RISK DISCLOSURES

1. **Introduction**:
W.G Wealth Guardian Ltd (hereinafter, “the Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (hereinafter, “CySEC” with Licence number 353/17. The Company is authorised to provide the following Investment and Ancillary Services:

    a. **Investment Services:**

    - Reception and transmission of orders in relation to one or more financial instruments;
    - Investment Advice
    - Portfolio Management

    b. **Ancillary Services:**

    1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management.
    2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
    3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings.
    4) Foreign exchange services where these are connected to the provision of investment services.
    5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

2. **Scope**

    2.1. In compliance with the Law Regarding the Provision of Investment Services, the exercise of Investment Activities and the operation of Regulated Markets Law 87(I)/2017, as may be amended from time to time (the “Law”), the Company with this notice aims to provide clients with information on the risks associated when investing in financial instruments, in a fair and non-misleading basis. However, it must be noted that this notice cannot and does not disclose and/ or explain all of the risks and other significant aspects involved and associated when dealing with financial instruments.

3. General Risk Warning

3.1. Clients should not engage in any dealings directly or indirectly in financial instruments unless they know and have a clear understanding of the risks involved and associated when dealing in financial instruments.

3.2. Clients should acknowledge and understand that prior to deciding to invest in financial instruments, should consider their investment objectives, risk tolerance, financial resources and level of experience on these products. If Clients do not understand the risks involved and associated when dealing in financial instruments, and/or are not familiar in dealing in financial instruments they should seek independent financial advice. Please note that the Company is also licenced to provide Investment Advice and Portfolio Management and can fulfil this requirement in order to assist you. If upon receipt of independent financial advice Clients still do not understand the risks involved and associated when investing in financial instruments, they should not apply for opening a trading account with the Company and/or refrain from trading if already opened a trading account with the Company.

3.3. Clients acknowledge, understand and accept that CFDs and other derivative financial instruments are leveraged products and involve and carry a high level of risk and clients may sustain losses and damages (i.e. possible to lose more than your invested capital) and consequently Clients by applying for the opening of a trading account with the Company accept and are willing to undertake such risk.

4. Technical Risk and Communication

4.1. Clients acknowledge, understand and accept that the Company cannot be held responsible for the risks of possible financial losses caused as a result of failure, malfunction, interruption, disconnection or malicious actions related to information, communication, electronic and other systems and that Clients bear all responsibility for any such failure.

4.2. The Company bears no responsibility when at times of excessive deal flow Clients may face difficulties in either connecting over the phone for instance with the Company's Dealer or on the Company's trading platform(s) and/or system(s).

4.3. Clients acknowledge that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

4.4. Clients are wholly responsible for the privacy of the information received from the Company and accepts the risk of any financial losses caused by the unauthorised access of the third party to the Customer's Trading Account.

4.5. Clients acknowledge while trading via the Company's electronic trading platform, the Company bears no responsibility for the risks of possible financial losses as a result of among others:

a. failure of the Company's or Clients' hardware or software, malfunction or misuse

b. poor internet connection

c. interruptions or transmission blackouts or public electricity network failures or hacker attacks

d. wrong settings in Client Terminal

e. delayed Client Terminal updates

f. physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider and the trading or information server of the Client.

5. Types of Risks

5.1. Market Risk

The possibility of loss due to factors that affect the overall market. Fluctuations in the market can affect the price of investments and depends on, among others market supply and demand, investor perception, prices of underlying investments, political and economic factors, all of which are unpredictable.

5.2. Credit Risk

The risk that a borrower may not repay a loan or meet other contractual obligations. Credit risk can arise from the failure of counterparties to fulfil their obligations when transacting in credit linked products like bonds and the potential loss of occurring.

5.3. Liquidity Risk:

The risk arising from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Some of the financial instruments or derivative financial instruments' underlying assets may not become immediately liquid as a result of reduced demand for the underlying instrument and Client may not be able to obtain the information on the value of these or the extent of the associated risks.

5.4. Operational Risk

The risk of business operations failing due to breakdowns or malfunctions of essential systems and controls, including IT systems and human Operational risk changes from industry to industry and is an important consideration to make when looking at potential investment decisions for example industries with lower human interaction are likely to have lower operational risk.

5.5. Interest Rate Risk

The risk that the value of an investment will change due to a change in the absolute level of interest rates. For example, interest rate risk affects the value of bonds directly as interest rates rise, bond prices fall, and vice versa.

5.6. Economic risk

Risk that the economy as a whole will perform poorly. When the whole economy experiences a downturn, it affects stock prices, the job market, and the prices of consumer products.

5.7. Political Risk

The risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.

5.8. Settlement Risk

The risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. This risk is limited where the investment involves financial instruments traded on a regulated market, however increases where the investment involves financial instruments traded outside a regulated market or where settlement takes place in different time zones or different clearing systems.

5.9. Trading Platform and Execution Risk

5.9.1. Clients acknowledge, understand and accept that only one Request or Instruction is allowed to be in process at one time. Once the Client has sent a Request or an Instruction, any further Requests or Instructions sent by the Client are queued until the first Request or Instruction is executed.

5.9.2. Clients acknowledge, understand and accept that verbal instructions will be treated on a first come, first served basis and the Company bears no responsibility of possible delays on placing the verbal instruction to the Company's Dealing desk and consequently have the order executed.

5.9.3. Even though instructions for placing an order has been made successfully, the execution of the trades may not be placed immediately and on the spot. For instance, factors such as time lag from the moment an order is placed and to the moment that order is executed. During that time lag there is a possibility of market fluctuation to work against the client and consequently the client's order is not executed at the price expected resulting to financial loss.

