Risk Warning

General

This notice is provided by Formula Investment House Ltd., operating under the brand name "iFOREX" ("**Company**" or "**iFOREX**"), in its capacity as a BVI investment firm licensed and supervised by the British Virgin Islands Financial Services Commission. It is intended to inform you of the nature and risks of trading the CFD products offered by the Company. You should read this warning carefully before opening an account or entering into any transaction.

iFOREX offers various financial products that enable transactions in Contracts for Difference, including, without limitation, currencies, indices, commodities, ETFs, shares and cryptocurrencies ("**CFDs**"). CFDs are not traded under the rules of a recognized or designated investment exchange and are traded over the counter. Accordingly, engaging in CFD trading may expose you to substantially greater risks than investments traded on such exchanges.

Due to differences in regulatory regimes, certain products may not be available in all jurisdictions and are offered where the provision of such products and services would not constitute a violation of mandatory applicable laws or regulations.

This Risk Warning is general in nature and does not disclose all risks associated with trading CFDs. It should be read in conjunction with the Company's Trading Risk Disclosure and Trading Tools Disclosure set forth below, which provide additional information on the risks involved while using the Company's services. It does not constitute legal, financial, tax or investment advice and is intended solely to highlight the principal risks. If you are in any doubt, you should seek independent professional advice.

Trading Risks

CFDs are complex, highly speculative, leveraged financial instruments that involve a high degree of risk and are not suitable for all investors. Trading CFDs is appropriate only for those who fully understand the economic, legal and other risks involved when trading CFDs, including how positions are opened and closed, how profits and losses are generated and the extent of their exposure to risk.

You should not engage in such trading unless you fully understand CFD products and are able to bear the risks associated with them. If you are unsure whether trading CFDs is appropriate for you, you should seek independent professional advice from a financial services professional. iFOREX does not provide investment advice.

Pricing and Transaction Costs

When trading CFDs, you will incur various costs, including spreads, overnight financing charges, currency conversion costs and other applicable fees. Transactions are executed at prices quoted by the Company, which include a spread in comparison to the prices the Company may obtain from the interbank market, data and price feed providers or other counterparties. The cumulative impact of these costs may be significant in relation to the margin you have deposited and may reduce returns or materially increase losses, thereby adversely affecting your ability to achieve a profit.

Spreads and other charges may change at short notice and may be particularly adverse during volatile or stressed market conditions. You should carefully review and consider all applicable fees, charges and costs before executing a trade and assess their impact on the potential profitability of your trading.

Market Volatility and Price Fluctuations

Market conditions can be highly volatile and move rapidly due to economic events, economic and/or financial announcements, shifts in liquidity and sentiment or other conditions beyond the control of iFOREX. iFOREX has no control over these unpredictable movements in underlying assets' prices, which directly affect the quotes provided to you. During such periods, prices may gap and make it difficult or impossible to execute transactions at your requested rate, liquidate existing positions or accurately assess the value of your open trades.

Margin, Leverage and Liquidation

Margin is the collateral required to open and maintain a trading position. Because CFD trading involves leverage (also referred to as "gearing"), the margin you provide represents only a fraction of the total notional value of a trade. While this enables increased market exposure, leveraged trading magnifies both potential gains and potential losses. As a result, relatively small market movements may have a disproportionately significant impact on your account's worth. Since leverage may operate against you as well as in your favor, you may lose all amounts deposited with the Company as margin, however you cannot lose more than this amount.

You are solely responsible for monitoring your account and ensuring that sufficient margin is maintained at all times in accordance with the applicable requirements. Margin requirements may be amended at short notice due to market conditions, volatility or the characteristics of a particular product. The Company has no obligation to monitor your margin levels on your behalf, nor to notify you of any margin deficiency or "margin call".

If you fail to meet any margin requirement or margin call promptly, the Company may, without prior notice, close or liquidate some or all of your open positions at prevailing market prices. The Company shall have no responsibility or liability for any losses, deficits or shortfalls arising from or in connection with such liquidation.

Currency and Exchange Rate Risks

The potential for profit or loss from transactions denominated in foreign currencies is affected by fluctuations in foreign exchange rates. Transactions involving foreign currencies, including trading in CFDs, involve risks that are not present when dealing with investments denominated entirely in your domestic currency. These enhanced risks include, but are not limited to, the risk of political or economic policy changes in a foreign country, which may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency.

