Before we offer our services to you, we require you to read the following Risk Disclosure Notice.

1. Introduction

Trading on margin carries a high level of risk and may not be suitable for all investors. Before deciding to enter into any margined transactions, you should carefully consider your trading objectives, financial situation, and risk appetite. You should also consider your level of experience; you should have relevant and sufficient knowledge and experience of trading in Forex and derivative products to understand the risks of trading in those products and to ensure trading in such products is suitable for you. You may lose more than your invested capital, and you should not deposit money that you cannot afford to lose. Please ensure you fully understand the risks and take appropriate care to manage your risk.

Forex and derivative products are leverage products and the effect of leverage is that a small price movement can cause both gains and losses to be magnified. You are strongly advised to obtain independent financial, legal and tax advice before proceeding if you do not understand the risks involved.

Please carefully consider the following before deciding to participate in the market:

1. All investment is subject to risk and the degree of risk is a matter of judgement and cannot be accurately pre-determined.
2. Risk is determined by the ability for the investment vehicle to return the original capital at a time determined by the investor.
3. Forex and derivative products are 'complex financial instruments. A 'complex financial instrument' is a high-risk investment and requires a greater level of experience and knowledge of the underlying risks involved. Complex financial instruments include instruments such as derivatives, which are not considered to be 'readily realizable' (potentially difficult to sell when you want to).
4. We give no warranty, representation or promise as to the performance or profitability of your Account with us or your investments or any part thereof.
5. The value of investments and the income derived from them can fall as well as rise and is not guaranteed.
6. Appropriateness Considerations - Prior to offering you a Trading Account, we carry out an assessment to determine if trading with us is appropriate for your particular circumstances. We determine this by asking you questions regarding your trading history, financial knowledge and experience, and financial resources. Despite this process, you may still lose money by trading with us, and you should not regard this appropriateness assessment as a substitute for a disciplined and considered approach to your trading, and you taking a personal responsibility for your education and appropriate risk-management which may permit you to be successful as a trader.
7. Effect of Leverage - Spread betting and trading foreign exchange and contracts for difference involves the use of "leverage" or "gearing".
8. This means that you can, with use of a small deposit, known as the "margin", place a trade controlling a substantially higher notional value. When market prices move, "leverage" has the effect of the change in the value of the trade being magnified or accelerated, relative to other forms of investment activities with which you may be familiar (e.g., when you buy shares or units in funds/ collective investment schemes). As such, small changes in the value of the underlying instruments you are trading may have a large negative

impact on the value of your trading account. You may also understand this concept in theory, but there is no substitute for actually seeing how leverage works in practice to see if you are comfortable with this form of trading, which is one of the reasons why we offer a demo account.

2. Margin Trading

Before you are allowed to open a position, you will be required to deposit money with us – this is called the margin requirement. This margin requirement is defined by the margin rate. Margin trading is a high-risk trading strategy that allows you to trade more than the capital or 'margin' that a firm holds for you. This means that you will be using 'leverage', and that you can place trades that are greater than the relatively small amount of money that you have deposited as margin. This can work for or against you; a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small price movement against you may result in substantial losses.

If this happens, you may be required to deposit additional margin with us immediately to keep these trades open; this is referred to as a 'Margin Call'. You are liable for ensuring that you always deposit enough margin and for any losses that you may incur when your positions are closed. There is no limit on the potential losses or profits when you carry out margin trading and you should always consider this when making trading decisions. Margin trading carries a high degree of risk to your capital and as such, it is not suited to all investors. Before you decide to carry out any margin trading, please ensure that you fully understand the risks involved, and seek independent advice if necessary. As there is no limit to the losses that you may incur, you should ensure that you have sufficient resources available to you to cover any adverse movement in the price of the margined product, any margin requirement or loss. To manage exposure, employ risk reducing strategies such as:

1. Make use of "stop loss" or "limit" orders to limit potential losses when utilizing leverage. Stop Loss or limit orders are not guaranteed; gaps in market pricing may cause your Stop Loss orders to be filled at a less advantageous price and you can incur losses which can exceed your invested capital.
2. Use a lower leverage so you can impose a higher margin requirement on yourself. This way, you will be less tempted to enter into positions beyond your comfortable leverage level. You will also be aware of a potential margin closeout sooner.
3. Monitor the status of your account and open positions continuously.

3. Exchange Risk

Forex and derivative products are exposed to 'exchange risk'. Exchange risk also known as "currency risk" is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). There is a risk that you will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. It can also be described as the uncertainty of returns where you purchase securities in a currency different to your domestic currency.

