

# axi

## RETAIL RISK DISCLOSURE

AXICORP FINANCIAL SERVICES PTY LTD

ACN 127 606 348 AFSL 318232

This disclosure is a necessary addition to your Client Agreement with AxiCorp Financial Services Pty Ltd (“Axi”) and AxiCorp Financial Services Pty Ltd (DIFC Branch) (“DIFC Branch”) and should be acknowledged and signed by you. This disclosure is not intended to include all risks associated with the products provided to you by Axi and services provided to you by DIFC Branch. The products and services provided to you by Axi and DIFC Branch are detailed in your Client Agreement. In addition to your Client Agreement, the DIFC Branch should also provide you with this disclosure to outline the associated risks related to OTC Derivatives (“CFDs and FX” or “OTC Derivatives”).

Investing in OTC Derivatives carries a high degree of risk because the leverage often obtainable means that a small movement in the market may lead to a much larger movement in the value of your investment and this could work against you or for you. Most retail clients transacting in OTC Derivatives lose money.

This notice provides you with information about the risks associated with investment products, which you may invest in through services provided to you by Axi. OTC Derivatives are high risk financial products, which are not appropriate for everyone. It is important that you fully understand that it is your responsibility to remain aware of the risks inherited from these products, you have adequate financial resources to deal with them and that you monitor your positions closely.

This notice provides you with information about the risks but does not explain them nor how they relate to your personal circumstances. If you are in any doubt you should seek professional or legal advice before signing this document. If you are not sure that you understand a particular product, instrument, service or transaction; you should also first seek appropriate professional advice before entering into this agreement.

### Significant Loss Potential and No Guarantees

You should be aware that the risk of loss can be substantial when transacting in OTC Derivatives. You should carefully consider whether such transactions are suitable for you and only risk an amount of money you can afford to lose. You should also note that the funds you post as your initial deposit and the OTC positions you hold with Axi are not guaranteed. Axi may use these deposits against losses generated by your transactions. You are personally responsible for all losses resulting from these positions and in some cases, you may lose more than you deposited.

### Margin Trading & Leverage

This margin deposit allows you to trade more than the amount deposited, this is known as leverage. Any leverage you utilise will amplify your losses and you may rapidly lose all the funds you deposited as margin. In these instances, Axi and DIFC Branch may seek to recover these losses in an appropriate forum, such as a court of law.

Before you are able to trade with us, you would need to deposit funds with us, this is known as margin requirement. The margin requirement represents a percentage of your total contract value. As a result, you will be using ‘leverage’ which could work for you or against you. For example, a small movement on price in your favour and can mean a high return on the margin requirement placed on the contract. However, a small movement against you and could result in you losing a significant amount of money.

Axi offers a variety of risk management tools which could assist you in managing your risks. It is important to monitor your positions closely as the effect of leverage can mean the difference between a profit or a loss in a short period of time. You should also consider your account balance when you have open positions and your running profits and losses are equal to at least your total margin requirement which you must deposit. If the price moves against you, you may be required to deposit additional funds immediately, in order to meet your margin requirements; this is known as a margin call.

We also reserve the right to close one or more of your positions as per our Client Agreement. In such instances, you will be responsible for any losses incurred. If any additional amount is outstanding to us, we may seek to recover these losses in an appropriate manner, such as a court of law. We will from time to time, as per our Client Agreement; be entitled to increase our margin requirements at short notice. If we do so, you may be required to deposit additional funds into your account to cover the increased margin requirements. If you fail to do this, we are entitled to close one or more of your positions.

### OTC Contracts

Our OTC Derivatives are not listed on any exchange. The prices and other conditions have been set by us in accordance with our requirement to provide best execution (as per our best execution policy). Which is to act reasonably and in accordance with the applicable Client Agreement. Each OTC Derivative you open with us, would result in a Contract with us and is only closed only with us. The contracts traded on OTC Derivatives do not provide any right to the underlying instruments or voting rights.

### Performance Table

The below table displays the percentage of active clients that were profitable over the four most recently completed calendar quarters.

QUARTER	FX CFD	Other CFD
Q-3 2020	60.00%	0.00%
Q-4 2020	42.86%	25.00%
Q-1 2021	50.00%	20.00%
Q-2 2021	22.22%	25.00%

Past performance is not a reliable indicator of future results.

### Stop Loss Limits

Stop Loss Limits are set to limit your losses. However, during times of significant market volatility, limited liquidity, failure of electronic or telecommunications systems, or force majeure it may not be possible to give effect to Stop Loss Limits at the requested price. Stop losses are not guaranteed and you will remain liable for all losses.

### Tax Obligations

Axi is not responsible for the management of your tax affairs nor for providing returns on your behalf.

### Advisory

We do not monitor your positions and we do not provide investment advice relating to investments or possible transactions in investments as we are not permitted to do so. We can provide only factual market information and information about transaction procedures, potential risks and how these risks may be minimised, but the ultimate decisions are made by you.

### Conflicts of Interests and Inherent Conflicts

We are aware that the services and products we offer can create conflicts, therefore the firm has in place robust policies and procedures to identify, prevent and manage conflicts. We have compiled a list but, please be aware this is not an exhaustive list and other conflicts may arise in the course of your dealings with Axi.

Axi is the counterparty to all of your OTC transactions. When you sell, Axi will be the buyer. When you buy, Axi will be the seller. When you lose money on a transaction, Axi may make money on the same transaction in addition to fees and commissions it may charge you. Axi takes reasonable steps to ensure that it offers its clients the best prices available to it. All product specifications, including Spreads and Margins are published on the MT4 Trading platform and supersede any publication in our Product Schedule. The spreads quoted on MT4 reflect conditions in the underlying market and can substantially widen during news events and around the end of the trading session.

The prices offered to you depend on a number of factors including the transaction size, term of the product, our business relationship with you, the underlying market rates and any prevailing swap or rollover charges. There may be circumstances when these prices differ from those offered to other clients due to these factors.

We may pay or accept to/from third parties: benefits, commissions or remunerations which are paid or received as a

result of transactions conducted by a client. Axi employees may receive small gifts and minor hospitality from other parties with whom we have a business relationship with. However, any gift or hospitality must meet the requirements of our internal policies and does not impair our duty to act in the best interests of our clients or other legal or regulatory obligations. Employees are not permitted deal on their own account.

### Electronic Trading Platform

Electronic trading platforms, no matter how convenient or efficient, do not remove the risks associated with transactions.

An electronic trading platform for OTC transactions is not an exchange, as a result it does not connect to or route orders to an exchange. The connection is only electronic for communication purposes. Axi is regulated by DFSA and registered within DIFC. How you use the platform is governed only by your contract with Axi. The trading platform may not be regulated by a financial services regulator.

Furthermore, OTC services that you receive may be provided by another company, in another country, connected to Axi and DIFC Branch. Activities conducted in those countries are not regulated by the DFSA. You should seek information from DIFC Branch about which financial services regulator is responsible for regulating each of the products and services Axi provides to you before you commit any funds.

This risk disclosure does not disclose all risks associated with OTC transactions. You should carefully consider the amount of money you can afford to lose, before you commit funds for trading purposes. If you are not sure that you understand a particular product, instrument or transaction, you should first seek appropriate professional advice before entering into the product, instrument or transaction.

I acknowledge that I have received, read and understood the disclosure above.

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Client Name (Print)

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Client Signature

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Date