ADMIRAL MARKETS UK LTD SECURITIES TRADING RISK DISCLOSURE STATEMENT

Valid as of 19/04/2021

Admiral Markets UK Ltd (hereinafter referred to interchangeably as "**Company**", "**we**", "**our**", "**us**") is an investment firm authorised and by the Financial Conduct Authority (FCA) in the UK (FCA Firm Reference Number 595450). The aim of this securities trading risk disclosure statement is to provide the Company's clients (hereinafter referred to interchangeably as "**you**", "**your**", "**yours**", "**yourself**", "**Client**") with an overview of the basic (i.e., indicative, and not exhaustive) risks of securities trading.

1. Market risk

Market risk is a risk of investments declining in value because of economic developments or other events that affect the entire market. As a result of market risk, the Client may suffer losses due to the overall adverse price movement in the securities market or in a certain segment thereof. Adverse price movement may be caused, for instance, by poor economic indicators of the relevant state or branch of the economy, unstable economic environment, or unstable securities market.

2. Volatility risk

Volatility risk is the risk of changes in the value of a financial product. High volatility generally means that the value of a security can undergo dramatic upswings and/or downswings during a short period of time. Such high volatility can be expected more in illiquid or less frequently traded securities, than in liquid or more frequently traded securities. Due to volatility, an order placed by a Client may not be executed or may be partially executed due to rapid changes in market prices. In addition, volatility may cause price uncertainty of any market orders placed by a Client, as the price at which the order is executed can be substantially different from the last available market price, or may change significantly thereafter, resulting in real or notional losses.

3. Liquidity risk

Liquidity refers to the ability of market participants to buy and/or sell securities expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that the more the number of orders available in the market, the greater liquidity is. Liquidity is important due to the fact that with greater liquidity, it will be easier for a Client to buy and/or sell securities swiftly and with minimal price difference and, as a result, it is more likely that the Client will pay or receive a competitive price for their executed trades. Generally, lower liquidity can be expected in thinly traded instruments in comparison to liquid or more frequently traded instruments. Under certain market conditions (such as, in the event where there are no outstanding orders either on the buy side or on the sell side or if the trading of a security is halted due to any reason), it may be difficult or impossible for the Client to liquidate a position in the market at a reasonable price.

4. Speculative trading risk

Speculative transactions are placed in an attempt to profit from fluctuations in the market value of securities, rather than the fundamental value of a security and/or underlying attributes embodied in a security. Speculative trading results in an uncertain degree of gain or loss. Almost all investment activities involve speculative risks to some extent, as an investor is not aware if an investment will prove profitable or not.

5. Risk pertaining to price fluctuations by virtue of corporate announcements

Corporate announcements or any other material information may affect the price of securities. These announcements, combined with relatively lower liquidity of a security, may result in significant price volatility.

6. Systems risk

A systems risk is the prospect of a Client incurring a loss due to technical malfunctions in the systems of depositories, custodians, stock exchanges and other settlements of securities transactions. Such technical malfunctions may result in the delay of the execution, rejection of transactions, delay of post-transaction settlements, false transfers, and other events. Trading interruptions and/ or malfunctions due to, for instance, the slowness or temporary unavailability of an internet connection, may result to the Client incurring losses. In addition, high-volume trading may cause delays in order execution, as, during periods of volatility, the fact that market participants may continuously modify their order quantity or placing new/ multiple orders may be a reason for delays in order executions or rejections.

7. Regulatory/legal risk

Governmental policies, rules, regulations, laws and procedures governing exchange-trading are updated from time to time. Such regulatory actions and changes in the legal/regulatory ecosystem, including, but not limited to, changes in taxes/levies, may alter the potential profit of an investment in securities. In addition, some governmental policies may be focused more on some sectors than others, thereby affecting the risk and return profile of an investment.

8. Political risk

Political risk is a risk that in the state where the securities have been registered or where the issuer of the securities, which the Client has invested in, is located or registered, events occur that affect the political or economic stability or further development of the state or region, and as a result thereof, there may be a threat that the Client, in part or in full, loses their investments in the state or region, or suffers considerable losses on investments made. Political risks include, for instance, radical changes in the economic and legislative environment (e.g., nationalization processes), social and internal policy crisis situations (e.g., civil disturbances), etc.

9. Settlement system risk

Settlement system risk is the possibility that (primarily) technical failures in the systems and accounts or communication channels of registers of securities, stock exchanges, clearing houses and other institutions or other problems may cause the cancellation of transactions, delay of post-transaction settlements, false transfers, and other events, which may result in losses for the Client.

10. Currency risk

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Client’s own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

11. Information risk

Information risk is the risk of the Client not making reasoned decisions or making poor investment decisions due to the receipt of incomplete and/ or inaccurate and/ or inadequate information about securities, or an impediment/difficulty in receiving complete, accurate and adequate information for such securities. This may be due in turn to unreliable sources, misinterpretation of originally accurate information or communication errors.

Conclusion:

Securities trading is not suitable for all investors and involves risks that can lead to the loss of your invested capital. You should seek advice from an independent and suitably licensed financial advisor and ensure that you have the risk appetite, relevant experience and knowledge before you decide to trade. Past performance is neither a reliable indicator nor a guarantee of future results and/or returns.

This Securities Trading Risk Disclosure statement is available in English and other languages. In case of any discrepancies between the English version and versions in other languages, the English version shall prevail.