4. Liquidity Risk

Forex and derivative products are exposed to 'liquidity risk'. It is possible for your market order to be rejected. This could happen for the following reasons including, without limitation, system latency (the speed of trade execution), volatile market conditions/insufficient liquidity; incorrect order placing by you; slippage in excess of your prescribed limits or other forces outside of Alchemy's control (see Force Majeure). Limit orders may be affected by liquidity conditions relative to the size of your order and those other orders placed at a given price which may result of them not being filled. Stop orders may be gapped and filled at the first available market price, thereby reducing their effectiveness from time to time. Non-highly traded securities bear higher liquidity risk since there is a risk of having difficulty in liquidating an investment position without taking a significant discount from current market value. The liquidity risk is usually reflected in a wide bid-ask spread and large price movements and can take the following three forms:

1. Bid-ask spread: how much a trader can lose by selling an asset and buying it back right away.
2. Market depth: how many units traders can sell or buy at the current bid or ask price without moving the price.
3. Market resiliency: how long it takes for prices that are temporarily incorrect to return to normal.

5. Market Risk

All markets can fluctuate rapidly, and the prices of our products will reflect this. By way of example only, some currencies may experience significant declines against some other currencies and devaluation of any such currencies may occur subsequent to your investment in these currencies. These may include, but not limited to unexpected interest rate decisions, political or budgetary statements by competent authorities and/or governments. Consequently, prudent traders set stop losses when placing trades to limit their potential losses, but it is important to understand that stop losses are not guaranteed risk-management tools and will not work in certain situations, including, but not limited to, the following:

1. Gapping - The price of an underlying instrument may move by a large amount and there may be no liquidity providers quoting prices at all within a given range around the applicable underlying instrument's spot price (just prior to the market movement) in which case your stop loss will not be filled at the requested level. If this happens, the stop loss will only be honoured on the first available closest quoted price in the market.
2. Insufficient liquidity - A stop loss may not be honoured if no market quote exists in the desired amount for a requested stop loss transaction size. An example of this occurs when trying to risk manage a large position for a less liquid currency pair or if a single stock CFD transaction is large relative to the average daily volume of a given underlying stock. As stated above, your stop loss will not be filled at the requested level. If this happens, the stop loss will be honoured on the first available quoted price in the market.
3. Weekend and Holiday Risk - You will not be able to trade over weekends and bank holidays when financial markets will generally be closed for trading. This may cause the markets to open at a significantly different price from where they closed. You will not be able place or change orders over the weekend, on market holidays or and at other times when the relevant markets are generally closed. You should be aware that there is a substantial risk that "stop-loss" orders left to protect open positions held during these periods could be executed at levels significantly worse than their specified price and you will be liable for 'making good' any losses, even if they are unforeseen.

6. Credit and Systemic Risks

In order to execute transactions on your behalf, Alchemy transacts with third-party banking institutions and third-party liquidity partners, which may also be a regulated banking institution. The insolvency of any of these third-party entities may cause the insolvency of Alchemy and may delay the return of money to you. Note however that Alchemy attaches the greatest importance to client money protection and has taken steps to protect client funds.

7. Risk Management Changes

Alchemy may be required at any time and without notice to amend the terms on which certain instruments may be traded or traded at all to protect the firm against overconcentration of risk. For example, initial or variation margin may be increased, certain underlying instruments may become prohibited, or your account's Margin Limit may be increased. When this happens, Customers will be notified by email and this may result in you being required to close some or all of your open positions, possibly at a loss.

8. Regulatory Risk

Competent authorities may prohibit certain transactions outright or otherwise bans on specific trade positions, including, without limitation, bans on short selling of financial stocks, government bonds and CFDs. Those same regulatory bodies may also exercise their statutory discretion to compel the firm to cease trading which will result in your positions being closed or alternatively, you and/or the firm may be prevented from closing or risk managing your positions, or the firm may even be prevented from notifying you that such events have taken place for a given period of time. You are likely to suffer loss in any of these situations.

9. Risk and Force Majeure

If an extraordinary event outside the control the Firm occurs, known as an Act of God or force majeure event, which includes, without limitation, war, strike, riot, crime, hurricane, flooding, earthquake, volcanic eruption, which prevents the firm from fulfilling its contractual obligations to you (each, a "Force Majeure Event"), your positions may be closed or may be unable to be managed for a period of time. You may suffer loss as a result of a Force Majeure Event occurring.

If, despite provisions put in place for such instances, our own technology or that of our liquidity counterparty or any third-party infrastructure on which our operations depend, including, without limitation, our data center servers or commercial broadband as well as back-up providers or systems for essential infrastructure, suffer a fault for any reason or an attack, you may suffer loss as a result. The firm will in each circumstance assess the reason for the losses incurred and if the circumstance could reasonably have been expected to be avoided, then where possible and at its sole discretion, it will compensate the affected Customers.