

Risk Disclosure

1. Introduction

101investing, offered via the domain lp-101investing.com, is a brand name operated by FXBFI Broker Financial Invest Ltd (hereinafter, the “Company”) and is authorized and regulated by the Cyprus Securities and Exchange Commission to act as a Cyprus Investment Firm (CIF) with CIF License No. 315/16.

CySEC is the supervisory and the regulatory for Cyprus Investment Services Firms and is the member of the Committee of the European Securities and Markets Authority (ESMA). Our license is subject to the Law 87(I)2017 which provides for the provision of investment services, the operation of the exercise of investment activities, the operation of regulated markets and other related matters, which is harmonized with EU Regulation, MIFID II to ensure the high level of investor protection and the efficiency of the financial markets, as subsequently amended from time to time (hereinafter, “the Law”).

The Company’s products and services are intended for retail, professional or eligible counterparty

2. Scope of the Policy

This Risk Disclosure Policy (hereinafter, the “Policy”) is provided to the Company’s Clients and prospective Clients in accordance with the relevant Laws and Regulations. The Policy is included and/or is a part of the Terms and Conditions (hereinafter the T&C) of the Company, which should be accepted by the Clients. Before proceeding to the opening of the trading account and before trading, we advise our Clients and/or prospective Clients to carefully read the following risk disclosures and warnings contained in this document with regards to the derivative Financial Instruments offered by the Company for trading (such as CFDs).

However, it is noted that this Policy may not include all the risks involved when trading in CFDs.

3. General Risk Warning

The Client who decided to trade in Financial Instruments should not proceed in any investment without prior knowledge of the risks involved when trading in such complex and risky products and/or Financial Instruments offered.



The Clients should understand that all investments involve risks and may not be appropriate for all investors and may sustain a loss of invested capital. The Client should be aware of all the risks involved when trading in CFDs and seek independent professional expert advice if he/she has any doubts. The Company does not provide this service.

4. Technical Risks

a) The Company is responsible for losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems.

b) If the Client undertakes transactions on an electronic system, he/she will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his order is either not executed according to his/her instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

c) The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

d) At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's Platform(s)/system(s), especially in fast Market (for example, when key macroeconomic indicators are released).

e) The Client acknowledges that the internet may be subject to events which may affect his/ her access to the Company's Website and/or the Company's trading Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Website and/ or Trading System or delay or failure in sending orders or Transactions.

f) In connection with the use of computer equipment, data and voice communication networks, the Client bears the following risks amongst other risks in which cases the Company has no liability of any resulting loss:

- o Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;

- o Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client;



- o Outage (unacceptably low quality) of communication via the channels used by the Client, or the Company or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company;
- o Wrong or inconsistent with requirements settings of the Client Terminal;
- o Untimely update of the Client Terminal;
- o When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialling, when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel loads;
- o The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company;
- o Trading over the phone might be impeded by overload of connection;
- o Malfunction or non-operability of the Platform, which also includes the Client Terminal.

The Client may suffer financial losses caused by the materialization of the above risks, the Company accepting no responsibility or liability in the case of such a risk materializing and the Client shall be responsible for all the related losses he/she may suffer.

5. Trading Platform

The Client is warned that when trading in an electronic platform he/she assumes risk of financial loss which may be a consequence of amongst other things:

- (a) Failure of Client's devices, software and poor quality of connection.
- (b) The Company's or Client's hardware or software failure, malfunction or misuse.
- (c) Improper work of Client's equipment.
- (d) Wrong setting of Client's Terminal.
- (e) Delayed updates of Client's Terminal.

The Client acknowledges that only one order is allowed to be in the queue at one time. Once the Client has sent an order, any further Instructions sent by the Client are ignored and the "orders are locked" message appears until the first Instruction is executed.

The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable



source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.

The Client acknowledges that when the Client closes the order placing/ deleting window or the position opening/closing window, the order, which has been sent to the Server, shall not be cancelled.

Orders may be executed one at a time while being in the queue. Multiple orders from the same Client Account in the same time may not be executed.

The Client acknowledges that when the Client closes the Order, it shall not be cancelled.

In case the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one. The Client acknowledges that if the Pending Order has already been executed but the Client sends an instruction to modify its level, the only instruction, which will be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

6. Risks and Warning associated with transactions in Complex Financial Instruments (Derivatives Financial Instruments such as CFDs)

6.1. General

Although Derivative Financial Instruments can be used for the management of investment risk, some of these products are unsuitable for many investors. Different Derivative Financial Instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments the Client should be aware of the risks and factors contained in this document. However it is noted that this document cannot disclose all the risks and other important aspects of derivative financial instruments such Contracts for Differences (CFDs). Trading in CFDs is VERY SPECULATIVE AND HIGHLY RISKY and is not suitable for all members of the general public.