Profit or loss arising from transactions in foreign currency-denominated contracts, whether traded in your jurisdiction or another, may also be affected by fluctuations in exchange rates where conversion from the currency of denomination to another currency is required.

You may engage in CFD trading with iFOREX only in those currencies made available by iFOREX from time to time. The currency prices quoted by the Company are derived from the underlying currency prices in the interbank foreign exchange market.

Over-the-Counter Trading, Counterparty Risk and Conflicts of Interest

CFDs are over-the-counter (OTC) products and are not traded on a regulated exchange. All transactions are entered into directly with the Company, which acts as principal and as your counterparty. Accordingly, there is no clearinghouse or central counterparty guaranteeing the Company's obligations to you. Your ability to realize value from any position depends on the Company's financial condition and its capacity to meet its obligations. The insolvency or default of the Company, or of any third-party service provider (including banks or other financial institutions), may result in the partial or total loss of your funds.

In this context, the Company may, at its sole discretion, set prices, determine spreads, margin requirements and other trading parameters, decide whether to continue offering any particular asset and refuse to accept any order. The Company is under no obligation to continue making a market in any asset. In addition, the Company and its affiliates may have interests in underlying assets or related markets, may hold trading positions or may have access to information not available to you. Such interests or positions may differ from, or conflict with, your interests. The Company is under no obligation to disclose such information, to provide market or other information in its possession, or to alter, limit or refrain from its own trading activities.

Liquidity, Execution and Platform Risks

Execution may be delayed or unavailable at times of extreme volatility, low liquidity, system maintenance or technological disruption. Electronic trading involves risks related to connectivity failures, latency, software or hardware malfunctions, cyber incidents and third-party service outages. The Company does not guarantee continuous availability of pricing or execution and may suspend trading on CFD products temporarily or permanently. You are responsible for monitoring your positions and ensuring you can access the trading platform.

Client Money and Segregation

Client funds may be held in segregated accounts. However, segregation does not eliminate the risk of loss. In the event of insolvency of the Company or a third-party bank or other financial institution, the treatment of client funds will be subject to applicable law and may result in delays and/or shortfalls in recovery.

No Investor Compensation Scheme or Deposit Protection

CFDs are not bank deposits and are not protected by any deposit insurance or investor compensation schemes that may exist in other jurisdictions. There is no guarantee of capital or returns. You should trade only with funds that you can afford to lose.

No Advice and Suitability

The Company does not provide investment advice, personal recommendations or a fiduciary service. Any information or market commentary provided is of a general nature and does not take account of your objectives, financial situation or needs. You are solely responsible for assessing whether trading CFDs is appropriate for you, including by considering your experience, risk appetite, financial resources and understanding of the products.

Past Performance and Forward-Looking Statements

Past performance, historical data and hypothetical or simulated results are not reliable indicators of future performance. Forward-looking statements or projections are not guaranteed and involve risks and uncertainties that may cause actual outcomes to differ materially.

Legal, Regulatory and Tax Considerations

Your relationship with the Company is governed by BVI law and the terms of the Company's client agreement. Trading may be subject to legal and regulatory requirements in the BVI and in your country of residence or incorporation. You are solely responsible for complying with all applicable laws, sanctions and restrictions, and for obtaining any required approvals. Tax treatment depends on your personal circumstances and may change. You should obtain independent tax advice.

Acknowledgment

By opening an account or placing any trade with the Company, you acknowledge that you have read, understood and accept this risk warning, the risks explained in the Client Agreement and related disclosures, including, but not limited to, the Trading Conditions, Company Products Information and the Trading Risks disclosure and Trading Tools disclosure set forth below.

You confirm that you are capable of bearing the financial risks of trading CFDs, including the risk of total loss of your capital.

Trading Risks Disclosure

Slippage

iFOREX endeavors to provide clients with the best pricing available and attempts to get all orders executed at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. This most commonly occurs during fundamental news events, earning reports, corporate actions, trading halts, weekends or other market gaps.

The volatility in the market may create conditions where orders are difficult to execute at the requested price, since the price may fluctuate by many pips in a short time due to the extreme market movement. Although the client may request to execute an order at a certain price, the market may have moved significantly such that it is impossible to execute the order at the requested price and so the order will be executed at the best available price.

