trading.com

GENERAL RISK DISCLOSURE

INTRODUCTION

Trading.com Markets UK Limited, trading under the name “Trading.com”, is a UK Investment Firm (registration number 09436004), regulated by the Financial Conduct Authority ("FCA") under firm reference number 705428 (hereinafter the “Company’’ or “we”, “us” and “our”, as appropriate). The Company’s registered office is at Coppergate House, 10 Whites Row, Spitalfields London E1 7NF United Kingdom.

Scope of this Risk Disclosure

This Risk Disclosure covers both CFD trading services and Investment Account services provided by the Company. The risks applicable to you will depend on the type of account and services you use. You should ensure that you read the sections relevant to your account.

This Notice cannot and does not disclose or explain all of the risks and other significant aspects associated with our services and the offering of financial instruments. Its purpose is to explain, in general terms, the nature of the risks particular to entering into transactions (i.e. trade) in Financial Instruments provided by the Company and to help you to take investment decisions on an informed basis. For a detailed explanation on how our services operate, you should read the following documents, which together with this Notice, form our agreement with you:

- Terms and Conditions of Business/Client Agreement for CFD Account;
- Terms and Conditions of Business/Client Agreement for Investment Account;
- Order Execution Policy for CFD Account;
- Order Execution Policy for Investment Account;
- Summary of Conflicts of Interest Policy;
- Client Categorisation Policy;
- Costs and Charges;
- Complaint Handling Procedure;
- Privacy Policy; and
- Key Information Documents.

You should NOT commence opening an account with us until you have read and understood the documents referred to above.

ONGOING REVIEW AND AMENDMENT OF RISK DISCLOSURE

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

OTHER INFORMATION

a) We are covered by the Financial Services Compensation Scheme (“FSCS”). The FSCS provides compensation in certain circumstances for customers of authorised financial services firms if they are in default. The scheme may provide compensation to eligible claimants should we be unable to meet our obligations. Compensation limits are per person, per firm and per claim category and can be found on the FSCS website at https://www.fscs.org.uk/, along with additional information on this. For investments, the FSCS can cover 100% of eligible investments up to a limit of £85,000.

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b) If there is anything in the Risk Disclosure you do not understand, please contact our Compliance Department: compliance.uk@trading.com

1. RISK WARNINGS RELATED TO CFDs

1.1. GENERAL CHARACTERISTICS OF CFDs

We offer trading services in Contracts for Differences ("CFDs"). CFDs fall under the asset class of derivative financial instruments (hereinafter "derivatives"). A derivative is a financial instrument whose price is dependent upon or derived from the price fluctuations of another underlying financial instrument.

What is a Contract for Difference?

A Contract for Difference (CFD) is an over-the-counter ("OTC") derivative which enables investors to obtain exposure and participate in the returns (which could end up being positive or negative) from price movements in an underlying financial instrument, without the need to physically acquire that underlying financial instrument.

Who is your Counterparty?

Like all derivatives, a CFD is a contract under which two parties agree to exchange the difference in value between the opening value and the closing value of the contract. For the purposes of Client orders in financial instruments provided by the Company, the Company is always the counterparty (or 'principal') to all of your trades. Therefore, the Company is the sole execution venue for the execution of the Client's orders. Should you decide to open a position in a financial instrument with the Company, then that open position may only be closed with the Company.

How is your profit or loss on a CFD trade calculated?

CFDs allow you to make a profit or loss from the price fluctuations in the underlying financial instrument and the amount of any profit or loss on a CFD trade will be the total of the difference between the opening value of the CFD (Quantity x our price) and the closing value of the CFD (Quantity x our price) less any commissions and/or any other fees you incur and are required to pay to us in respect of the CFD.

Our trading service carries a high level of risk and is not suitable for everyone. You should not trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You trade entirely at your own risk.

Our trading service is **'execution-only'**. This means that we carry out your trading instructions. We do NOT provide you with any investment advice.

