



Risk Warning

AETOS Capital Group (UK) Limited

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RISK WARNING

IMPORTANT – PLEASE READ CAREFULLY

AETOS Capital Group (UK) Limited (referred to below as “we”, “us” or “our”) believe that our customers should be aware of the risks associated in entering into over-the-counter contracts for differences (**CFDs**) where the underlying includes foreign exchange contracts, metals, energy, stock indices and any other financial products we may offer through our online trading platform facility (**Online Facility**).

Our CFDs can carry a high risk to your capital as prices can move rapidly against you. As CFDs are leveraged products (i.e. you only deposit a fraction of the nominal value of the contract that you are investing in), if you are a Professional Client you can lose more than any initial investment and you may be required to make further payments to us to cover any losses which are greater than the amount of your initial investment or deposit, if you are a Retail Client you have Negative Balance Protection. Please note that the higher the leverage, particularly for trades that have no margin requirement, the higher the risks involved.

This notice does not explain all of the risks associated with entering into CFDs or how such risks relate to your personal circumstances. It is important that you fully understand the risks involved before making a decision to enter into a CFD. If you are in any doubt as to any of the risks involved, you should seek professional advice.

If you choose to enter into a CFD using the Online Facility, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your open CFD positions carefully.

1. RISK OF LOSS ACKNOWLEDGMENT

By placing orders using the Online Facility, you acknowledge that you have reviewed the contents of this Risk Warning in its entirety and understand the risks involved in trading CFDs. You further acknowledge and understand that such instruments are speculative, involve a high degree of risk, involve the use of leverage and are appropriate only for persons who can assume the risk of losses. Accordingly, you should never invest or risk money which you cannot afford to lose. You should not trade in CFDs unless you understand the nature of the contract you are entering into, your risk appetite, your risk exposure and your financial position. Before trading on the Online Facility, you need to ensure that: you are willing and able, financially and otherwise, to assume the risk of trading in CFDs; you understand the true extent of your exposure to the risk of loss; you have determined that trading in CFDs is suitable for you in light of your circumstances and



financial position; and you understand that you cannot hold us responsible for any losses arising from any CFD transactions entered into by you or on your behalf. By entering in a transaction on the Online Facility you acknowledge to us that you have read and understood this Risk Warning.

2. NO ADVICE

We do not provide investment, tax, legal, regulatory or financial advice relating to investments or possible trades in investments. Any information we provide is purely factual and does not take into account your personal circumstances (for example, information about trading processes or minimising potential risks). Therefore, you may wish to obtain independent professional advice from a suitably qualified advisor on any investment, financial, legal, regulatory, tax or similar matter before trading with us.

3. APPROPRIATENESS

Before we open an account with you, we are required to make an assessment of whether the products and/or services you have chosen are appropriate for you, and to warn you if, on the basis of the information you provide to us, any product or service is not appropriate. It is therefore very important that you provide us with correct and up to date information about your circumstances and financial position. Any decision to open an account and to use our products or services is yours and it is your responsibility to understand the risks involved.

Ultimately, it is also up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

4. CONTRACTS FOR DIFFERENCE

CFDs are a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument or thing (such as a foreign currency, metals, energy, or an index). CFDs can only be settled in cash.

Investing in CFDs carries a high degree of risk because the “gearing” or leverage” often obtainable means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment and this can work against you as well as for you. It is possible to lose more money than your initial deposit if you are a Professional Client, if you are a Retail Client you have Negative Balance Protection.

When you enter into any trade with us through the Online Facility, you will be entering into an off-exchange (**OTC**) derivative, which is non-transferrable. This means that you will enter into trades directly with us, and also that those trades (or “positions”) can only be



closed with us. This involves a greater risk than investing in a financial instrument which is transferable or dealing in an exchange-traded derivative, because your ability to open and close positions is solely dependent on the Online Facility being able to accept orders from you and execute them. Therefore, you can only open and close positions in our CFDs with us and nobody else.

In addition, all of your trades with us are settled in cash, and you do not have any rights to any underlying investment (including ownership or voting rights in any underlying instrument or thing).

You can only profit from our CFDs through changes in our prices, which is different from other assets, such as shares or currencies, where you can profit from real market fluctuations and where you may be entitled to dividends or interest.

