



RISK DISCLOSURE POLICY

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This Risk Disclosure and Warning Notice serves as an important appendix to the Customer Service Agreement (also referred to as the “*Terms*”) and is provided in accordance with the Financial Advisory and Intermediary Services Act 37 of 2002, as amended.

This legislation is applicable to STOICFX (PTY) LTD.

ATTENTION CLIENTS AND PROSPECTIVE CLIENTS:

We strongly encourage you to read this document thoroughly before applying for a trading account with STOICFX (PTY) LTD or engaging in any trading activities. Understanding the risks involved is essential for making informed decisions in your financial endeavours.

Please note that while this document outlines key risks associated with trading in financial instruments, it cannot cover all potential risks or explain every significant aspect involved in such activities. The nature of financial markets is inherently complex and dynamic, and trading can result in both significant gains and substantial losses.

This notice aims to provide a clear and comprehensive overview of the risks involved, ensuring that you are aware of the potential challenges and rewards before proceeding. By being well-informed, you can better navigate the complexities of trading and make decisions that align with your financial goals and risk tolerance.

We encourage you to consider your financial situation, investment objectives, and risk appetite before engaging in trading activities. If you have any questions or require further clarification regarding this notice or any related matters, please do not hesitate to reach out to our support team.

Your understanding and acknowledgment of these risks are crucial for a responsible trading experience with STOICFX (PTY) LTD.

GENERAL RISK WARNINGS

This Risk Disclosure and Warning Notice, which is an appendix to the services agreement, is provided to you in compliance to the Financial Advisory and Intermediary Services Act 37 of 2002 as subsequently amended from time to time, which is applicable to STOICFX (PTY) LTD.

All Clients and prospective Clients are strongly advised to read carefully the risk disclosures and warnings contained in this document, before applying to the STOICFX (PTY) LTD for a trading account and before they begin to trade with the STOICFX (PTY) LTD.

It is noted, however, that this document cannot, and does not, disclose and/or explain all of the risks and other significant aspects involved when dealing in Financial Instruments. According to the Law, this notice is designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

1. GENERAL RISK

The Client is warned of the following general risks:

- i. STOICFX (PTY) LTD does not and cannot guarantee the outcome of any investments in Financial Instruments and hence cannot guarantee the capital of the Client deposited in the trading account for trading purposes.
- ii. The Client should acknowledge that, regardless of any information which may be offered by the STOICFX (PTY) LTD, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- iii. Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- iv. The Client is hereby warned that the transactions in financial Instruments undertaken through the STOICFX (PTY) LTD may be of a speculative nature and large or all losses may occur in a short period of time.
- v. Some Financial Instruments may not become immediately liquid as a result for example of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.

- vi. A Derivative Financial Instrument (i.e. option, future, forward, swap, Contract for Difference) may be a non-deliverable spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The value of the Derivative Financial Instrument is directly affected by the price of the relevant underlying instrument.
- vii. Before the Client begins to trade, should obtain details of all legal documents, commissions and other charges for which will be liable, and which may be found on the sites or in the Client' area. You acknowledge and understand that commissions and other charges may change at any time and that is your sole responsibility to remain up to date by visiting <https://stoicfx.com/> and related site(s).
- viii. Before you begin to trade, you should also obtain details regarding the financial instrument you wish to trade in from the Stoicfx.com. You acknowledge and understand that commissions and other charges may change at any time and that is your sole responsibility to remain up to date by visiting <https://stoicfx.com/> and related site(s).

2. THIRD PARTY RISKS

The Client is warned of the following third-party risks, which are in force unless otherwise specified in the Agreement:

- 2.1 The STOICFX (PTY) LTD transfers money received from the Client to a third party (e.g. a liquidity provider) to hold or control in order to affect 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 STOICFX (PTY) LTD has no responsibility for any acts or omissions of any third party to whom it will transfer money received from the Client.
- 2.2 The third party to whom the STOICFX (PTY) LTD transfers 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 the insolvency or any other analogous proceedings in relation to that third party, the STOICFX (PTY) LTD 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 STOICFX (PTY) LTD from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. STOICFX (PTY) LTD does not accept any liability or responsibility for any resulting losses.