1.2. FUNCTIONING AND PERFORMANCE OF CFDs IN DIFFERENT MARKET CONDITIONS

CFD products entail the use of "gearing" or "leverage" and are considered speculative products and, as such, carry significantly greater risks than non-leveraged products. Leverage enables you to obtain a large exposure to a

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financial instrument while only tying up a relatively small amount of your capital. However, your profit or loss is based on the full position (exposure) and, as such, the amount you gain or lose might seem very high in relation to the sum you have invested.
The performance of such products depends on different market conditions which can have positive or negative effects on the performance of a product. Past performance is not an indication of future performance. The value of investments can go down as well as up. Therefore, when trading in CFDs, the market can move in your favour for a profit or against you for a loss.

For a better understanding as to how the market can have a positive or negative impact on your trades, a number of examples is included in the Appendix of this document.

Trading in CFDs is not suitable for all investors. Thus, you should not invest in CFDs unless you adequately understand the characteristics, and in particular the associated risks of these products and you are comfortable with these risks when trading on such products. You should seek independent professional advice, if necessary, in order to ensure that investing in these products is suitable for your objectives, needs and financial circumstances and resources.

1.3. RISKS ASSOCIATED WITH TRADING IN CFDs

In considering whether to engage in trading in CFDs, you should be aware of the following:

A. General Risks associated with CFDs

1. The Company does not and cannot guarantee the initial capital of the Clients' portfolio or its value at any time or any money invested in any financial instrument.

2. 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, equalling the total of funds deposited with the Company.

3. You may be required to deposit additional funds into your account at short notice in order to support your open trades. A failure to deposit additional funds when required to do so, may result in your open trades being closed out ('stopped out') at a loss and your pending orders cancelled by us without notice to you.

4. Under certain market conditions, it may be difficult or impossible to execute your order.

5. You must understand that the price of the financial instruments being traded is determined by fluctuations in markets outside our control. In setting your prices, spreads and the sizes in which we deal, we take into account the market or markets for the relevant underlying instruments.

6. We do not guarantee that an order you place to limit the loss on a trade ('stop loss') will be filled at the price that you specify. In a fast-moving market, your order may be liable to 'gap through', resulting in your trade being closed at an increased loss as compared with the level of the order that you placed. In the event that a 'gap through' occurs there can be a markedly different price in the financial instrument being traded with no opportunity to close your trade in-between. Therefore, an order you place to limit the loss on a trade should not be treated as a guarantee to limit your loss on that trade to a specific amount.

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7. The Client's attention is expressly drawn to CFDs on currencies traded irregularly or 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.

8. Some financial instruments are quoted and settled in currencies other than the base currency of your account. Trading in these instruments carries additional risk as the currency exchange rate at the time you close a trade and when your balance is converted to your base currency at the close of business on the same day may have fluctuated against you. Therefore, if you trade in an instrument that is not quoted in the base currency of your account, currency exchange fluctuations will have an impact upon your profits and losses.

9. Any funds you deposit with us or is credited to your Account will be held in one or more segregated client bank accounts. The client bank accounts will be pooled accounts holding funds of other clients of ours and will not hold any of our own money. You shall have an ownership interest in your share of the balance in the relevant client bank account.

10. In the event of insolvency of the Company, your positions may be closed out against your wishes.

11. Changes in, or the introduction of new, rules, regulations and laws or the way in which they are applied or interpreted may impact your trading with us. You may be exposed to the risks arising under the rules, laws and regulations of jurisdictions other than the jurisdiction in which you are located and/or with which you are familiar.

12. Trading online, no matter how convenient or efficient, does not necessarily reduce risks associated with trading. In addition, by trading online, you face risks of slow or no internet connectivity and hardware or software failures.

13. It is your responsibility to monitor your account at all times. It is important that you monitor your positions closely, due to the speed at which profits or losses can be incurred. If you have open trades you should always be in a position to access and manage your account. You may do this on-line, 24 hours a day, 7 days a week.

