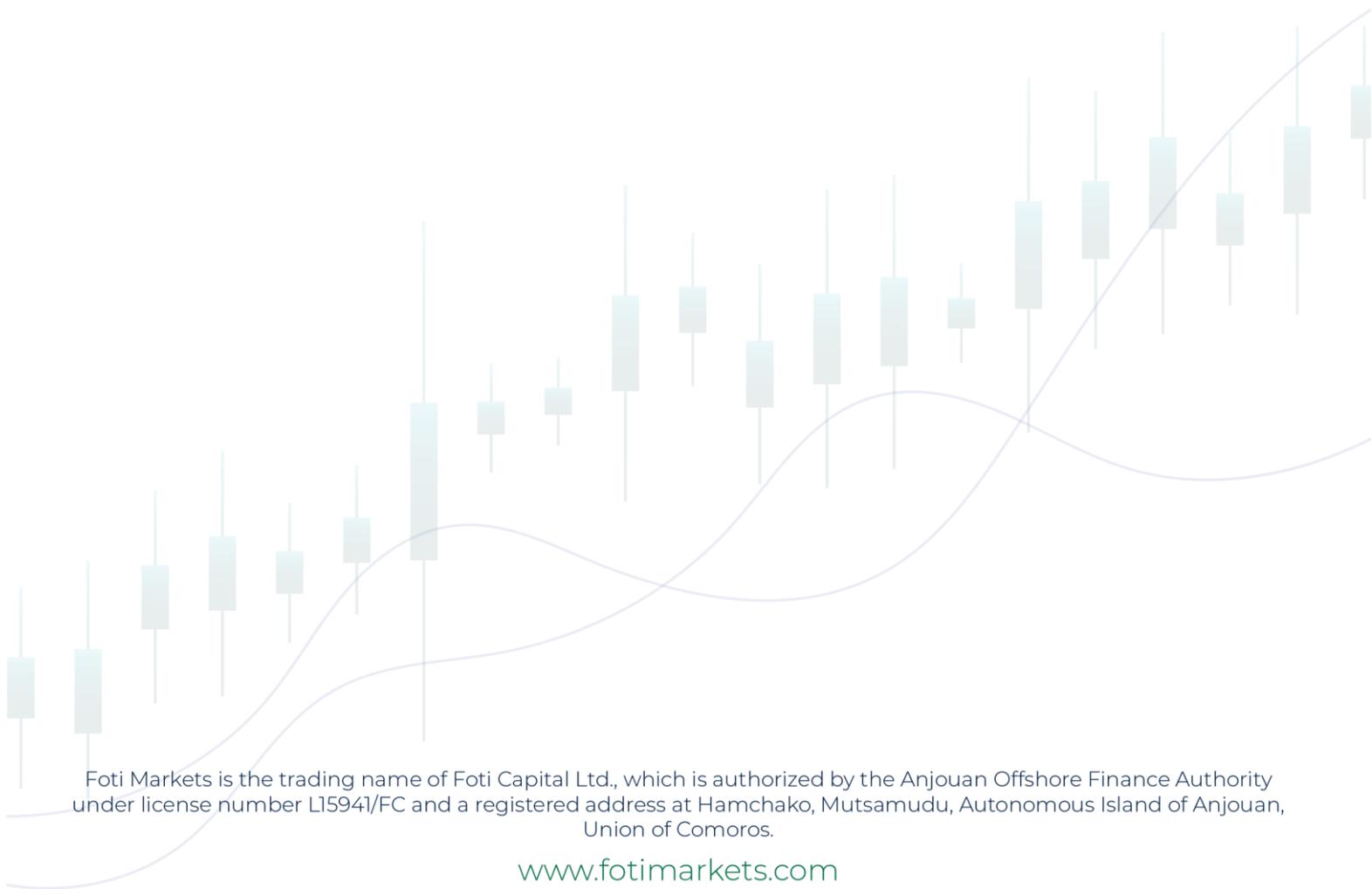


Foti Markets

Trading For Saving

Risk Disclosure Notice

March 2025



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www.fotimarkets.com

The Client (hereinafter referred to as “you”) is strongly advised to carefully read this Risk Disclosure together with the “Terms and Conditions”, the “Order Execution Policy”, and any other legal documentation or information available on our website.

Contracts for Difference (“CFDs”) are financial derivative instruments entered into between two parties – typically referred to as the “buyer” and the “seller”. A CFD stipulates that one party will pay the other the difference between the current market value of an underlying asset and its value at the time the contract was entered into. If the difference is positive, the seller pays the buyer; if negative, the buyer pays the seller.

In practice, CFDs allow investors to speculate on price movements of underlying financial instruments, whether upwards (long positions) or downwards (short positions), without owning the underlying asset itself. For example, an equity CFD enables investors to speculate on share price movements without holding the actual shares.

1. General Information

The Client should not enter into any transaction in CFDs or other financial instruments unless the Client fully understands their nature, the risks involved, and the extent of potential exposure. In case of any doubt regarding the meaning of the warnings described below, the Client must seek independent legal, tax, or financial advice before making any investment decision.