- 2.3 STOICFX (PTY) LTD may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.
- 2.4 STOICFX (PTY) LTD is required to hold the Clients' money in an account that is segregated from its own money, but this may not afford complete protection in the event of default of the third party where the Client money is held.

3. **TAXES**

The Client is warned of the following:

- 3.1 There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances.
- 3.2 The Agreement or the transactions undertaken under the Agreement may be subject to tax and/or any other stamp duty in certain jurisdictions and STOICFX (PTY) LTD does not warrant that no such tax and/or any other stamp duty will be payable as such.
- 3.3 The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

4. **TECHNICAL RISKS**

The Client is hereby notified of the following technical risks, which are in addition to those outlined in the Agreement:

- 4.1 **Client Responsibility for Risks:** The Client acknowledges that they, and not STOICFX (PTY) LTD, bear full responsibility for any financial losses resulting from failures, malfunctions, interruptions, disconnections, or malicious actions affecting information, communication, electricity, electronic systems, or other related technologies.
- 4.2 **Risks Associated with Electronic Transactions:** The Client understands that conducting transactions on an electronic platform exposes them to various risks, including but not limited to hardware and software failures, server issues, communication line disruptions, and internet outages. Such failures may result in orders not being executed according to the Client's instructions, or not being executed at all. STOICFX (PTY) LTD disclaims any liability for losses arising from these failures.
- 4.3 **Unauthorized Access:** STOICFX (PTY) LTD shall not be held responsible if unauthorized third parties gain access to the Client's information—including electronic addresses, communications, and personal data—due to the Client's negligence. This includes any

unauthorized access occurring during transmission between STOICFX (PTY) LTD and the Client or other parties via the internet or other communication networks.

- 4.4 **Unencrypted Communication Risks:** The Client acknowledges that any unencrypted information transmitted via email is susceptible to unauthorized access, and therefore, cannot be guaranteed as secure.
- 4.5 **Connectivity Issues During High Volume Trading:** The Client understands that during periods of excessive deal flow, there may be difficulties in connecting via telephone or accessing the STOICFX (PTY) LTD systems, particularly in volatile market conditions (e.g., during the release of key macroeconomic indicators).
- 4.6 **Internet-Related Access Issues:** The Client recognizes that the internet is subject to disruptions that may impede access to STOICFX (PTY) LTD systems. Such disruptions may include, but are not limited to, transmission interruptions, software or hardware failures, internet disconnections, public electricity outages, and hacker attacks.
- 4.7 **Limitation of Liability:** Unless otherwise specified in the Agreement, STOICFX (PTY) LTD shall not be liable for any damages or losses resulting from events beyond its control, including the Client's inability to access STOICFX (PTY) LTD systems, delays, or failures in submitting orders or completing transactions.
- 4.8 **Assumed Risks in Electronic Trading:** The Client acknowledges that trading on an electronic platform entails financial risks that may result from, among other factors:
- i. Failures of the Client's devices, software, or connection quality.
 - ii. Malfunctions or misuse of either the Client's or STOICFX (PTY) LTD's hardware or software.
 - iii. Improper functioning of the Client's equipment or incorrect settings of the Client Terminal.
 - iv. Delayed updates of the Client Terminal.
- 4.9 **Communication Network Risks:** In relation to the use of computer equipment, data, and voice communication networks, the Client solely assumes the following risks, for which STOICFX (PTY) LTD shall bear no liability for resulting losses (unless otherwise stated in the Agreement):
- i. Power outages affecting the Client's equipment or that of the service provider or communication operator.
 - ii. Physical damage or destruction of communication channels linking the Client to the provider or trading/information servers.
 - iii. Outages or poor-quality communication through channels used by the Client or the provider.
 - iv. Incorrect or inadequate configuration of the Client Terminal.
 - v. Untimely updates of the Client Terminal.

