



Risk Disclosure



SOLIDARY
PRIME



RISK DISCLOSURE

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(with immediate payment and delivery). Taking into account all the risks, you should carry out transactions only if you, Client, fully understand the nature of the contracts (and contractual relationships) into which you are entering, as well as the degree of risk you can incur. Commercial activities on the Forex market and stock markets are not acceptable to many people. You should consider carefully whether you can engage in commercial activities, taking into account your experience, objectives, level of training, financial resources and other relevant circumstances.

MAJOR RISKS

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including possible loss of the capital and other losses that may be unacceptable to many people. Investments, unlike savings and checking accounts at a bank, are not insured by the Government against market losses. Different instruments of financial markets have different degrees and kinds of risk, so you should consider the risks associated with the particular market instrument you intend to invest in.

Electronic Trading:

Trading on an electronic trading system may differ not only from trading in an open auction market, but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with this system, including the failure of hardware and software. The result of such failure may be that your order is either not executed according to your instructions or is not executed at all.

Suspension or Restriction of Trading and Pricing Relationships:

Market conditions (e.g. liquidity) and / or other rules of a certain market (e.g. market hours, dealing hours, suspension of trading, etc.) may increase the risk of losses, complicating or making impossible to effect transactions, to liquidate or adjust positions.

Off-Exchange Transactions:

The Company you are effecting off-exchange transactions with, may act as your counterparty. It may be difficult to eliminate an existing position, to assess the value, to determine an acceptable price, or to assess the risks. For these reasons, these transactions entail additional risk. Off-Exchange transactions are usually less regulated and / or subject to a separate control system. Before you undertake such transactions, you should familiarize yourself with the applicable rules and attendant risks.



Transactions in Foreign Jurisdictions:

Transactions at the markets in foreign jurisdictions, including markets formally linked to the domestic market, may expose you to additional risks. Such markets may be subject to rules and laws which offer other conditions of protection or weaken them. Your local regulatory authority will not be able to enforce regulators or markets in other jurisdictions to follow the Law, if your transactions have been effected at these markets. You should get full information about the types of existing compensation, the rules applicable in both the jurisdiction of your country and other relevant jurisdictions before you start to trade.

Deposited Cash and Property:

You should familiarize yourself with measures to protect cash and other assets that you invest when making both international and domestic transactions, especially in the case of insolvency or bankruptcy. The extent to which you may protect your money or property may be determined by the specific foreign laws or other regulations. In some jurisdictions, property, defined as your personal, will be pro-rated as well as cash for the purposes of distributions in the case of shortage of funds.

Terms and Conditions of Contracts:

You should get the information about the terms and conditions of the specific market instruments which you use for trading and associated obligations (e.g. the margin requirements and the terms of their change, order execution limitations, the conditions under which you may be obliged to make or take delivery, contract dates and restrictions on the time for exercise, etc.).

Commission and Other Charges:

Before you start trading, you should receive clear and comprehensive explanation of all commissions, fees and other charges which you will have to pay. These charges will affect your net profit (if any) or increase your loss.

Currency Risks:

Gains or losses in transactions effected on contracts in foreign currency (trade transactions may be effected in your or any other jurisdiction) will depend on currency fluctuations in those cases where there is a need to convert the currency specified in the contract to another currency.

Trading Facilities:

Exchange trading in general and electronic trading facilities are supported by computer systems for the order-routing, execution, matching, registration and clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption and failure. Your ability to recover some losses may depend on the limitations of liability imposed by the system provider, the market, the clearing house or the member firm. Such restrictions may vary. Therefore, you should obtain a clear explanation of all details in this respect.



Trading Strategies and Signals:

The effectiveness of trading signals in the past does not guarantee the trading signal will be equally effective in the future. There are various reasons why your trade figures are unlikely to be the same as trading performance results presented by a trading signal provider, and they are (but are not limited to) the following: different levels of market liquidity, different sizes of market spreads, the suspension of credit and trade lines, taxation by regulatory or governmental authorities that are imposed on market participants, both sellers and buyers, including your counterparty, subjective errors, dealing errors, different levels of connection speed, the delay in the formation, transmitting, routing, and accepting orders; lack of tracking of every single trading signal since the moment of its creation; the effects of other positions that you maintain which were not placed in accordance with signals or strategies offered by the trading signal provider; changes in margin requirements; changes in (varying) stop-loss, acceptance of limit, and margining-out provisions; public or market holidays; one-time or infrequent exogenous market events; temporary inability of the trading signal provider to generate or transmit trading signals or strategies; lack of trading experience, etc.

FOREX-SPECIFIC RISKS

High-Risk Trading:

Due to the fact that the risk factor is very high in Forex trading, only free funds should be used for such trading. If you do not have the extra capital that you can afford to lose, you should not trade in the Forex market. Forex trading is suitable only for institutional or experienced private traders, who can resist the financial losses that may substantially exceed the value of margins or deposits.

