RISK DISCLOSURES FOR FINANCIAL INSTRUMENTS

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1. Introduction

1.1 XM Global Limited operating under the trading name XM is a Securities Service Provider Licensee regulated and authorised by the Financial Services Commission ("FSC") in Belize (hereinafter called the "Company").

1.2 The Company is operating under the Securities Industry Act 2021 (the "Act"), the Securities Industry Regulations 2023, the Industry (Amendment) Regulations 2025, Securities Industry (Amendment) Act 2024, the Financial Services Commission Act 2023, the Financial Services Commission (Licensing) Regulations 2023, the Financial Services Commission (Compliance Function) Regulations 2024 and other applicable Laws and Regulations (collectively the "Applicable Regulations").

1.3 This notice is provided to you because you are considering dealing with the Company in the investment products provided by the Company (hereinafter called "Securities"). Each investment product and service has its own distinct risks. This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in these products or how such risks relate to your personal circumstances. This notice is solely designed to explain in general terms the nature of the risks particular to dealing in Securities offered by the Company and to help you to take investment decisions on an informed basis.

1.4 Prior to applying for an account, you should consider carefully whether trading in the investment products provided by the Company ("Securities") is suitable for you in light of your needs, circumstances and financial situation. It is important that you fully understand the risks involved before making a decision to enter into **a *CFD transaction / contract*** with us or to buy or sell an instrument available through a ***share trading account*** you may hold with the Company. If you are in any doubt about the risks involved with your Account, you should seek professional advice. In considering whether to engage in this form of trading, you should be aware of the following:

2 Risk warnings

2.1 The Company offers its services on an ***'execution-only basis'***. It does not provide you with investment advice relating to its services, Securities or possible transactions in Securities and does not make investment recommendations of any kind. We sometimes 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 minimised. However, any decision to use our investment products or services is solely made by you.

2.2 The Company does not and cannot guarantee the initial capital of your portfolio or its value at any time or any money invested in any Security. You hereby unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the Securities provided by the Company may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

2.3 You acknowledge that you run a great risk of incurring losses and damages as a result of the purchase and/or sale of any Security, as such transactions undertaken through the dealing services of the Company may be of a speculative nature. Large losses may occur in a short period of time, equaling the total of your funds deposited with the Company. You should not enter into a transaction / contract with the Company unless you are willing to undertake the risk of losing entirely all the funds which you have invested.

2.4 A derivative Security is a 'non-deliverable' transaction giving an opportunity to make profit on changes in currency rates, changes in prices of commodity, equity indices, thematic indices, shares or cryptocurrencies (called the "underlying instrument").

2.5 You are solely responsible to monitor all of your open positions closely. Particularly, it is your sole responsibility to monitor your positions at all times and during the period that you have open positions on CFDs or hold any Securities in a share trading account, you should ensure that you have the ability to access your trading account(s) at all times.

2.6 Some Securities may not become immediately liquid as a result, for example, of reduced demand and you may not be in a position to sell them or easily obtain information on the value of these Securities or the extent of the associated risks.

2.7 If you trade in a market other than the base currency of your country of residence, any currency exchange fluctuations will impact the value, price and performance of the Security you traded in (therefore, it will impact your profits and losses).

2.8 Information on past performance of a Security does not guarantee its future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Securities to which the said information refers. Contracts you enter into with us are legally enforceable by both parties.

2.9 From time to time, the Company may offer trading outside the main market hours (i.e., extended hours). It is important to understand that trading during these extended hours involves increased risks, including, but not limited to, reduced liquidity, wider spreads, and greater price volatility. The Company reserves the right, at its sole discretion and without prior notice, to modify, suspend, restrict or discontinue the extended trading hours for any product at any time. The Company shall not be liable for any losses that might occur from any modification, suspension, restriction or discontinuation.

3 Volatility of price and limitation on the available market

3.1 Some of the Securities provided by the Company are derivative Securities, where their price is derived from the price of the underlying reference Securities in which the Securities refer to. Placing ***'Stop Loss'*** Orders serves to limit your losses. However, derivative markets can be highly volatile and the value of derivative Securities and their underlying instrument may fluctuate rapidly under certain market conditions. Under such conditions the execution of a 'Stop Loss' Order may be worse than its stipulated (i.e. Client's preset) price and the realized losses may be larger than expected. It may also be difficult or impossible to execute any type of order; therefore, 'Stop Loss' order cannot guarantee the limit of loss.

3.2 Movements in the price of underlying markets can be volatile and unpredictable. This will have a direct impact on your profits and losses; thus, knowing the volatility of an underlying market will assist you in evaluating whether any 'Stop orders should be placed.

3.3 Your attention is expressly drawn, among others, to currencies traded infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counterparty.

3.4 The prices of Securities will be influenced by, amongst other factors/events, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the market sentiment.

3.5 'Gapping' is a sudden shift in the price of an underlying market from one level to another and can occur when the underlying market is either open or even closed due to various factors/events (e.g., release of important news announcements, economic events, etc.). When such factors/events occur and the underlying market is closed, the price of the underlying market when it re-opens (and consequently our derived price) may be different from the closing price with no opportunity to sell the instrument(s) before the market opens.

3.6 Market conditions can change significantly in a very short period of time. As such, in case the Client wishes to sell an instrument or close a Contract, he may not be able to do so under the same terms as when he purchased or opened it. Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

3.7 Transactions in derivative Securities are not undertaken on a recognized and regulated exchange (i.e., undertaken through the Company's Trading Platform) and, as such, they may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules may be established solely by the counterparty, which in this case is the *Company*. You may only be able to close an open position of any given Security during the operating hours of the Company's Trading Platform. You will also have to close any position with the same counterparty with whom it was originally entered into.