B. Specific Risks associated with transactions in CFDs

You should unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the CFDs may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

You should also unreservedly acknowledge and accept that you run a great risk of incurring losses and damages, up to all your invested capital, as a result of dealing in CFDs and accept and declare that you are willing to undertake this risk.

1. Leverage

As CFD products entail the use of leverage, you may deposit a relatively small proportion of the overall contract value to open a trade. This can work for and against you as a relatively small movement in the price of the underlying financial instrument being traded and can have a disproportionate effect on your trade. This may result in you achieving a good profit if the price of the underlying financial instrument moves in your favour, but equally, may result in you incurring significant losses as an equally small adverse market movement may quickly result in the loss of your entire invested capital. Your losses will never exceed the balance of your account as the Company offers a "negative balance protection".

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The Company offers to its Retail Clients fixed leverage ratios which vary from 2:1 to 30:1 according to the volatility of the underlying financial instrument, as follows:

CFDs on the following financial instruments	**Margin rates (leverage levels)**
Major FX – Currency pairs composed of any two (2) of the following: USD, EUR, JPY, GBP, CAD and CHF	3.33% (30:1 leverage)
Other FX – All other currency pairs	5% (20:1 leverage)
Gold	5% (20:1 leverage)
Major indices	5% (20:1 leverage)
Minor and Thematic indices – All other indices	10% (10:1 leverage)
Commodities (other than gold)	10% (10:1 leverage)
Shares and other reference values	20% (5:1 leverage)

For example, if you want to open a position on EUR/USD worth of USD 30,000 and for which the fixed leverage ratio offered is 30:1, then you would only need to use USD 1,000 (i.e. USD 30,000 / 30) of your funds to do so.

2. Volatility of price and limitation on the available market

CFDs are derivative financial instruments, where their price is derived from the price of the underlying financial instruments in which the financial instruments refer to. Derivative financial instruments or markets can be highly volatile. The prices of derivative financial instruments and the underlying instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in market conditions, none of which can be controlled by the Client or the Company. Under certain market conditions, it can be impossible to execute any type of Clients order at the declared price. Therefore, even an open trade with a 'stop loss' order cannot always guarantee the limit of loss.

The prices of derivative financial instruments are influenced by, amongst others, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and/or the behavioural characteristics in a capital market.

Transactions in CFDs are not undertaken on a Trading Venue (Regulated Market, Multilateral Trading Facility or Organised Trading Facility), rather they are executed by the Company, through its Electronic Trading Platform and/or Mobile Application, which is not a Trading Venue, and as such you may be exposed to greater risks than those of a Trading Venue. The terms and conditions and trading rules are established solely by the Company. All open positions of any given financial instrument must be closed during the opening hours of the Company's Trading Platform.

3. Impediments on closing an open trade

There may be circumstances where market conditions may significantly change in a very short period of time, so that if you wish to sell an instrument or close a position, you may not be able to do so under the same terms as

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when you purchased or opened it. This is the case when there is low liquidity in a financial instrument and/or where you have a large position and, therefore, it is not possible to close your open trades immediately. During that time, the value of your open trades could fall, possibly by a significant sum, and you will be liable for the full amount of the losses that arise.

4. Margin requirements

You are required to deposit a margin with the Company in order to open a trade. The margin requirement will depend on the underlying instrument of the derivative Financial Instrument, the level of your chosen leverage and the value of position to be established. When the margin level required to maintain the open position(s) in your trading account falls below the minimum margin requirement, as specified by the Company, we may, but shall have no obligation whatsoever, issue a 'margin call' and in this case you will have to either increase the 'equity' in your trading account by depositing additional funds and/or close your positions. If you do not perform any of the aforementioned and the trading account reaches or falls below the 'stop out level', as this is specified by the Company, the automatic 'stop out mechanism' will be initiated and will start closing the open positions at the current market prices, in descending order on the basis of level of loss of each trade. The Company guarantees that there will be no negative balance in your account when trading in financial instruments provided by the Company due to the negative balance protection offered by the Company.