The Client should not deal in derivatives unless he/she understands the nature of the contract he is entering into and the extent of the exposure to risk. He/she should also be satisfied that the contract is suitable for him/her in the light of his circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle", may be as risky as a simple "long" or "short" position.

Whilst derivative instruments can be utilized for the management of investment risk,



some investments are unsuitable for many investors.

Different instruments involve different levels of exposure to risk, and in deciding whether to trade in such instruments you should be aware of the following points.

Prior to applying for an account the Client should consider carefully whether trading in derivative Financial Instruments and CFDs is suitable for him/her in the light of his/her circumstances and financial resources. Trading in derivative financial instruments and CFDs entails the use of “gearing” or “leverage”. In considering whether to engage in this form of trading, the Client should:

understand CFDs trading, the Underlying assets and the Markets. CFDs are derivative financial instruments deriving their value from the prices of the underlying assets/markets in which they refer to (for example currency, equity indices, stocks, metals, indices futures, forwards etc). Although the prices at which the Company trades are set by an algorithm developed by the Company, the prices are derived from the Underlying Assets/market. It is important therefore that the Client understands the risks associated with trading in the relevant underlying asset/market because fluctuations in the price of the underlying asset/market will affect the profitability of his/her trade.

The Company will not provide the Client with any advice relating to CFDs, the Underlying Assets and the Markets or make any investment recommendations. So, if the Client does not understand the risks involved he/she should seek advice and consultation from an independent financial advisor.

If the Client still does not understand the risks involved in trading in CFDs, he/she should not trade at all.

6.2. Leverage and Gearing

Transactions in foreign exchange and derivative Financial Instruments carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact on the funds the Client has deposited or will have to deposit; this may work against the Client as well as for the Client. The Client may sustain a total loss of initial Margin funds and any additional funds deposited with the Company to maintain his position. If the market moves against the Client’s position and/or Margin requirements are increased, the Client may be called upon to deposit additional funds on short notice to maintain his position. Failing to comply with a request for a deposit of additional funds, may result in closure of his/her position(s) by the Company on his/her behalf and he/she will be liable for any resulting loss or deficit, without derogating from Negative Balance Protection clause of the general Terms and Conditions.

6.3. Risk-reducing Orders or Strategies

The placing of certain Orders (e.g. "stop-loss" orders, where permitted under local law, or "stop limit" Orders), which are intended to limit losses to certain amounts, may not be adequate given that market conditions make it impossible to execute such Orders, e.g. due to illiquidity in the market. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions. Therefore, Stop Limit and Stop Loss Orders cannot guarantee the limit of loss.

Trailing Stop and Expert Advisor cannot guarantee the limit of loss.

6.4. Volatility

Some Derivative Financial Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of Derivative Financial Instruments is derived from the price of the Underlying Asset in which the Derivative Financial Instruments refer to (for example Currency Pairs, equity indices, metals, commodities and forwards or any other asset available for CFD trading with the Company according to the Company's discretion from time to time). Derivative Financial Instruments and related Underlying Markets can be highly volatile. The prices of Derivative Financial Instruments and the Underlying Asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company.

Under certain market conditions it may be impossible for a Client's order to be executed at declared prices leading to losses. The prices of Derivative Financial Instruments and the Underlying Asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place.

6.5. Margin

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Derivative Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the Underlying Market can have a disproportionately dramatic effect on the Client's trade. If the Underlying Market movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client's entire deposit/invested capital.

6.6. Liquidity



Some of the Underlying Assets may not become immediately liquid, as a result of reduced demand for the Underlying Asset and Client may not be able to obtain the information on the value of these or the extent of the associated risks.

6.7. Contracts for Differences

CFDs offer for trading from the Company are non-deliverable spot transactions giving an opportunity to make profit on changes in the Underlying Asset. If the Underlying Asset movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit. So, the Client must not enter into trading with CFDs unless he/she can bear the risks of losing entirely all his/her investments.

6.8. Contingent Liability Investment Transactions

Contingent liability investment transactions, which are margined, require the Client to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. The Margin requirement will depend on the underlying asset of the Financial Instrument. Margin requirements can be fixed or calculated from current price of the underlying instrument and it can be found on the website of the Company.

If the Client trades in Contracts for Differences, he/she may sustain a total loss of the funds he/she has deposited to open and maintain a position. If the market moves against the Client, he/she may be called upon to pay substantial additional funds at short notice to maintain the position. If the Client fails to do so within the time required, his/her position may be liquidated at a loss and he/she will be responsible for the resulting deficit. It is noted that the Company will not have a duty to notify the Client for any Margin Call to sustain a loss-making position. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the Client entered the contract.

Contingent liability investment transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose the Client to substantially greater risks.