4 Margin requirements

4.1 Clients are required to deposit a Margin with the Company in order to open a position on a CFD. The Margin requirement will depend on the underlying instrument of the derivative Securities, level of leverage chosen and the value of position to be established. The Company will not notify the Client for any ***Margin Call*** to sustain a loss-making position. The Company has the discretionary right to start closing positions when ***Margin Level*** decreases to around 50%, and automatically close all positions at market prices if Margin Level drops reaches or falls below 20%. The Company guarantees that there will be no negative balance in a client's account when trading in Securities provided by the Company.

4.2 Investing in derivative Securities entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, you should be aware that the high degree of "gearing" or "leverage" is a particular feature of derivative Securities. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in your favor, you may achieve a good profit, but an equally small adverse market movement may quickly result in the loss of your entire deposit. You must not purchase derivative Securities unless you are willing to undertake the risks of losing all the money which you have invested.

4.3 Should the Equity in your trading account be insufficient to hold current positions open, you will be required to deposit additional funds at short notice or reduce exposure (i.e., ***Margin Call***). Failure to do so within the time required may result in the liquidation of positions at a loss (i.e., ***Stop-Out***). The Client is always responsible for any losses incurred as a result.

5 Specific risk warnings - shares

5.1 Physical Shares admitted to trading on a regulated market are not considered high-risk financial instruments.

5.2 Shares, known as 'equities', represent a portion of a company's share capital. The extent of Client's ownership in a company depends on the number of Shares he owns in relation to the total number of Shares in issue.

5.3 All Shares offered are listed on exchanges which means that the prices are not set by our Company. We will only act on any instructions received from you to buy or sell on your behalf with our obligation being to take sufficient steps to ensure best execution results, as set out in our ***Order Execution Policy***.

5.4 The Company may execute Client's order outside of a regulated market (i.e., exchange) as long as this is deemed to be in line with our Order Execution Policy. As part of our service, we will arrange for the custody of the instruments. All investments purchased for the Client or transferred to us by the Client into his Share trading account will be purchased in the name of and/or held by a nominee company selected by us, for the benefit of the Client. As investments will be held in the name of a nominee company, the Client may not have voting rights which he would have had if he held the investment in his own name.

5.5 The value of investments purchased through Client's Share trading account may go down as well as up, in line with market conditions, and the Client may end up with less than he/she originally invested. Some shares, such as unlisted shares, shares in smaller companies and penny shares may present a higher risk than others and may prove difficult to liquidate at short notice. If the Client is in a position where he wishes to sell these types of shares at short notice after buying them, he may find that the sell price is far lower than the price at which he bought them. Also, Shares in companies incorporated in emerging markets may be harder to buy and sell than Shares in companies in more developed markets and former companies may also not be adequately regulated.

5.6 Instructions to deal from the Client to us form a commitment which may only be subsequently revoked by the Client with our prior consent (such consent will not be unreasonably withheld) at any time before the instruction to deal is executed. All instruments offered through our Share trading account are listed on an exchange, which means that the prices are not set by us. We will act on any instruction that the Client provide us to buy or sell an instrument on his behalf in accordance with our obligation to provide best execution results as set out in our Order Execution Policy, to act reasonably and in accordance with the Terms and Conditions of Business/Client Agreement which governs our business relationship.

5.7 On many exchanges, the performance of a transaction by us (or third-party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house and we may have the benefit of certain legal protections from our clearing member. However, it is unlikely that in most circumstances this guarantee or legal protections will cover you (i.e., the Client) and may not protect you if we or, another party were to default on obligations owed to you.

6 Other additional obligations

6.1 Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable and which may be found on the Company's website. If any charges are not expressed in money terms (but for example as a dealing spread), you should obtain a clear written explanation from the Company, including appropriate examples, to establish what such charges are likely to mean in specific money terms. You acknowledge and understand that commissions and other charges may change at any time and that it is your sole responsibility to remain up to date by visiting the Company's website.

6.2 Before you begin to trade, you should also obtain details regarding the financial instrument you wish to trade in, such as the margin requirements, position and/or volume limits, swaps, etc. This information is available on the Company's website. You acknowledge and understand that the said information may change at any time and that it is your sole responsibility to remain up to date by visiting the Company's website.

6.3 The value of open positions in the **derivative** Securities provided by the Company is subject to financing fees (or "swaps"). The swaps are deducted (i.e., charged) from or added (i.e., credited) in the Client's account regarding **derivative** Securities which are held overnight throughout the life of the contract. The respective information regarding swap rates and the respective calculations can be found in the Members Area.

6.4 You are responsible for any taxes and/or any other duty or legal affairs (i.e., regulatory filings and payments) in order to ensure that you comply with applicable laws and regulations. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Company does not provide any regulatory, tax or legal advice and as such, you may wish to seek independent advice.

6.5 Although electronic communication is often a reliable way to communicate with Clients, no electronic communication is entirely reliable or always available. The Client should be aware that electronic communications may fail, may be delayed, may not be secure and/or may not reach the intended destination.

6.6 A Bank or Broker through whom the Company deals or the Company itself may act in the same market as the Client, as such its own account involvement may be contrary to Client's interests.

6.7 Trading online, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.

6.8 The Company is be required to hold **Client Money** in an account that is segregated from the Company's money in accordance with the Act and Applicable Regulations, but this may not afford a complete protection.

6.9 A change in laws or regulations made by the government or a regulatory body may increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

6.10 The insolvency or default of the Company, a Bank, Broker or any other relevant counterparty used by the Company to effect transactions may lead to your positions being closed out without your consent.

The Company reserves the right to review and/or amend its Risk Disclosure notices, at its sole discretion, whenever it deems fit or appropriate.

Our Risk Disclosure notices are not part of our Terms and Conditions of Business and are not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have, but for the Act and Applicable Regulations.