In order to protect our Clients and the Company, Trading.com may have to take measure including increasing the minimum margin requirements for all positions. When taking such actions, the Company endeavours to inform clients ahead of time, however under abnormal market conditions the Company may have to implement these actions at short or without notice.
Having said the above, it is of crucial importance that clients always monitor their positions held with the Company. Clients should ensure that their trading accounts are sufficiently funded to avoid any disturbances from possible margin calls and/or stop-outs in their trading activity.

5. Additional obligations

Before you commence trading with us, you should ensure that you are aware of our charging system. If any charges are not expressed in money terms, but for example as a spread, you may request and obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

The value of open positions in certain financial instruments provided by the Company is subject to 'financing fees' (for example 'swap rates'). The price of long positions in financial instruments is reduced by a daily financing fee throughout their life. Conversely, the price of short positions in financial instruments is increased by a daily financing fee throughout their life. Financing fees are based on prevailing market interest rates, which may vary over time.
Details of our charging system (such as spreads, commissions and financing fees) may be found on the Company's website under the link: www.trading.com/spreads.

You should be aware that your trades in financial instruments may be or become subject to tax and/or any other duty, for example, because of changes in legislation or in your personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable for CFDs. You are responsible for any taxes and/or any other duties which may accrue in respect of your trades.

6. Corporate Events and Actions

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In the case where an instrument becomes subject to corporate event, as set out in the relevant sections within the Company's Terms and Conditions, the Company will carry out the appropriate actions to adjust clients' trading accounts for the effect of the event on their position, preserving the economic equivalent of the rights and obligations attached to the clients' Transaction and/or Contract with the Company, on the ex-date of the event.

Further to the above, it is noted that the Company endeavors to communicate upcoming events and actions though its official website. In this respect, clients shall always monitor the Company's website in order to be duly informed of any possible upcoming corporate event.

EXAMPLES

The below examples illustrate how the market can move in the Client's favor or against him/her when trading in CFDs. Please note that the examples provided herein below are only provided for illustrative purposes and do not necessarily reflect current or future market or product movements, the values that the Company will apply to a trade, nor how such trades impact your personal circumstances. Also, the figures used in the examples do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which the Company may exercise its powers or discretions. These examples do not constitute general or personal advice to any person reading this document:

1. **CFD on a Currency Pair (Forex)**

Example 1 – Buy Order (profitable trade)

Currency Pair: EUR/USD
Base currency: USD
Contract size: 1 Standard Lot (100,000 units)
Current Bid/Ask price: 1.28380/1.28390
Selected Leverage: 30:1 (or 3.33% margin)
Commission/Fees: No

You believe that signals in the market are indicating that the EUR will go up against the USD ("$"). You decide to enter into a CFD on EUR/USD and place a 'buy order'.

Therefore, you open one standard lot (100,000 units of EUR/USD), buying the EUR at your selected leverage of 30:1 (or 3.33% margin) and wait for the exchange rate of EUR/USD to climb. When you buy one lot (100,000 units) of EUR/USD at a price of 1.28390, you are effectively buying 100,000 EUR, which is worth $128.390 (100,000 units of EUR x 1.28390). As the margin requirement is 3.33%, then approximately US$4,275 (US$128,390 x 3.33%) would be set aside in your account to open up the trade. You now 'control' 100,000 EUR with just US$4,275.

Your predictions come true and you decide to close your trade. The Euro strengthens to 1.28420/1.28430. Now, to realise the profits, you close your order, i.e. sell one lot (100,000 units) of EUR/USD at the current rate of 1.28420 and you receive $128,420 for that trade (100,000 units x 1.28420).
Result of your closed trade
You bought one lot (100,000 units) of EUR/USD at a price of 1.28390, paying $128,390. Then, you sold one lot (100,000 units) of EUR/USD at a price of 1.28420, receiving $128,420. That is a positive difference of $30 ($128,420 – $128,390 = +$30).
Total profit = $30 on a deposit of $4,275.