6.9. Collateral

If the Client deposits collateral as security with the Company, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of the collateral depending on whether the Client is trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying or trading off-exchange. Deposited collateral may lose its identity as the Client's property once dealings on the Client's behalf are undertaken. Even if the Client's dealings should ultimately prove profitable, he/she may not get back the same assets which he deposited and may have to accept payment in cash.

6.10. Suspensions of Trading

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 under the rules of the relevant exchange trading is suspended or restricted.

Placing a Stop Loss will not necessarily limit the Client's losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

6.11. "Slippage"

Slippage is difference between the expected price of a Transaction in a CFD, and the price the Transaction is actually executed at. Slippage often occurs during periods of higher volatility (for example due to news events) making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

7. Charges and Taxes

The Provision of Services by the Company to the Client is subject to fees, available on the Company's website. Before the Client begins to trade, he/she should obtain details of all fees, commissions, charges for which the Client will be liable. It is the Client's responsibility to check for any changes in the charges.

If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), the Client should ensure that he understands what such charges are likely to amount to.

The Company may change its charges at any time.

There is a risk that the Client's trades in any Financial Instruments the trade may be or become subject to tax and/ or any other duty for example because of changes in legislation or his/her personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Company does not offer tax advice.

The Client is responsible for any taxes and/or any other duty which may accrue in respect of his/her trades.

It is noted that taxes are subject to change without notice.

It is noted that the Company's prices in relation to CFDs trading are set by the Company

and may be different from prices reported elsewhere. The Company's trading prices are the ones at which the Company is willing to sell CFDs to its Clients at the point of sale. As such, they may not directly correspond to real time market levels at the point in time at which the sale of CFD occurs.

8. Third Party Risks

The Company may pass money received from the Client to a third party (e.g. an intermediate broker, a bank, a market, a settlement agent, a clearing house or OTC counterparty located outside Cyprus) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.

The legal and regulatory regime applying to any such third party person will be different from that of Cyprus and in the event of the insolvency or any other equivalent failure of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Cyprus. The Company will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

The third party to whom the Company will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money. A Bank or Broker through whom the Company deals with could have interests contrary to the Client's interests.

9. Insolvency

The Company's insolvency or default, or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers) may lead to positions being liquidated or closed out without the Client's consent. In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund as stated below.

10. Investor Compensation Fund

The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Certain clients will be entitled to compensation under the Investor Compensation Fund where the Company fails. Compensation shall not exceed twenty thousand euro (EUR 20.000) for each entitled Client. For more details please refer to the “Investor Compensation Fund” found on our website.

11. Communication between the Client and the Company

The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

The Company has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.

The Client is fully responsible for the risks in respect of undelivered Company Online Trading System internal mail messages sent to the Client by the Company.

12. Force Majeure Events

a) In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the agreement with the Client. As a result the Client may suffer financial loss.

b) The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure event.

13. Abnormal Market Conditions

The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

14. Foreign Currency

When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client.

15. Advice and Recommendations

The Company will not advise the Client about the merits of a particular Transaction or give him/her any form of investment advice and the Client acknowledges that the Services do not include the provision of investment advice in CFDs or the Underlying Markets. The Client alone will enter into Transactions and take relevant decisions based on his/her own judgement. In asking the Company to enter into any Transaction, the Client represents that he/she has been solely responsible for making his/her own independent appraisal and investigation into the risks of the Transaction. He/she represents that he/she has sufficient knowledge, market sophistication, professional advice and experience to make his/her own evaluation of the merits and risks of any Transaction. The Company gives no warranty as to the suitability of the products traded under the Client Agreement and assumes no fiduciary duty in its relations with the Client.

The Company will not be under any duty to provide the Client with any legal, tax or other advice relating to any Transaction. The Client should seek independent expert advice if he/she is in any doubt as to whether he/she may incur any tax liabilities. The Client is hereby warned that tax laws are subject to change from time to time.

The Company may, from time to time and at its discretion, provide the Client (or in newsletters which it may post on its Website or provide to subscribers via its Website or the Trading Platform or otherwise) with information, recommendations, news, market commentary or other information but not as a service. Where it does so:

- the Company will not be responsible for such information,
- the Company gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences

of any related Transaction,

- this information is provided solely to enable the Client to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client,
- if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Client agrees that he/she will not pass it on to any such person or category of persons,
- the Client accepts that prior to dispatch, the Company may have acted upon itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that he/she will receive such information at the same time as other clients.

It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

16. No Guarantees of Profit

The Company provides no guarantee of profit or of avoiding losses when trading. The Client has received no such guarantees from the Company or from any of its representatives. The Client is aware of the risks inherent in trading and is financially able to bear such risks and withstand any losses incurred.

17. Regulatory and Legal Risk

A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.