5. MARGIN, GEARING AND LEVERAGE

Before you enter into CFDs with us, you will generally be required to deposit money with us. This is known as the “margin requirement”. The margin requirement is usually, but not always, a relatively small percentage of the contract value. This means that you will be using “leverage” or “gearing” and this can work for or against you. A small price movement in your favour can result in a high return on the margin requirement placed for the CFD, but a small movement against you may result in substantial losses.

At all times during which you have open positions, you must ensure that your account balance, taking into account all running profits and losses, is equal to at least the total margin requirement that we require you to have deposited with us. Therefore, if our price for the relevant CFD moves against you, you may need to provide us with significant additional funds to meet your margin requirement at short notice. If you do not do this, we will be entitled to close one or more of your positions. You will be responsible for any losses that you incur as a result. You should also note that under our terms of business, we are entitled to increase our margin rates at any time. If we do so, you may be required to deposit additional funds into your account to cover the increased margin rates. If you do not do this, we will be entitled to close one or more of your positions.

6. PRICE DIFFERENCES OF A TRADE

There is a risk that the price which you see through our Online Facility when you place an order will not be identical to the price at which the trade is executed. The corresponding price difference may put you at an advantage or a disadvantage. We attempt to generate prices on a continuous basis and to have the currently applicable prices shown on the Online Facility as quickly as possible. However, technical issues (e.g. the transfer rate of data networks or the quality of your internet connection, as well as rapid fluctuations in the



value of any underlying instrument or market) may lead to a change in the applicable price between the time the order is placed by you and the time that the relevant order is received by us or the order is executed by the Online Facility. Such changes to the applicable price are due to fluctuations in the underlying financial markets rather than arbitrary interventions made by us. If such changes occur, the order is generally executed at the price applicable when the order is executed by the Online Facility. Such price movements may work for or against you.

7. CURRENCY

If you trade in a market other than your base currency market, currency exchange fluctuations will impact on your profit and losses.

8. VOLATILITY

Any underlying financial markets or products on which the values of our CFDs are based may fluctuate rapidly and the prices of our CFDs will fluctuate accordingly. Any movements in underlying financial markets or products which affect the price of our CFDs will therefore have a direct and real time effect on your trades and account.

9. GAPPING

One form of price volatility that can happen regularly is called “gapping”. This occurs where there is a sudden shift in price from one level to another. Causes of gapping include unexpected economic events or market announcements, particularly where these occur outside trading hours. There may not always be an opportunity for you to place an order between these price levels, or for the Online Facility to execute a pending order at a price between those levels. Gapping can result in you incurring significant losses (or profits) on an affected trade. Certain markets also have limited trading hours which can impose a significant risk to your ability to place orders and close positions outside those trading hours.

10. PAST PERFORMANCE

Past performance is not an indication of future performance. The value of investments can go up as well as down.

11. COSTS AND CHARGES

Please be aware of all costs and charges that apply to you, because such costs and charges will affect your profitability. Details of our costs and charges are available on our website.

12. MONITORING YOUR POSITIONS

It is important that you monitor all of your open positions and account balance closely. It is your responsibility to monitor your open positions and account balance.

13. TECHNICAL RISKS

There is a risk that other circumstances may prevent us from executing orders, or prevent you from accessing the Online Facility, including system errors, outages, maintenance periods, internet connectivity issues or failures of third parties on whom you or we are dependent (e.g. internet services providers or utility companies). We have business continuity measures to deal with some of these issues, but in some circumstances you may not be able to access the Online Facility. These risks can pose a significant risk to the execution of your orders.

14. TRADES SHOULD NOT BE FINANCED BY CREDIT

If you fund your trades with us using credit (e.g. a bank loan or credit card), your risk will be significantly increased. If you make a loss using that money, you will still have to repay the amount that you have borrowed and also any applicable interest. Therefore, you must not rely on being able to redeem borrowed money with any profits from trades with us.

15. DEFAULT

In the unlikely that we suffer a financial default and are unable to meet our obligations, we are covered by the UK Financial Services Compensation Scheme (FSCS) which covers the first £50,000 of any claim. You should note that this scheme is normally available to retail clients and to some professional clients (as defined in the rules of the Financial Conduct Authority). However, any claims beyond the amount covered by the FSCS will be subject to the relevant insolvency regime (in relation to which we can provide further details on request).

16. TAX TREATMENT

The tax treatment of your trading activities depends on your individual circumstances and may be subject to change in future.



17. REGULATORY AND LEGAL RISK

A change in laws or regulations made by a government or regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment. The risk is unpredictable and may vary from market to market.