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Example 2 – Buy Order (loss-making trade)

Currency Pair: EUR/USD
Base currency: USD
Contract size: 1 Standard Lot (100,000 units)
Current Bid/Ask price: 1.28380/1.28390
Selected Leverage: 30:1(or 3.33% margin)
Commission/Fees: No

You believe that signals in the market are indicating that the EUR will go up against the USD ("$"). You decide to enter into a CFD on EUR/USD and place a 'buy order'.

Therefore, you open one standard lot (100,000 units EUR/USD), buying EUR at 3.33% margin and wait for the exchange rate of EUR/USD to climb. When you buy one lot (100,000 units) of EUR/USD at a price of 1.28390, you are effectively buying 100,000 EUR, which is worth $128.390 (100,000 units of EUR x 1.28390). If the margin requirement was 3.33%, then approximately US$4,275 would be set aside in your account to open up the trade (US$128,390 x 3.33%). You now 'control' 100,000 EUR with just US$4,275.

Your predictions do not come true and the Euro weakens to 1.28360/1.28370. Now, you decide to close your order to avoid further losses, you close your trade, i.e. sell one lot (100,000 units) of EUR/USD at the current rate of 1.28360, and you receive $128,360 for that trade (100,000 units x 1.28360).

Result of your closed trade
You bought one lot (100,000 units) of EUR/USD at a price of 1.28390, paying $128,390. Then, you sold one lot (100,000 units) of EUR/USD at a price of 1.28360, receiving $128,360. That is a negative difference of $30 ($128,360 – $128,390 = -$30).
Total loss = -$30 on a deposit of $4,275.

2. **CFD on Gold**

Example 1 – Sell Order (profitable trade)

Precious Metal: Gold
Base currency: USD
Contract size: 1 Standard Lot (100 ounces of Gold)
Current Bid/Ask price: 1248.20/1248.60
Selected Leverage: 20:1 (margin of 5%)
Commission/Fees: No

Imagine the current Bid/Ask price for Gold is: 1248.20/1248.60, meaning that you can enter into a Gold CFD to buy ('go long') at 1248.60 or sell ('go short') at 1248.20. Suppose that you believe that the value of Gold will fall and, as such, you decide to enter into a CFD on Gold and place a 'sell order', i.e. to sell ('go short') Gold.

Therefore, with a 5% margin, the amount of US$6,241 (100 ounces x 1248.20 x 5%) would be set aside in your account for selling (going short) 100 ounces (one lot) of Gold. As you expected, the value of Gold drops to 1245.80/1246.20. Now, to realize the profits, you close the order and buy 100 ounces (one lot) of Gold at the current price of 1246.20.

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Result of your closed trade
You went short one lot (100 ounces) of Gold at 1248.20 for $124,820. Then, you closed your trade, i.e. bought one lot (100 ounces) of Gold at 1246.20 for $124,620. That is a positive difference of $200 ($124,820 - $124,620 = $200).

Total profit = $200 on a deposit of $6,241.

Example 2 – Sell Order (loss-making trade)

Precious Metal: Gold
Base currency: USD
Contract size: 100 ounces
Current Bid/Ask price: 1248.20/1248.60
Selected Leverage: 20:1 (margin of 5%)
Commission/Fees: No

Imagine the current Bid/Ask price for Gold is: 1248.20/1248.60, meaning that you can enter into a Gold CFD to buy ('go long') at 1248.60 or sell ('go short') at 1248.20. Suppose that you believe that the value of Gold will fall and, as such, you decide to enter into a CFD on Gold and place a 'sell order', i.e. to sell ('go short') Gold.

Therefore, with a 5% margin, the amount of US$6,241 (100 ounces x 1248.20 x 5%) would be set aside in your account for selling (going short) 100 ounces (one lot) of Gold. Your predictions do not come true and the value of Gold rises to 1249.80/1250.20. Now, to minimise your losses, you close the order and buy 100 ounces (one lot) of Gold at the current price of 1250.20.