- 4.10 **Risks of Voice Communication:** When conducting transactions via telephone (landline or mobile), the Client acknowledges the risk of connectivity issues when attempting to reach the broker service department of STOICFX (PTY) LTD, which may arise due to communication quality and network congestion.
- 4.11 **Potential Communication Failures:** The use of communication channels, hardware, and software entails the risk of:
- i. Non-receipt of messages (including text messages) from STOICFX (PTY) LTD by the Client.
 - ii. Malfunction or inoperability of the trading platform, including the Client Terminal.
 - iii. Poor-quality communication affecting the channels utilized by STOICFX (PTY) LTD, including physical damage to communication channels by third parties.

By acknowledging these risks, the Client accepts the inherent uncertainties associated with electronic trading and the potential implications for their financial activities.

5. FORCE MAJEURE EVENTS

- 5.1 In the event of a Force Majeure Event, STOICFX (PTY) LTD may find itself unable to arrange for the execution of Client Orders or fulfil its obligations as outlined in the agreement with the Client. A Force Majeure Event refers to unforeseen circumstances beyond the control of the company, such as natural disasters, acts of war, terrorism, strikes, government actions, or significant technological failures.
- 5.2 Under such conditions, the inability to execute trades or respond to market movements may result in financial losses for the Client. It is crucial for the Client to understand that they bear the risk associated with these potential losses. The unpredictable nature of Force Majeure Events can lead to increased volatility in the markets, which may exacerbate the challenges faced by both the Client and the firm.
- 5.3 Clients are encouraged to review the terms of the Agreement for more detailed information regarding the implications of Force Majeure Events, including any limitations on liability. Awareness of these provisions is essential for understanding how such events may impact trading activities and the execution of orders.
- 5.4 If you have any questions or need further clarification on this topic or any related concerns, please feel free to reach out to our support team. Staying informed and prepared can help you navigate the complexities of trading in a dynamic market environment.

6. **INSOLVENCY**

The insolvency or default of STOICFX (PTY) LTD could result in the liquidation or closure of the Client's positions without prior consent. Such actions could occur rapidly and without notification, potentially leading to unfavourable market conditions at the time of liquidation.

In the unfortunate event of insolvency, the Client may incur significant losses that could affect their overall financial standing. It is important to recognize that any remaining funds in the Client's account may not be fully recoverable, and the Client could face difficulties in reclaiming their assets.

7. **FOREIGN CURRENCY**

When a Financial Instrument is traded in a currency that differs from the currency of the Client's country of residence, fluctuations in exchange rates can significantly impact its value, price, and overall performance. Such changes may result in financial losses for the Client.

Moreover, when dealing with Financial Instruments where the underlying asset is a currency, the potential for profit or loss is directly influenced by these exchange rate fluctuations. It is essential for the Client to be aware that some currencies may be traded infrequently or irregularly, which could lead to uncertainty regarding the availability of quoted prices. This may make it challenging to execute transactions at desired prices due to a lack of counterparty availability.

The Client is strongly advised to consider these factors when engaging in trading activities involving foreign currencies, as the inherent risks associated with currency volatility can affect their investment outcomes.

8. **ABNORMAL MARKET CONDITIONS**

The Client acknowledges that during Abnormal Market Conditions, the execution period for Orders may be extended, or it may become impossible to execute Orders at the declared prices, or even at all.

Such conditions can arise during various circumstances, including but not limited to weekends, the beginning of a trading week, or immediately following the release of significant macroeconomic data, economic announcements, or political developments. In these instances, currency markets may open at price levels that differ substantially from those observed prior to the market closure.

As a result, there is a heightened risk that Orders intended to protect open positions or to initiate new positions may be executed at prices that are significantly different from the

designated levels. This situation can lead to unexpected losses or reduced profitability, as market volatility may lead to price gaps that are beyond the control of both the Client and STOICFX (PTY) LTD.

It is crucial for the Client to be aware of these potential scenarios and to consider the implications of such risks when making trading decisions. Awareness and preparedness can help in managing expectations and navigating the challenges posed by volatile market conditions. If you have any questions or require further clarification about these risks, please do not hesitate to reach out to our team for assistance.