Effect of "Leverage" or "Gearing":

Transactions in Forex are very risky. The amount of initial margin is small relative to the value of the Forex contract, that's why transactions are supported by "leverage". A relatively small Forex market movement will have a proportionately larger impact on the funds you have invested or will have to invest: this may work for you as well as against you. You may suffer a total loss of initial margin funds and any additional funds deposited to maintain your position. If the Forex market movement is against your position or margin levels are increasing, you may be called upon to pay substantial additional funds immediately or on a very short notice to maintain your position. If you do not comply with the requirement for additional funds within the prescribed time, your position may be liquidated at a loss and you will be responsible for any resulting deficit.

Risk-Reducing Orders or Strategies:

Placing "stop-loss" orders, which are designed to limit losses to certain amounts may be ineffective, as market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "hedging" or "lock" can be just as risky as taking long and short positions.

SPECIFIC RISKS OF STOCK EXCHANGE

Fund May Lose Value:



There can be no guarantee that the invested funds will reach investment goals and past performance should not be seen as a guide to future returns. The value of investments and the revenue may fall as well as rise, so investors may not return the original amount invested in one or another financial instrument. The investments in financial instruments may be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic events and government, economic and monetary policy.

Interest Rate Risk:

Funds invested in bonds and other securities may fall in value in case of changes in interest rates. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to changes in interest rates.

Credit Risk:

Funds invested in bonds and other fixed income securities can bear risk that issuers may not make payment on such securities. The issuer who experiences negative changes in its financial condition may reduce the credit quality of securities which would lead to even greater price fluctuations in these securities. Lowering the credit rating of securities may also compensate for the security's liquidity, creating difficulties in selling them. Funds invested in debt securities of lower quality, are more susceptible to these problems and their value may be more volatile.

Currency Risks and Hedging:

Since funds and liabilities may be denominated in currencies other than the base currency of the deposit, changes in the control regulations or in exchange rates between the base and other currencies may positively or negatively affect the deposit. Changes in exchange rates may affect the value of the shares, dividends, interest, profit or loss. The exchange rate between currencies is determined by supply and demand in the currency exchange markets, international balance of payments, government intervention, speculation and other economic and political conditions. If the currency in which securities are denominated goes up against the base currency, securities will increase in value. And contrariwise, decline in the exchange rate of the currency will negatively affect the value of securities. Deposit funds can be used in transactions with foreign currencies in order to hedge currency risk. However, there is no guarantee that hedging or protection will be achieved. This strategy may also limit trader's profit on securities in case of the increase in the currency of securities versus the base currency.

Futures and Options in Stock markets:

Funds may be invested in options and futures on securities, indices and interest rates in order to manage the Investor portfolio more effectively. Also funds may be invested in futures and options or forward foreign exchange contracts to hedge market and currency risks. Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of futures contracts, therefore such transactions are supported by "leverage". A relatively small market movement will have a



proportionately larger impact, which may work for or against the investor. Placing of certain orders with the intent to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") of option generally entails a higher risk than purchasing of option. Although the premium received by the seller is fixed, the seller may suffer losses that far exceed this amount. Seller will also be exposed to the risk of Purchaser who exercises the option, and Seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by seller, who holds a corresponding position in the underlying investment or futures or other options, the risk can be reduced.

**Small
Capitalization:**

Stock trading platforms, which include companies with small capitalization, have greater risks than platforms investing in large companies. For example, small capitalization companies may have limited product lines, market, financial or managerial resources. As a result, prices for securities of small capitalization companies may be more volatile. Transaction costs for securities in small capitalization companies may be greater than those of companies with large market capitalization, and they may be less liquid.

Rating of Non-Investment Debts:

Credit risk is more pronounced for investments in securities with fixed income, with the rating below investment grade or comparable quality. The risk of default could be more serious and the market for such securities may be less active, creating difficulties in selling securities at reasonable prices, as well as making it difficult to evaluate securities. The stock market can incur additional expenses, if the issuer is insolvent and the market tries to recover some of its losses caused by bankruptcy or other similar processes.

SECONDARY RISK DISCLOSURE: HIGH RISK INVESTMENTS

Trading is very risky and speculative activity. Foreign Exchange Trading is highly speculative and suitable only for those clients who: (a) understand and wish to assume economic, legal and other risks involved, and (b) can financially afford significant losses in excess of margin or deposits. A Client, who represents, warrants and agrees that he comprehends these risks; a Client who is willing and able, financially or otherwise, to assume risks of Foreign Exchange Trading; and the loss of a Client's entire current account will not change Client's life style.

High Leverage and low margin associated with foreign exchange trading can lead to significant losses due to changes in prices for foreign exchange contracts and contracts for the cross - currency exchange rates. Marginal policy of companies may require additional funds as security deposit to Client's account and Client must immediately meet such margin requirements. Failure to maintain required margin



balance in the amount equal to or greater than 60% of the initial margin requirements may lead to the elimination of any open positions with resultant loss to Client.

If you have any questions, please contact us at info@solidaryprime.com

*Citizens of any country in the world can open an account with Solidary Prime LTD, EXCEPT the following countries:

- New Zealand
- United States of America
- Democratic People's Republic of Korea (North Korea)
- Eritrea
- Iran
- Iraq
- Liberia
- Libya
- Somalia
- Sudan
- Syria
- Japan
- Canada
- Virgin Islands, U.S.
- Puerto Rico

I have read, understand, and agree with all the information in this document.

Solidary Prime Ltd, 2022