

RISK DISCLOSURE NOTICE

xChief Ltd.

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Trade Responsibly: Contracts for Difference (**CFDs**) are complex derivative instruments that are traded on margin (**Leveraged Products**). Margin trading carries a substantial degree of risk, as the use of leverage can significantly increase both potential gains and potential losses. Because of this, Leveraged Products may not be appropriate for every investor, and you should be aware that it is possible to lose the entire amount of your invested capital. You should never risk more than you can afford to lose. If you are uncertain whether trading is suitable for you, we recommend obtaining independent professional advice. Please take the time to read our **Risk Disclosure Notice** carefully for a full explanation of the risks associated with trading Leveraged Products.

1. SCOPE OF THE NOTICE

1.1 xChief Ltd (hereinafter referred to as the “Firm”, “we”, “us” or “our”) provides this Risk Disclosure Notice (hereinafter referred to as the “Notice”) for the purpose of informing the Client (hereinafter referred to as the “Client”, “you”, “your” or “yourself”) of the risks inherent in trading Contracts for Difference (CFDs). This Notice forms an integral part of the contractual framework between the Firm and the Client and must be read in conjunction with the Client Agreement, the Order Execution Policy, and any other applicable documentation or information made available on the Firm’s website.

1.2 The Client acknowledges and agrees that any decision to engage in CFD trading must be based on an informed judgment, taking into account the Client’s level of knowledge, investment experience, and individual financial circumstances. The Client further acknowledges that it is his/her responsibility to ensure full understanding of the nature, characteristics, and risks associated with CFDs before engaging in such transactions.

1.3 The Client acknowledges that CFDs are leveraged financial instruments. Trading CFDs carries a high risk of loss as price fluctuations are magnified by the degree of leverage applied. By way of illustration, a leverage of 1:50 means that a 0.5% change in the underlying price may result in a profit or loss of 25% of the invested capital. Notwithstanding the Firm’s provision of Negative Balance Protection (NBP), which ensures that losses will not exceed the Client’s initial investment, the risk of substantial losses remains significant.

1.4 The Client acknowledges that CFD trading may not be suitable for all investors and undertakes not to trade with capital exceeding the level he/she is prepared and able to lose.

1.5 Unless otherwise defined in this Notice, all capitalised terms shall have the meaning ascribed to them in Schedule A (Glossary) of the Client Agreement.

2. APPROPRIATENESS ASSESSMENT

2.1 Upon submission of the Account Opening Form, the Firm conducts an appropriateness assessment to evaluate whether the Client possesses the necessary knowledge and experience to understand the risks involved in CFD trading.

2.2 Based on the information provided by the Client, the Firm will assess his/her level of understanding and notify the Client of the outcome. If the assessment indicates insufficient knowledge or experience, the Firm may issue a warning. In such circumstances, the Client should refrain from CFD trading until adequate knowledge and experience are attained.

2.3 The Client acknowledges that receipt of the Firm’s assessment does not exempt him/her from the responsibility of carefully considering the risks associated with CFDs. The Client may familiarise himself/herself with trading by using a demo account prior to engaging in live CFD transactions.

3. NATURE OF CFDs

3.1 CFDs are contractual agreements to exchange the difference in value of a particular financial instrument or currency between the time the contract is opened and the time it is closed. CFDs enable Clients to replicate the economic exposure of trading without acquiring ownership rights to the underlying asset.

3.2 CFDs are over-the-counter (OTC) derivative products. Accordingly, the Firm acts at all times as the counterparty to the Client’s trades, and all CFD contracts are entered exclusively with the Firm. The Client’s ability to open and close positions is subject to the availability of the Firm’s trading platforms.

3.3 The Client acknowledges that trading CFDs does not grant rights to the underlying instrument, including but not limited to voting rights in the case of CFDs on shares.

3.4 The value of CFDs may fluctuate significantly during the trading day due to multiple factors, including but not limited to market conditions and the availability of market information.

4. PRICES AND COST

4.1 Prices quoted on the Firm's trading platforms are derived from the prices of underlying financial instruments provided by third-party liquidity providers. Prices of CFDs include a mark-up, consisting of (i) raw spreads received from liquidity providers, and (ii) an additional mark-up applied by the Firm, where applicable.

4.2 In respect of certain CFDs, the Client may be required to pay commission and/or other fees, including financing/overnight fees. Such charges are detailed on the Firm's website. Financing costs are calculated daily based on prevailing market interest rates and applied as swaps.

4.3 The Firm may act as a market maker in relation to Client trades. Accordingly, the Firm may realise profits from Client losses.

4.4 The Client shall not fund his/her account with borrowed capital, including but not limited to loans or credit facilities, as this significantly increases overall risk. In the event of losses, the Client remains liable for the repayment of any borrowed capital together with accrued interest and fees.