Once an order is triggered, it becomes an “at best” market order and will be executed at the first available rate. There is no guarantee it will be executed at any particular given price. Therefore, orders may incur slippage depending on market conditions.

It is important to note that slippage does not affect the negative balance protection, and you will never lose more than the amount invested, even if slippage occurs.

Delays in Execution

Delays in order execution may occur for a variety of reasons, including technical issues affecting the trader’s internet connection to the iFOREX servers, which may result in “hanging” orders. The iFOREX Trading Platform on the trader’s device may not maintain a continuous connection to the iFOREX servers due to a slow, unstable or interrupted internet connection. Disruptions along the connection path may interfere with data transmission or cause the iFOREX Trading Platform to become temporarily unavailable, resulting in delays in the exchange of data between the trader’s Trading Platform and the iFOREX servers.

Hanging Orders

iFOREX provides its clients with no-dealing-desk execution. During periods of high trading volume, delays in order confirmation or “hanging” orders may occur. In most cases, the order has been executed, but confirmation may take additional time.

During periods of heavy trading activity, a queue of incoming orders may form, which can result in delays in the confirmation of certain orders. Depending on the type of order placed, outcomes may vary. In some instances, the position may have already been executed, and the delay is attributable solely to increased trading activity or internet traffic.

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Clients should note that it is sufficient to submit any order only once. Repeated submissions of the same order may slow or cause the trading platform on the client's device to become unresponsive, or may inadvertently result in the opening of unintended positions

Hedging

The ability to hedge allows a trader to hold both buy and sell positions in the same asset simultaneously. While the ability to hedge is an appealing feature, traders should be aware of the factors that may affect hedged positions, primarily those addressed in the Diminishing Margin paragraph set out below.

Stop Loss

A Stop Loss order is a limit order that is executed at a loss level predetermined by the client, at a rate less favorable than the prevailing market rate. The client may set a Stop Loss rate for opening or closing a position, thereby increasing or decreasing exposure.

When used to open a position, a Stop Loss order constitutes an instruction to buy or sell one financial asset against another at a rate less favorable than the current market rate. When used to close a position, a Stop Loss order constitutes an instruction to execute an opposite transaction to an existing position, at a rate less favorable than the current market rate.

A Stop Loss order is generally executed at the rate specified by the client. However, in conditions of volatile market (such as during significant news events, earnings announcements or similar circumstances) or where a new trading week opens at prices that differ materially from the prior market close, execution may occur at the nearest available rate. In such cases, the order will be executed on an "at best" market order basis.

Please note that certain currencies (for example, TRY) and other assets (including commodities and indices) that are not traded on a 24-hour basis, may experience regular market gaps and are therefore more susceptible to slippage.

Diminishing Margin

A Margin Close-Out may occur even when an account is fully hedged, as spreads may widen and overnight financing charges are applied daily, which may reduce the remaining margin in the account. If the available margin becomes insufficient to maintain open positions, a full or partial Close-Out may occur, resulting in the closure of one or more positions in the account in accordance with the applicable Company's Maintenance Margin requirements. Although holding both long and short positions may give the impression that market exposure is limited, insufficient available margin due to overnight financing charges and/or widened spreads over any period may nevertheless result in a Margin Close-Out of one or more positions.

Overnight Financing Costs

This term refers to the amount charged to or credited to a client's account for positions held overnight, at the time specified in the relevant asset's Trade Ticket information tab. As CFDs are leveraged products, this amount

reflects the financing cost of maintaining a leveraged position, calculated based on the applicable interest rates of the relevant underlying currencies. Please note that Overnight Financing charges may apply even where the interest rate applicable to long positions exceeds that applicable to short positions, due to the markup component included in the Overnight Financing calculation.

When all positions are hedged in an account, although the overall net position may be flat, the account can still sustain losses due to the interest spreads and markups involved. The final Overnight Financing Costs calculated value, including its relevant markup, is also available on the asset's Trade Ticket information tab.

