RISK DISCLOSURE NOTICE

This notice provides you with information about the risks associated with investment products, which you may invest in through services provided to you by NTFX Capital LTD (the Company).

The Company provides a range of investment services and products through different accounts in Contracts for difference ('CFDs')

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

57.14% of retail investor accounts lose money when trading CFDs with us. You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money. All financial instruments involve an element of risk. The value of your investment may fall as well as rise and you may get back less than your initial investment.

WHAT ARE THE MAIN RISKS OF INVESTING IN CFDS?

CFDs, especially when highly leveraged (the higher the leverage of the CFD, the more risky it becomes), carry a very high level of risk. They are not standardized products and they are not suitable for most retail investors.

You should only consider trading in CFDs if you wish to speculate, especially on a very short-term basis, or if you wish to hedge against an exposure in your existing portfolio, and if you have extensive experience in trading, in particular during volatile markets, and can afford any losses.

WARNING:

1. CFDs are complex products and are not suitable for all investors.
2. Don't use money you can't afford to lose. You could lose much more than your initial payment IF NEGATIVE BALANCE PROTECTION is not available due to your MIFID categorization.
3. You should only consider trading in CFDs if:
   - you have extensive experience of trading in volatile markets,
   - you fully understand how they operate, including all the risks and costs involved,
   - you are aware that the greater the leverage, the greater the risk,
   - you understand that your position can be closed whether or not you agree with the provider's decision to close your position, you have sufficient time to manage your investment on an active basis.

NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to CFDs. We sometimes may provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimized. However, any decision to use our products or services is made SOLELY by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your CFD trading account with us , you should seek independent advice.

APPROPRIATENESS

Before we enable you to trade on a CFD trading account, we are required to make an assessment of whether the product(s) and/ or services you have chosen are appropriate for you, and to warn you if, on the basis of the information you provide to us, any product or service is not appropriate.
Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services.
It is also you SOLE responsibility to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

What is a CFD?

A CFD is an agreement between a 'buyer' and a 'seller' to exchange the difference between the current price of an underlying asset (shares, currencies, commodities, indices, etc.) and its price when the contract is closed.
CFDs are leveraged products. They offer exposure to the markets while requiring you to only put down a small margin ('deposit') of the total value of the trade. They allow investors to take advantage of prices moving up (by taking 'long positions') or prices moving down (by taking 'short positions') on underlying assets.
When the contract is closed you will receive or pay the difference between the closing value and the opening value of the CFD and/or the underlying asset(s). If the difference is positive, the CFD provider pays you. If the difference is negative, you must pay the CFD provider.

COSTS

In addition to any profits or losses, there are different types of costs linked to transactions in CFDs. Costs will impact the effective return. Examples of costs include commissions charged by us.
Costs related to CFD trading may also include bid-offer spreads, daily and overnight financing costs and administration account costs. These costs can be complex to calculate and may outweigh the gross profits from a trade. Please refer to your website and /or KID for full information on the costs.

VOLATILITY

CFDs are not suitable for 'buy and hold' trading. They can require constant monitoring over a short period of time (minutes/hours/days). Even maintaining your investment overnight exposes you to greater risk and additional cost.
The volatility of the stock market and other financial markets, together with the extra leverage on your investment, can result in rapid changes to your overall investment position. Immediate action may be required to manage your risk exposure, or to post additional margin.
Therefore, if you do not have enough time to monitor your investment on a regular basis, you should not trade in CFDs.

LIQUIDITY RISK

Liquidity risk affects your ability to trade. It is the risk that your CFD or asset cannot be traded at the time you want to trade (to prevent a loss, or to make a profit).

In addition, the margin you need to maintain as a deposit with the us is recalculated daily in accordance with changes in the value of the underlying assets of the CFDs you hold. If this recalculation (revaluation) produces a reduction in value compared with the valuation on the previous day, you will be required to pay cash immediately in order to restore the margin position and to cover the loss. If you cannot make the payment, and/or the conditions of the trade (such as margin close out rates and leverage rates applicable to RETAIL clients) include risk management features to close your position at certain levels, then we may close your position whether or not you agree with this action. You will have to meet the loss limited to your invested capital (for RETAIL clients) or exceeding your invested capital (for Professional clients) , even if the price of the underlying asset subsequently recovers.

LEVERAGE RISK

Leveraged trading means that potential profits are magnified; it also means that losses are magnified. For RETAIL clients the leverage parameters have been capped in accordance to the EU regulatory requirements. Please follow the link for original text: https://www.esma.europa.eu/press-news/esma-news/esma-adopts-final-product-intervention-measures-cfds-and-binary-options

The lower the margin requirement, the higher the risk of potential losses if the market moves against you. Sometimes the margins required can be as little as 0.5% (for Professional clients). Professional clients must be aware that when trading using margin, your losses can exceed your initial payment and it is possible to lose much more money than you initially invested.

RANGE OF MARKETS

We offer our Contracts across a wide range of underlying currencies. Although the prices at which you open Contracts are derived from the underlying market, the characteristics of our Contracts can vary substantially from the actual underlying market or instrument. Full details of all of our Contracts are set out in the Product Details section on our website, including: contract size, margin rates, last dealing time, settlement procedures, rollover procedures, commissions and currency.

EXECUTION RISK

Execution risk is associated with the fact that trades may not take place immediately. For example, there might be a time lag between the moment you place your order and the moment it is executed. In this period, the market might have moved against you. That is, your order is not executed at the price you expected (slippage).

We shall not allow you to trade even when the market is closed.

COUNTERPARTY RISK

Counterparty risk is the risk that the provider issuing the CFD (i.e. the Company being your counterparty) defaults and is unable to meet its financial obligations. RETAIL clients receive limited (up to EURO20000) investment compensation protection in accordance with the rules of the Investment Compensation Fund for Cyprus Investment Firms, whereas PROFESSIONAL clients are not eligible for such protection.

GAPPING

Gapping is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens.

MARKET LIQUIDITY

In setting our prices, spreads and the sizes in which we deal, we take into account the market or markets for the relevant underlying instruments. Market conditions can change significantly in a very short period of time, so that if you wish to sell an instrument or close a Contract, you may not be able to do so under the same terms as when you purchased or opened it. Under certain trading conditions it may be difficult or impossible to liquidate a position especially for non-major underlying currencies.

NON-GUARANTEED STOPS (excluding French residents)

To limit losses we offer you the opportunity to choose 'stop loss' limits. This automatically closes your position when it reaches a price limit of your choice. Stop-loss is not a guaranteed stop –loss.

When a non-guaranteed stop is triggered it has the effect of issuing an order from you to us to close your Contract. Your Contract is not closed immediately when the stop is triggered. There are some circumstances in which a 'stop loss' limit is ineffective - for example, where there are rapid price movements, or market closure. Stop loss limits cannot always protect you from losses.
We aim to deal with such orders fairly and promptly but the time taken to fill the order and the level at which the order is filled depends upon the underlying market and the number of client orders triggered. In fast-moving markets, a price for the level of your order might not be available or the market might move quickly and significantly away from the stop level before we are able to fill it.

PAST PERFORMANCE

Past performance is not an indication of future performance. The value of investments can go down as well as up.

CURRENCY

If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

ELECTRONIC COMMUNICATIONS

We offer you the opportunity to deal and communicate with us via electronic means, for example by our dealing platform and, in certain circumstances, by email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with us
via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.