Result of your closed trade
You went short one lot (100 ounces) of Gold at 1248.20 for $124,820. Then, you closed your trade, i.e. bought one lot (100 ounces) of Gold at 1250.20 for $125,020. That is a negative difference of $200 ($124,820 - $125,020 = -$200).

Total loss = -$200 on a deposit of $6,241.

Risk Warning:

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **Click here for the percentage (%) of retail investor accounts who lose money when trading CFDs with this provider.** You should consider whether you can afford to take the high risk of losing your money.

RISK WARNINGS RELATED TO DEALING IN SHARES, ETFs AND FRACTIONAL SHARES
The risks outlined in this section apply to investments in whole shares, exchange-traded funds (ETFs), and fractional shares, unless stated otherwise.

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2.1. General risks associated with Dealing in Shares, ETFs and Fractional Shares

1. Holders of ordinary shares are the last to be paid in the event of a company becoming insolvent. However, ordinary shareholders also have the potential for returns in the form of dividends or share price appreciation, provided the company does well and is perceived to be continuing to do well. In extreme cases, a company can become insolvent, and you may lose all the value of your investment.

2. Share prices are based on supply and demand forces which in many cases depend on perceptions of the companies' future prospects by the market. If in general, market sentiment is pessimistic about a company and its future prospects, the share price will likely fall, and therefore, if you sell at that point or if the price does not recover, you get back less than you put in.

3. The value of your investments and the level of any income from them can go down as well as up. You may not get back the full amount you have invested. You should also remember that past performance of shares is not an indication of how those Investments might perform in the future.

4. Certain investments may not be readily realisable. You may have difficulty selling these investments at a reasonable price, and in some circumstances, it may be difficult to sell them at any price.

5. Foreign markets will involve different risks from UK markets, and in some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign-denominated contracts will also be affected by fluctuations in foreign exchange rates.

2.2. Specific risks associated with Dealing in Shares and ETFs

1. Some shares pay a dividend, either semi-annually or quarterly. Established, profitable companies tend to pay dividends and have a good record of providing a steady stream of dividend payments. Periods of economic difficulty may, however, interrupt such dividend payment for even the most established shares. Younger, less established companies that are building a business tend to retain their profits for re-investment. These are called "growth" companies as their business strategy is to grow their business rapidly.

2. Costs and charges levied by us or third parties will reduce potential profit you can make or increase the level of loss. Before you begin to trade, you should understand all commissions and other charges for which you will be liable.

3. Market Gapping is a sudden shift in the price of an instrument or its underlying from one level to another. It can happen at any time but occurs most frequently when the market closes at one level but reopens at another. This can cause unexpected losses.

4. We may arrange or enter into transactions in non-readily realisable investments. These are investments in which the market is limited or could become so. You may have difficulty selling such an investment at a reasonable price and, in some circumstances. It may be difficult to sell it at any price. Do not invest in such investments unless you have carefully thought about whether they are suitable for you.

5. You should be aware that the price of the financial instruments that you are dealing with depends on fluctuations in the financial markets outside of our control and that **past performance is no indicator of future performance.**

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6. We, and/or our representatives, may from time to time carry out transactions on your behalf in securities subject to stabilisation. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

7. Shares are available in companies of different sizes, industrial sectors, geographical locations, and on different stock markets. Liquidity is an important risk factor when investing in individual equities and is generally driven by the market capitalisation (total value of issued shares) of the company and current market conditions. Liquidity levels can change rapidly and lack of liquidity often restricts trading in equities with smaller market capitalisations (known as mid-cap and small-cap).

8. Different time zones mean that you will not always be able to get a real-time price for overseas stocks during the UK trading day. When investing in overseas markets, currency fluctuations need to be taken into account. A gain or loss made on the performance of a stock can easily be offset by a movement in the currency exchange rate. Alternatively, a gain or loss on a stock could be compounded to make an even larger one. Liquidity considerations are similar to UK shares.