5.9.4. If trading takes place after the market is closed, then the prices available for the placed orders during that time, may widely differ from the closing price of the said underlying asset and there may be instances where the spread can be wider than it is when the marker opens.

5.9.5. Clients acknowledges that when an Order is closed or being executed, it may not be cancelled or modified.

5.10. Margin Risk

5.10.1. Clients must maintain a margin when it comes to trading in CFDs and other derivative financial instruments. That means, Clients while trading are required to maintain enough equity in order to meet margin requirements. For instance, if there is a market fluctuation against the client then the client must deposit funds in order to meet margin requirements as otherwise and regardless of whether the client consents or not, the Company will be entitled to close one or more or all of client's trades.

5.10.2. Margin requirements will depend on the underlying asset of the relevant CFD, level of leverage set by the client and the value of the position to be established.

5.11. Leverage Risk

5.11.1. Clients acknowledge, understand and accept that derivative financial instruments are exposed to "gearing" or "leverage". This is a result of the margining conditions applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value. That means that even where there is a small market fluctuation this can have a disproportionately substantial effect on the clients' trades.

5.11.2. If there is a market fluctuation this may affect downwards or upwards the value of the CFDs and other derivative financial instruments provided by the Company and this can work either against the client or in favour of the client. If the market fluctuation works in the clients' favour then clients may achieve profit whereas when the market fluctuation works against the clients may not only result in the loss of clients' entire deposit but may also expose the client to a greater additional loss.

5.12. Volatility (Price) Risk

5.12.1. The price of the CFDs and other derivative financial instruments is derived from the price of the underlying asset which the CFDs and other derivative financial instruments refer to. The CFDs and other derivative financial instruments and the related markets can be highly volatile. That means the prices of the CFDs and the other derivative financial instruments' underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions none of which can be anticipated and/or controlled either the Company or the clients. That means that there may be instances where it will be impossible for clients to execute their order(s) at a declared price resulting to losses.

5.12.2. Factors and circumstances that can influence and have an impact on the price of CFDs and other derivative financial instruments' underlying asset include among others, changing supply and demand relationships, governmental agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place.

5.13. Off-Exchange Transactions

5.13.1. Clients acknowledge, understand and accept that when trading in CFDs and other derivative financial instruments, this is not undertaken on a recognised and on an on-exchange transaction but instead this is done on an off-exchange or Over-the-Counter (OTC) transaction. That means such transactions (i.e. off-exchange/OTC) may involve and expose the client to greater risk for the reason that there is no exchange market on which to close out an open position. By trading in off-exchange transactions may consist an existing position impossible to be liquidated, to assess the value of the position arising from an off-exchange transaction or to assess exposure to risk.

5.13.2. Clients acknowledge, understand and accept that when trading in financial instruments with the Company, the Company is using the services of execution firms which do not fall into the definition of a recognized exchange or a Multilateral Trading Facility (MTF).

6. Costs and Charges

6.1. Clients acknowledge, understand and accept that costs and charges that may influence and affect their profitability. The costs and charges will be either provided by the Company or set out in the Company's website.

6.2. When trading financial instruments there are different types of costs that are related and linked to such transactions that may affect the profitability of clients. Such costs amongst others include commissions charged by the Company, bid-offer spreads, daily and overnight financing costs, account management fees etc. These costs can be complex to calculate and may be significant and outweigh the gross profits from a given trade.

6.3. The Company does not warrant and/or guarantee that clients' trades in financial instruments are not or may not become subject to tax and/or any other duty for instance because of changes in legislation or because of the clients personal circumstances. It is the responsibility of clients to arrange for settlement of any taxes and/or any other duty which may accrue in respect of their trades.

7. Swaps and Charges

7.1. Clients who hold any positions overnight then a swap charge will apply. The swap values are provided on the Company's website (i.e. contract specifications) and clients acknowledge that are responsible to review the said contract specifications including for any updates on the swap rate levels prior to placing any order with the Company. The Company reserves the right to change the swap rate level on each CFD and other derivative financial instrument at any given time and without clients' consent.

8. Insolvency

8.1. In the event of the Company's insolvency or default, positions may be liquidated or closed without clients' consent and against clients' wishes. In certain circumstances, clients may not get back the actual assets which have been lodged as collateral and may have to accept any available payments in cash

8.2. Segregated Funds will be subject to the protections conferred by Applicable Regulations

8.3. Non-Segregated Funds will not be subject to the protections conferred by the Applicable Regulations. Non-segregated Funds will not be segregated from the Company's money and will be used in the course of the Company's business, and in the event of the Company's insolvency you will rank as a general creditor.

13. General Clients Acknowledgements

13.2. Information of the previous/past performance of a Financial Instrument it is not a guarantee for 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.

13.3. Clients acknowledge that the 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, and may be equal to the total of funds deposited with the Company.

13.4. The value of financial instruments may decrease and clients acknowledge that they may receive less money than invested/deposited or the value may be subject to high fluctuations and this may result to the invested/deposited capital to become of no value.

13.5. When financial instruments are traded in a currency other than the currency of clients' country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.

13.6. Clients acknowledge that, depending on the instruments which they hold, when their equity is insufficient to hold current positions open, they may be called upon to deposit additional funds at short notice or reduce exposure and failure to do so within the time required may result in the liquidation of positions at a loss and the will be liable for any resulting deficit.

13.7. There may be situations, movements and/or conditions occurring at the weekend, at the beginning of the week or intra-day after the release of significant macroeconomic figures, economic or political news that make currency markets to open with price levels that substantially differ from previous prices. In this case, there exists a significant risk that orders issued to protect open positions and open new positions may be executed at prices significantly different from those designated.

For more information please contact us at info@wguardian.com

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