5. MARKET CONDITIONS, REQUIRED MARGIN, LEVERAGE AND STOP-OUT LEVELS

5.1 Trading CFDs permits the use of leverage, enabling the Client to open positions by depositing only a fraction of the total trade value. Consequently, small market movements may generate proportionally larger changes in the value of open positions.

5.2 The maximum leverage offered by the Firm is 1:500, subject to limitations that may apply to certain CFDs. Details are available on the Firm's website.

5.3 The Client acknowledges that financial markets may fluctuate rapidly due to factors beyond the control of the Firm. This may result in volatility, including price gapping. Under such circumstances, the Firm may not be able to execute orders at the requested price, and positions may be closed at less favourable prices, potentially resulting in losses.

5.4 Any modifications to the leverage level of a trading account may directly affect open positions and lead to a stop-out.

5.5 The Client bears sole responsibility for monitoring required margin levels and ensuring sufficient funds are maintained to prevent a stop-out.

5.6 Further information is provided in the Margin and Leverage section of the Order Execution Policy.

6. FOREIGN EXCHANGE AND OTHER RELATED RISKS

6.1 If a CFD is denominated in a currency other than the base currency of the Client's account, foreign exchange fluctuations may impact the value of the position. Currency conversion calculations are carried out by the Firm at the applicable cross-spot rate.

6.2 Changes in legal, regulatory, or tax regimes may adversely affect the Client's ability to trade CFDs.

7. TECHNICAL RISKS

7.1 The Firm endeavours to provide continuous access to its trading platforms. However, the Client acknowledges that interruptions, system errors, poor internet connectivity, or other technical issues may occur. Such issues may prevent the execution of orders at desired prices and may adversely affect trading outcomes.

7.2 Access to the Firm's trading platforms includes access through mobile applications, which may be subject to additional technical limitations.

8. CLIENT MONEY

8.1 If you are categorised as a Retail Client, any funds deposited with the Firm on your behalf will be maintained in one or more segregated accounts with credit institutions, and will be held separately from the Firm's own funds. Client funds may be pooled in omnibus accounts together with funds of other Clients (the "Omnibus Account"). Consequently, an individual Client shall not have a proprietary claim to a specific sum in a designated account but rather a claim against the Client Money balance in the aggregate.

8.2 Accounts maintained with credit institutions, including omnibus accounts, are subject to various risks, including the risk that such accounts may be treated as a single account in the event of institutional default. Under such circumstances, national deposit protection schemes may apply without regard to the beneficial ownership of the Omnibus Account. Furthermore, funds held in the Omnibus Account may be exposed to obligations of the Firm arising from the positions of other Clients, should the Firm be unable to meet such obligations.

8.3 In the event of a default or insolvency of the institution holding Client Money, where Client Money is partially or entirely unrecoverable, any resulting loss shall be borne by the Client and not by the Firm. In such an event, the Client shall have no recourse against the Firm for restitution.

9. NO ADVICE

9.1 The Firm may, from time to time, provide or make available market commentary, news, or other information (the "Material"). Such Material may include, without limitation, information concerning the financial markets, trading conditions, or other matters. The Client acknowledges that such Material is provided solely for marketing or informational purposes and does not constitute investment advice, investment research, or a recommendation to enter into any transaction.

9.2 Any decision by the Client to engage in a transaction shall be made independently, based on the Client's own assessment of his/her financial position, investment objectives, and risk tolerance. The Firm makes no representation and accepts no liability for any loss arising from reliance on such Material, whether prepared by the Firm, its employees, or third parties.

9.3 The Material is not prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Any opinions expressed in such Material may be personal to the author and may not reflect the views of the Firm.

9.4 The Firm does not provide investment, financial, legal, tax, regulatory, or other advice in relation to investments or CFD trading. Any Material, information, or features made available via the Firm's website, trading platforms, marketing or training events, or otherwise, are provided on a generic basis and shall not be construed as tailored advice based on the Client's personal circumstances.

9.5 The Client acknowledges that he/she must obtain independent professional advice from a suitably qualified advisor, where necessary, before engaging in CFD trading. The Firm bears no responsibility for any investment decision made by the Client without such independent advice.

10. PAST PERFORMANCE

10.1 The Client acknowledges that past performance, simulations, or forecasts in relation to CFDs do not constitute reliable indicators of future performance.

10.2 The value of an investment may decrease as well as increase, and the Client may not recover the amount initially invested. Market prices of the underlying financial instruments may move in either direction, resulting in both profits and losses.

10.3 The Client further acknowledges that no representation, warranty, or guarantee is given by the Firm as to the future performance of CFDs or the accuracy of any simulated or projected performance data made available by the Firm or third parties.