9. The price of individual shares can fluctuate considerably and can appreciate or decline rapidly. Shares can also remain in decline over long time periods. Share prices rise and fall according to the health of the company and general economic and market conditions. Individual share price rises and falls can be significant. Stock market investments tend to be more volatile than investments in most bonds.

10. With respect to Shares, in many marketplaces (for example shares traded on the London Stock Exchange) settlement takes place by the counterparties simultaneously matching shares traded with cash being given.

11. With respect to Investment Transfers, please be aware of the following risks:
    - Investment Transfers require cooperation by the other investment provider. Investment Transfers cannot be performed where the other investment provider does not cooperate or does not facilitate in-specie transfers.
    - Investment Transfers do not follow standard settlement practices. While we will do our best to process Investment Transfers within 30 calendar days, there may be administrative delays or errors.
    - The transfer of client assets to an investment provider based in a different country, may have tax implications. For example, you may trigger capital gains or losses when moving securities, which can result in tax liabilities. It is important you understand the local tax implications and consult with a tax advisor if necessary. The market value of your securities can change between the time you initiate the transfer and when it is completed. You will not be able to sell any Investments that are part of an Investment Transfer and you will be exposed to market risk, as a result of which you may gain or lose value during the transfer process

12. When you trade on a digital platform, there is a risk that you will lose money as a result of:
    - the failure of your computer/mobile/digital device (including its battery);
    - a weak internet connection, or a weak mobile connection, which means you may not be able to connect to the trading platform, or if you are able to connect there may be a delay;
    - hacking or the use of malicious software that allows a third party to gain access to your information and/or assets;
    - your device being incompatible with the trading platform or system specifications, including due to incorrect settings or system specifications; and/or

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- the failure or malfunction of Trading.com's or your hardware or software.

13. Some of the features available on the trading platform may not be available if you are accessing the platform on a mobile device or from another country.

14. When you hold Cash with Trading.com, we may hold your Cash with Qualifying Money Market Funds (QMMFs) on your behalf, and you may be eligible to receive interest on Cash.
    Where we hold Cash with QMMFs, the relevant units or shares in QMMFs will be considered client assets and will be held as safe custody assets, in accordance with FCA CASS Rules. QMMFs are money market funds, managed by a fund manager, that are typically required to maintain a low-risk strategy by investing in financial instruments such as government bonds. QMMFs are generally subject to higher regulatory scrutiny and must meet higher quality standards than other money market funds. Nevertheless, as with any investment, there are certain risks that apply:
    - **Credit risk:** If the QMMF in which your Cash is deposited becomes insolvent, you may lose (a part of) your money. To manage this risk, we carefully select only highly regulated QMMFs and regularly monitor their creditworthiness.
    - **Management risk:** Performance can be affected by the decisions made by the QMMF's fund manager. Poor investment choices or strategies could result in lower returns or increased risk.
    - **Interest Rate risk**: The value of the securities in a QMMF can be affected by changes in the base interest rates. If base interest rates rise, the value of existing underlying assets, such as bonds (with lower interest rates) might decrease. However, because QMMFs generally invest in shorter-term securities, this risk is lower compared to long-term bond investments.
    - **Liquidity risk:** While QMMFs are designed to be highly liquid, allowing investors to withdraw their money at any time, extreme market conditions could impact this. Under such circumstances, a high number of withdrawal requests could potentially lead to delays.

2.3. Specific Risks Associated with Fractional Shares

Fractional shares cannot be traded on public exchanges and are illiquid and not supported outside the Company's trading platform. They can only be liquidated by selling them through us and cannot be transferred to another investment firm.

When you invest in fractionals, additional risks apply compared to investing in whole shares. These include, but are not limited to, the following:

1. Nature of ownership

When you invest in fractional shares, you do not hold a whole share directly in your own name. Instead, you hold a beneficial interest in a fractional entitlement to a share. The legal title to the underlying holding may be held by the Company or a third-party custodian on your behalf.

