

## RISK STATEMENT

CFD trading is highly speculative, involves a significant risk of loss and is not suitable for all investors, but only for one client who:

- understand and are willing to take economic, legal and other risks;
- are experienced and familiar with trading in derivatives and basic types of assets and
- are financially capable of incurring losses significantly greater than the margin or deposit because investors may lose the total value of the contract, not just the margin or deposit.

CFDs are complex instruments and come with a high risk of losing money due to leverage. A high level of leverage can work against you as well as for you.

There is a possibility that you transfer the loss of some or all of the initial investment, so you should not invest money that you cannot lose.

You need to be fresh about all the risks associated with trading on the margins and seek the advice of an independent financial advisor if you have any doubts.

The Client accepts that commissions, fees and other fees may apply, and as such these fees will affect / reduce profits (if any) or increase losses. Before trading financial instruments, you should be aware of all the costs you can pay, regardless of whether those fees are a predetermined amount or variable.

### **Risks associated with long positions of CFD, ie. for CFD buyers**

CFD's long position means it buys CFDs in the market speculating that the market price of the underlying asset will rise between the time of purchase and sale. As the owner of a long position you will make a profit if the market price of the underlying asset increases while the CFD long position is open.

### **Risks associated with short CFD positions (short), ie. For CFD sellers**

A short position in a CFD means that it sells CFDs in the market speculating that the market price of the underlying asset will fall between the time of purchase and sale. As the owner of a short position, you will make a profit if the market price of the underlying asset decreases while the CFD short position is open.

### **Leverage**

Leverage trading applies only to derivative financial instruments, in this case contracts of difference (CFDs) and means that the Client can trade with the values of the underlying assets contained in the derivatives that are significantly higher than the funds actually invested by the Client, which serves exclusively as a margin. High leverage can significantly increase potential earnings, but it can also significantly increase potential losses. Leverage is defined as the ratio of the burden on the Client's assets and the total value of the underlying assets contained in the derivatives or CFD (up to 1: 100). Based on the Decision on determining the leverage for trading with financial instruments of Capital Market Authority of Montenegro, No: 01/9-982/1-21, it is

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decided that to the investor who doesn't have Montenegrin citizenship a higher leverage can be set, with prior informing investor about the risks associated with higher leverage.

### **Margin requirements**

The client must always maintain a minimum margin in their open positions. The client is responsible for monitoring the trading account and for depositing or reducing positions if needed.

### **Spread**

The difference between the ask and the bid price is "Spread".

### **Slippage**

Slippage refers to the difference between the expected price of a trade and the price at which the trade is executed, and they may occur against the clients, as well as in favour of client.

### **Settlement in cash**

The investor understands that the CFD can only be settled in cash, and the difference between the purchase and sale prices partly determines the result of the investment.

### **Conflict of interest**

"Finveo" JSC is the counterparty to all transactions, concluded in accordance with the Agreement on the provision of investment services to clients and, therefore, the interests of "Finveo" JSC may be in conflict with yours. Our Conflict of Interest Management Policy is available at <https://www.finveo.com/en/about-us/legal-documentation/company-s-policies>.

### **OTC transactions**

When trading CFDs with us, such transactions will not be executed on a recognized or designated exchange and known as OTC transactions.

### **Currency risk**

Investing in CFDs with a underlying asset at a value other than your base value involves currency risk due to the fact that, when a CFD is settled at a value other than your base value, the value of your return may affect the conversion to the base value.

### **There is no guarantee of profit**

There are no guarantees of profit or avoidance of losses when trading CFDs. The client did not receive such guarantees from any representative of the representative office. The client is a

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global risk associated with trading CFDs and is financially able to reduce risks and bear all incurred losses.

### **Internet trading**

There are risks associated with using an online trading system to enforce contracts that include, but are not limited to, downtime of hardware, software, and Internet connections. The result of a system failure may be that your request is not executed in accordance with the instructions or that it is not executed at all.

Since “Finveo” JSC does not control the signal strength, its reception or routing via the Internet, the configuration of your equipment or the reliability of its connection, we cannot be held responsible for communication failures or delays in trading via the Internet.

### **Market opinions**

All opinions, news, research, analyzes, prices or other information published on this website are provided as general market comments and do not constitute investment advice.

“Finveo” JSC will not accept liability for any loss or damage, including without limitation, loss of profit, which may arise directly or indirectly from the use or reliance on such information.

**I DECLARE THAT I HAVE READ, UNDERSTAND AND ACCEPT THE RISK STATEMENT.**