Errors in Rates

Online trading technology is not infallible and, in rare instances, price disruptions may occur. Although such disruptions are typically brief, they may affect spreads. During these exceptional circumstances, iFOREX advises clients to refrain from placing trades. While it may be tempting to attempt so - called "arbitrage transactions" during such events, clients should be aware that the displayed prices may not reflect actual market prices, and any resulting execution may occur at a materially different rate.

In the event that trades are executed at prices that were not genuinely offered by iFOREX, iFOREX reserves the right to correct or reverse such trades, as they are not considered valid. These situations are very rare, and by avoiding trading during such periods, clients can mitigate the risks associated with the above scenario.

Trading Tools Disclosure

Trading Signals

The information, analysis, alerts, researches and opinions included in the Trading Signals pages are produced by Trading Central SA, an independent leading investment research provider, and reflect its judgment, professional analysis and opinions which may change without notice. The materials included in Trading Signals pages should not in any way be construed, directly or indirectly, as investment or other professional advice or as the opinion or recommendation of iFOREX. It is highly recommended to use this information only as an assistance for the client's trading decisions and not to rely exclusively on this information (or on any single factor whatsoever) for the purpose of calculating trading decisions. Clients should be aware that: (i) Signals on Cryptocurrencies may be based on quotes from an exchange different to the exchange from which iFOREX offers its Cryptocurrency CFDs, which may result in differences in the various instrument rates; (ii) Signals for Contracts For Differences (CFDs) refer sometimes to future contracts that expire on certain dates, such as for some indices and commodities. As the contract mentioned in the Trading Signal may have a different expiration date from the value dates of the contract quoted by iFOREX, the client should make sure that the Trading Signal applies to the contract quoted by iFOREX.

iFOREX's CFDs' value dates and expiration dates can be found in the Trading Conditions page. Any utilization whatsoever, relating to the information included in the Trading Signal, as well as any trading decision which the client may take are the sole responsibility and liability of the client who acknowledges and agrees to this as a condition precedent to and prior to any use of the Trading Signal.

The Client acknowledges and agrees to the fact that, by its very nature, investment in the products offered by iFOREX are characterized by a certain degree of uncertainty and that consequently, the future performance of such investments is hard to predict and involves risks for which the user is solely responsible and liable.

The Trading Expert

The information provided on the Trading Expert page is provided in order to present to clients certain trading strategies and the use of tools available on our platform, and should not be seen as or construed as being a recommendation to trade in any financial instrument offered by iFOREX.

Trading conditions may differ between those presented and those offered to you by iFOREX. The information, explanations and comments shown on this page are provided by independent third-party traders who agreed to share their real trades, but who are not investment advisors. Should you have any questions on whether trades shown are suitable for you, you should seek independent advice. iFOREX does not guarantee the performance or results of any financial instrument and/or trading strategies, and cannot guarantee that transactions opened on the basis of the presented trades will achieve profits or losses similar to those presented on the Trading Expert page.

Clients should take into account that the time lapsed from the opening of the transaction by the expert may have a substantial impact on the price of the underlying asset and the decision whether to open such trade. Clients are advised that any indication of past performance is not a reliable indicator of future performance.

Pulse

The information provided on the Pulse pages is based on aggregated data collected from the trading platform reflecting, among others, leading trading trends, price changes and performance of our clients. The information is provided to enhance the quality of the services and to make information regarding certain assets offered by the Company more conveniently accessible to you. It should not, in any way, be construed, either explicitly or implicitly, directly or indirectly, as investment advice, recommendation or suggestion of an investment with respect to a financial instrument offered by iFOREX, in any manner whatsoever. Clients should always consider that (i) any indication of past performance of a financial instrument is not a reliable indicator of future performance and/or results; (ii) iFOREX does not guarantee the performance and/or results of any financial instrument and/or trading strategies, and cannot guarantee that transactions opened on the basis of the information will achieve profits or losses similar to those presented in the Information; (iii) that time lapse may have a substantial impact on the price of a financial instrument that the information relates to and the decision of whether to open such trade/s; and (iv) that trading conditions may differ between those presented in the information and those offered to you by iFOREX. Clients are advised not to rely on the information exclusively, or on any single factor whatsoever, for the purpose of making trading decisions. Clients are solely responsible for determining the suitability of the information for any purpose prior to any use of it, and it is the client's sole decision whether to rely on it or not.