The Client should also be aware that:

- The value of any investment in financial instruments may fluctuate upwards or downwards, and the investment may diminish to the point of becoming worthless.
- Past performance is not a reliable indicator of future results.
- Trading in financial instruments may give rise to tax obligations and/or other duties.
- Changes in exchange rates may adversely affect the value, price, and/or performance of financial instruments denominated in a currency other than the Client’s base currency.

2. Risks Associated with CFDs

a. Leverage Risk

Leverage is a distinct feature of CFDs. While leverage enables greater exposure to the market with a relatively small initial margin, it also significantly increases risk. A small price movement in favor of the Client can provide a high return on the margin deposit; however, even a small movement against the Client can quickly result in substantial losses, which may exceed the initial deposit.

b. Gapping Risk

Financial markets can fluctuate rapidly, and CFD prices will reflect this volatility. Gapping occurs when prices move sharply from one level to another without trading at the levels in between. During such events, it may not be possible for the Client to execute orders at the intended price, resulting in slippage and greater losses than expected.

c. Stop Loss Orders Cannot Always Protect You from Losses

The Company offers stop loss orders as a tool to help limit potential losses. A stop loss order automatically closes an open position once it reaches the specified price level. However, in conditions of rapid price movement, market illiquidity, or market closure, a stop loss order may not be executed at the requested level and therefore cannot be guaranteed to limit losses.

d. Risk of Margin Call and Liquidation (Close-Out)

To maintain open CFD positions, the Client must ensure that sufficient funds are available in the account to meet margin obligations. If margin requirements are no longer covered, the Client must immediately deposit additional cleared funds or reduce exposure by closing positions. Market

fluctuations can cause margin shortages to arise quickly. Unless sufficient funds are maintained, the Company reserves the right, without prior notice, to close part or all of the Client's positions, and the Client shall bear any resulting losses.

The Client's account value must always remain above the liquidation (close-out) level. If it falls below this threshold, CFD positions may be liquidated automatically. To avoid forced liquidation, the Client must ensure that enough funds are deposited to keep the account above the required level. If trades move unfavorably, the Client may be required to deposit additional funds to maintain open positions.

e. Risk of Loss of Invested Funds

Adverse market movements may result in the complete loss of the Client's account balance, and in some circumstances, losses may exceed the funds deposited. In such cases, the Client will be fully responsible for covering the resulting negative balance.

f. No Guarantee of Profit

There are no guarantees of profit or assurances against losses when trading CFDs. Neither the Company nor its representatives can or will provide such guarantees. The Client is hereby advised that trading CFDs involves inherent risks and must ensure that they are financially capable of bearing such risks and any potential losses.

g. No Rights to the Underlying Assets

Trading CFDs does not grant the Client any ownership rights or obligations in respect of the underlying instruments or assets. CFDs may relate to equities, indices, commodities, or other assets. In the case of equity CFDs, the Client will not receive any shareholder rights such as voting rights, dividends, or other benefits attached to holding the underlying shares.

3. Other Risks

a. Market Risk

CFDs are subject to market risk. The value of your investment may decrease as a result of changes in market factors such as stock prices, interest rates, exchange rates, or commodity prices. Negative price movements can lead to the loss of part or all of the invested capital.

b. Systemic Risk

Systemic risk refers to the possibility of a collapse of the entire financial system or market due to interdependencies. The failure of one or more major entities may trigger a chain reaction that significantly affects all participants.

c. Technical Risk

Trading through electronic systems involves the risk of technical failures, including hardware or software malfunctions, Internet connectivity issues, or disruptions in third-party service providers. Such failures may prevent the execution of orders or cause delays, leading to unexpected losses.

d. Operational Risk

Operational risk arises from failures in internal processes or human error, including mistakes in order handling, account management, or administrative procedures. These risks may lead to financial losses despite otherwise sound trading decisions.

e. Country Risk

Investments may be adversely affected by political or economic instability in a particular country. Such instability may result from changes in government, legislation, monetary or fiscal policy, the imposition of capital controls, restrictions on foreign exchange, asset expropriation, or military intervention and control.

f. Interest Rate Risk

The value of certain CFDs may fluctuate due to changes in interest rates, interest rate spreads, or the shape of the yield curve. Sudden shifts in interest rates can adversely affect the profitability of your positions.

g. Foreign Exchange Risk

Investments denominated in a currency other than the Client's base currency are subject to foreign exchange risk. Fluctuations in exchange rates may negatively impact the value, price, and performance of your CFD positions.

h. Legal and Regulatory Risk

Changes in laws or regulations introduced by governments or regulatory bodies may increase transaction costs, reduce investment attractiveness, or alter the competitive landscape. Such changes are unpredictable and may materially affect the profitability of your CFDs. The Company will not be responsible for any impact of legal or regulatory changes on the Client's investments.

4. Risks Beyond the Control of the Company

The Client, and not the Company, shall bear full responsibility for risks that fall outside the Company's control, including but not limited to:

- a. Lack of knowledge or incorrect configuration of the trading terminal,
- b. Technical failures in the Client's own software or hardware,
- c. Disclosure of account registration credentials to third parties,
- d. Unauthorized access by third parties to the Client's personal email account,
- e. Delayed reading or failure to review communications sent to the Client's registered email address,
- f. Any force majeure circumstances attributable to the Client.