2. Pooling of holdings

Fractional shares may be aggregated together with the fractional interests of other clients. As a result, you may not have rights to a specific identifiable share but rather a proportionate interest in a pooled holding.

3. Limited shareholder rights

Fractional shareholders may not have the same rights as holders of whole shares. In particular:

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- Voting rights in relation to fractional shares are not generally supported. As Fractional Shares do not represent full units of ownership, such rights are not available;;
- Participation in corporate actions may be limited or treated differently from whole shareholdings.

Except as expressly set out in this section, nothing in relation to fractional shares is intended to restrict any other rights you may otherwise have in relation to the securities and cash held in your account under the applicable Terms and Conditions.

4. Dividend payments

Where dividends are paid on the underlying shares, you will receive a proportional amount based on your fractional holding. Such payments may be subject to rounding adjustments, deductions, taxes and/or fees, where applicable.

5. Execution risk

The execution of orders in fractional shares depends on the availability of sufficient liquidity in the underlying holdings. This may result in delays, partial execution, or the inability to execute orders under certain market conditions.

Fractional share orders are executed using the Company's internal inventory, where the Company acts as principal or matched principal. Fractional share orders are not executed on external trading venues.

Execution prices are derived from reliable external market data sources and aligns with the price available in the underlying market, in accordance with our obligation to achieve the best possible result. The execution price may differ from the price displayed at the time of order due to market movements, liquidity or other prevailing market conditions.

6. Liquidity and closing positions

Under certain market conditions, it may be more difficult to sell fractional shares. Additionally, fractional positions may only be closed by selling them through the Company's platform.

7. Transfer restrictions

Fractional shares are not transferable to another investment firm and cannot be transferred in specie (that is, without being sold). In the event of a transfer request, fractional holdings must be liquidated and converted into cash prior to transfer.

If you close your account or transfer your account to another investment firm, any fractional holdings held in your account will be liquidated. Fractional shares cannot be converted into certificate form. The liquidation of fractional shares may result in additional charges, costs or tax consequences.

8. Rounding adjustments

Fractional share holdings may be rounded by the Company. Rounding may affect the quantity of fractionals recorded in your account and may also affect your entitlement to cash dividends, stock dividends, stock splits and similar corporate actions. The Company will use reasonable endeavours to minimise the impact of rounding, but minor discrepancies may arise in amounts credited or debited to your account.

For example, if you hold a very small fractional interest in a share that pays a cash dividend, the amount due to you may be less than one penny and, as a result of rounding, no amount may be credited to your account.

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In carrying out such rounding, the Company will use reasonable endeavours to achieve a fair result. The Company shall not be liable for any loss arising solely from such rounding except to the extent directly attributable to its negligence, fraud, wilful default, breach of contract or breach of applicable regulatory requirements.

9. Corporate actions

In the event of corporate actions (such as stock splits, mergers, rights issues or delistings), fractional entitlements may be rounded, adjusted, or liquidated. You may receive cash compensation instead of a fractional entitlement.

10. Custody and insolvency risk

In the event of insolvency of the Company or a third-party custodian, you would not be able to have the Fractional element returned to you and it would have to be sold in order to realise its cash value. This could impact on the extent to which, or the speed with which, you would be able to recover your entitlement to Fractionals.

11. Pricing transparency

The price of fractionals is derived from reliable external market data sources and aligns with the price available in the underlying market, in accordance with our obligation to achieve the best possible result.

12. Conflicts of interest

There may be potential conflicts of interest in connection with transactions in fractional shares, including where the Company acts as principal or matched principal in relation to transactions involving fractionals. The Company has implemented policies and procedures to identify, manage and, where appropriate, disclose such conflicts.

Risk Warning:

Investing in shares involves risks. The value of your investments may increase and decrease and this may result in losing all your invested capital. Any references to past performance are no guarantee of future returns or future performance.

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