

APRIL 2023



MONAXA LTD

RISK DISCLOSURE

Company No 195868GBC | Licence No GB23201577

RISK WARNING:

CFDS ARE A LEVERAGED PRODUCT AND CAN RESULT IN THE LOSS OF YOUR ENTIRE CAPITAL. TRADING CFDS MAY NOT BE SUITABLE FOR EVERYONE. PLEASE CONSIDER OUR RISK DISCLOSURE STATEMENT AND CLIENT AGREEMENT BEFORE USING OUR SERVICES AND ENSURE THAT YOU UNDERSTAND THE RISKS INVOLVED. NOTE THAT YOU DO NOT OWN OR HAVE ANY INTEREST IN THE UNDERLYING ASSETS.

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DISCLOSURE

Monaxa Ltd, hereinafter referred to as 'the Company' or 'we' do not provide advice relating to investments or possible transactions in investments or investment recommendations of any kind. We can provide factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimised.

Engaging in CFDs in Currency Pairs, Equities, Equity Indices, Metals and Commodities (in this notice referred to as a 'Transaction') carries a high degree of risk to your capital. You should not engage in this form of investing unless you fully understand the nature of the Transaction you are entering into and the true extent of your exposure to the risk of loss. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which your Transaction is based.

For many members of the public, these transactions are not suitable. You should, therefore, consider carefully whether they are suitable for you in the light of your circumstances and financial resources and investment objectives. In considering whether to engage in this form of investing, you should be aware of the items set out more fully in this document.

1. LEVERAGE

The high degree of "leverage" or "gearing" (i.e. the funds required at the outset, compared with the size of the trade you can place) is a particular feature of this type of Transaction. Therefore, a relatively small movement in the underlying market can have a disproportionate effect on your Transaction. If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of your entire deposit but may also expose you to the entire of your deposits. If you decide to engage in Margined CFD trading, you must accept this degree of risk.

You may be called upon to deposit substantial additional margin, at short notice, to maintain your position(s). If you do not provide such additional funds within the time required, your position (s) may be closed at a loss. We offer Negative Balance Protection which is an automated adjustment of your account balance(s) to zero (0) in case they become negative. However, you will lose the entire

of your deposits. If you are in any doubt regarding our products, you should seek independent professional advice.

2. MARGINED CFDs

The purpose of a Margined CFD Transaction is to secure a profit or avoid a loss by reference to fluctuations in the price of the underlying asset or an index (the "Underlying Market"). In the context of our activities, the Underlying Market may be a Equity Index, exchange rate between two currencies, CFDs on gold, silver, oil or such other investment as we may from time to time agree in writing. It is an express term of each CFD Transaction that neither you nor us:

- acquire any interest in or right to acquire or is obliged to sell, purchase, hold, deliver or receive the Underlying Market; and
- that the rights and obligations of each party under the CFD Transaction are principally to make and receive such related payments.

3. MARGIN REQUIREMENT

We reserve the right to adjust margin requirements for any product that we may offer. This may result in your margin requirement increasing and you may therefore be required to deposit additional funds to maintain existing positions.

4. POSITION MONITORING

It is your responsibility to monitor your account at all times. Should the net value of the account (cash plus running profits minus running losses) fall below the margin required, we may close some or all of your trades at the current market price. This should not however be taken as a guarantee, and it is your responsibility to ensure that sufficient funds are on your account at all times.

5. MARKET RISK

Margined CFD trading relies on the price movement of underlying financial products. You are therefore exposed to similar, but magnified, risks to holding the underlying assets. In some cases risks will be greater.

Creating a stop loss order may limit your loss but this is not guaranteed as your losses may be greater in some circumstances. Slippage occurs when a stop loss does not get filled at the exact order price, but slips to a higher or lower price. This may be because the particular Underlying Market has become unusually volatile for a period of time. Where this happens a Stop Loss may not be effective and your position will be closed at the Company's current price.

Gapping is when a particular market jumps significantly, resulting in your stop loss being missed and your trade closed at a much higher or lower price than intended. Accordingly, where you have an open position in a volatile market environment you must understand the potential impact of these events, as you could be filled at the next available Company's price.

Under certain trading conditions it may be difficult or impossible to liquidate a Position. This may occur, for example at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading is restricted or suspended.

At market opening and closing times and prior to announcements, the market spread may widen substantially. Consequently, you must ensure that you have sufficient funds on your account to cover this eventuality.

Where you are trading a product denominated in a currency different to that in which you hold your account, fluctuations in the exchange rate will affect your profit and loss potential.

6. CREDIT

We do not provide credit facilities. Neither a Maintenance Margin credit allocation, nor an Initial Margin credit allocation constitutes a credit facility.

7. COUNTERPARTY RISK

We are the counterparty to all your trades. None of our products are listed on an exchange, nor can any rights, benefits or obligations be transferred to anyone else. While we undertake our obligation to provide you with best execution and to act reasonably and in accordance with our published Terms of Business, Margined CFDs opened on your account with us must be closed with us, based on our prices and on the terms and conditions that you have contracted with us.

8. SEGREGATED ACCOUNTS

The Company is required to hold client funds in segregated trust accounts in accordance with the requirements set forth by the FSC, but this may not afford complete protection. While we monitor the creditworthiness of our banks closely and select them on the basis of robustness and solidity, this does not mean that they are risk-free. The Company does not offer collateral depositing services and does not accept clients' assets.

9. FINANCIAL SERVICES COMPENSATION SCHEME

As an FSC regulated firm, your trading with the Company is not covered under any client compensation scheme under the laws of Mauritius.

10. TAX

You take the risk that your trades and any related profits may be or become subject to tax. You are responsible for all taxes and stamp duty in respect of your trades. We do not provide any tax advice to clients, and you are responsible for your own tax affairs.

11. CHARGES AND SPREADS

You should obtain details of all fees and other charges for which you will be liable, prior to trading with the Company. Where charges are not expressed in money terms (such as a bid offer spread), you should obtain a clear explanation of what such charges are likely to mean in specific money terms.

Some type of trades you make may require you to pay overnight financing costs. Trades in currencies different than your base currency may require you to convert those foreign currencies to your base currency. The combination of overnight financing and foreign exchange costs may exceed any profits on your trades or increase the losses that you may incur on your trade.

Please note that, in case if any inconsistency between the policy and applicable legislations, rules and regulations, the latter shall prevail.

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MONAXA
THANK YOU