Today's Opportunity

The information provided on this page is provided in order to present to clients certain trading strategies and the use of tools available on our platform and should not be seen as or construed as being a recommendation to trade in any financial instrument offered by iFOREX. Trading conditions may differ between those presented and those offered to you by iFOREX. The information, explanations and comments shown herein are provided by independent third-party market research providers who share their insights, but who are not investment advisors. Should you have any questions on whether trades or strategies shown are suitable for you, you should seek independent advice. iFOREX does not guarantee the performance or results of any financial instrument and/or trading strategies, and cannot guarantee that transactions opened on the basis of the presented trades will achieve profits or losses similar to those presented on this page. Clients should take into account that the time lapsed from the opening of the transaction by the expert may have a substantial impact on the price of the underlying asset and the decision whether to open such trade. Clients are advised that any indication of past performance is not a reliable indicator of future performance.

Travis AI

The AI-powered chatbot available on the Company's trading platform ("Chatbot") is powered by TipRanks Ltd., an independent third-party provider, and provides automated responses, information and analyses in response to client questions regarding financial instruments.

All information provided through the Chatbot is intended solely for general guidance and is not, under any circumstances, tailored to any specific factor or variable relating to the individual client. It does not constitute, and should not be construed as, investment advice, a personal recommendation or a substitute for advice that takes into account a client's particular circumstances, objectives, financial situation, needs or risk appetite. No suitability or appropriateness assessment is conducted in respect of any AI-generated content. Clients remain solely responsible for evaluating any information provided through the Chatbot and for all trading and investment decisions made using, or in connection with, the Chatbot, including any resulting gains or losses. Clients should consult an independent professional advisor before making any investment decision.

The Chatbot is powered by artificial intelligence and may not always correctly understand the context or nuance of a client's question. As a result, it may generate responses that are inaccurate, incomplete, outdated, irrelevant or otherwise erroneous. The Chatbot is not capable of exercising human judgment and is not equipped to provide emotional or psychological support or professional advice of any kind. Clients must not rely solely on the Chatbot, or on any single source of information, when making trading or investment decisions, and must independently verify any information provided through the Chatbot and seek independent professional advice where appropriate.

Trading conditions referenced or implied in any information provided through the Chatbot may differ from the prevailing trading conditions on the Company's trading platform. Clients must verify the prevailing trading conditions on the Company's trading platform before placing any trade. The Company does not guarantee the performance or outcome of any financial instrument referenced through the Chatbot.

Clients acknowledge and agree that trading CFDs involves a high level of risk, including the potential for partial or total loss of invested capital, and that clients must only invest funds they can afford to lose.

The Company and any of its group companies disclaim all responsibility and liability for any use of the information provided through the Chatbot, and for any claim or damage that may result from errors in, or reliance on, such information. Any action taken by a client following, or as a result of, interacting with the Chatbot is taken solely at the client's own discretion, risk and independent judgment.

The Company may access, review and use information submitted through the Chatbot, including user prompts and related interaction records, to better understand clients' interests and preferences and improve the Company's products and services, including the customer experience relating to those products and services, and, where necessary, to investigate complaints or suspected misuse, maintain the security and integrity of its systems, comply with legal or regulatory obligations, respond to lawful requests from competent authorities, and protect the Company's legitimate legal and business interests.

The Chatbot may collect, process and store information submitted during client interactions. As the Chatbot is powered by an independent third-party provider, and because the disclosure of such information is neither required nor improves the quality or accuracy of its responses, and although appropriate security measures are in place, no system can guarantee absolute security, clients must not submit, upload, disclose, enter or otherwise share any personal information relating to themselves or any third party, including any information that identifies them or any third party, or any confidential, sensitive or proprietary information, when using the Chatbot.

Any information voluntarily submitted through the Chatbot is submitted at the client's own discretion and risk. The Company and any of its group companies disclaim all responsibility and liability in respect of any information, including personal, confidential, sensitive or proprietary information, submitted, uploaded, entered, disclosed or otherwise shared by a client through the Chatbot, or any collection, processing or storage of such information by the third-party provider.

Clients are solely responsible for the content they submit through the Chatbot and must not submit content that is offensive, unlawful or otherwise inappropriate. By using the Chatbot, clients acknowledge that they have read and understood the above and agree to use the Chatbot responsibly.